

About Axis Communications

Axis is an IT company offering network video solutions for professional installations. The company is the global market leader in network video, driving the ongoing technology shift from analog to digital network video. Axis products are used for security surveillance and remote monitoring in order to provide safety and security in society as well as in installations to optimize customers' business processes.

Axis is a Swedish-based company, operating worldwide with offices in more than 20 countries and cooperating with partners in more than 70 countries. Founded in 1984, Axis is listed on the NASDAQ OMX Nordic under the ticker AXIS. For more information about Axis, please visit our website at www.axis.com.

Axis mission

To be the driving force in bringing customers the full benefits of intelligent network video solutions.

Axis goal

Axis has the overall long-term financial goal of achieving a total average annual growth of at least 20 percent for the Group, a profit margin of at least 10 percent, and an equity/assets ratio in excess of 50 percent. Growth, continued profitability, and a stable financial base will create the right conditions for long-term growth in value for shareholders. In the short term, the overall objective is to maintain the company's position as the leader in the network video market.

The security and network video market

The market research institute IMS Research* forecasts that the total market for video surveillance (CCTV), covering, for example, surveillance cameras, recording equipment and video encoders, will continue growing. The total market was estimated by IMS to be worth USD 8.2 billion in 2009 and is expected to grow to USD 14.4 billion by 2014.

According to IMS Research, growth for network video products will be approximately 25-30 % over the next five years. By 2014, network camera sales are forecast to account for 50 % of total worldwide camera sales.

Axis is ranked as the market leader within network cameras and has reached this position through solid know-how about products and solutions, well-established sales channels, good relationships with partners and a portfolio featuring innovative products.

Product portfolio

As the world leader expert in network video, Axis develops innovative products, and offers the market's broadest product portfolio. Axis' products are primarily used in network applications for security systems and remote monitoring. The products provide maximum customer value through effective surveillance solutions, reduced costs, and increased flexibility and performance, such as in the form of scalable systems.

* IMS Research report "The World Market for CCTV & Video Surveillance Equipment", 2010

Axis' broad product portfolio consists of network cameras, video encoders, software and accessories. Axis was the first company in the world to launch a network camera in 1996, initiating the shift from analog to digital technology.

The portfolio of network cameras includes fixed network cameras, fixed dome network cameras, PTZ (pan/tilt/zoom) cameras and PTZ dome cameras. Axis also offers a full range of video encoders that helps customers to cost-effectively migrate analog CCTV systems into IP-based video solutions. Axis also supplies a full range of accessories, as well as video management software for remote viewing.

Since the first launch 1996, Axis has been the leader in network video solutions. Using strong powers of innovation, Axis has released a high rate of new products which have been well-received by the market. The releases have focused on network video products with HDTV image quality, thermal cameras and network video products which are easy to install for the customer.

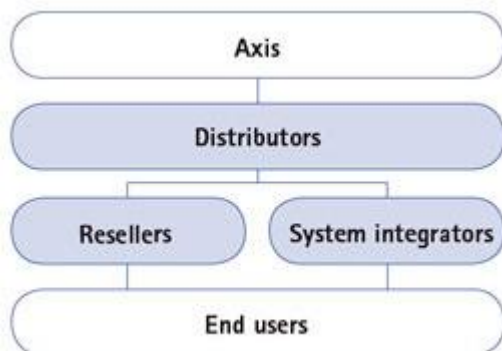
Technology leadership

The core of the Axis product offering is its in-house-developed IP-based technology platform. Axis' ARTPEC chip is regarded as an industry-benchmark core component within the image-compression areas. The technology enables easy installation and provides compact and powerful solutions so that equipment can be rapidly and securely connected to virtually any wired or wireless network.

Business model

Axis is dedicated to long-term partnerships and the company uses a two-tier business model, with distributors to reach resellers and system integrators.

All of Axis' network video products are sold through the channels of distributors and resellers whereas system integrators use Axis products as integrated parts of larger system installations. These include distributors such as ADI, Azlan/Tech Data, and Anixter.



Axis has more than 40,000 system integrators worldwide to ensure the best and most complete solution for every customer's purpose.

To further strengthen partner relations, Axis has developed several specialized partner programs. Axis Channel Partner Program covers system integrators and resellers. The

program is designed so that partners can generate business opportunities from Axis' market-leading position. Partners are continuously trained through participation in the ambitious training program, Axis Communications' Academy. The training is designed to educate system integrators and resellers in the benefits of network video generally and Axis products in particular.

The program for Application Development Partners (ADP) is an initiative that brings application developers closer to Axis while ensuring that there is a broad range of applications that includes the company's products. Axis also offers a program that is intended for consultants, A&E (Architecture & Engineering), and offers a series of outstanding tools for engineers and consultants who design IP security systems. The Axis Technology Partner Program includes industry-leading infrastructure partners which ensure compatibility and optimized installations for the end users.

Customer segments

Axis' end users range from large multinational corporations to small-to-midsize enterprises, which use the easy-to-install and safe Axis products and systems solutions in their installations to provide safety and security and optimize customer's business processes. Axis prioritizes six primary end-user segments for products sold under Axis' own brands. The segments are - **Education** (universities, schools, educational institutes), **Banking & Finance** (banks, post offices, insurance companies), **Retail** (stores, gas stations, supermarkets), **Transportation** (airports, railways, harbours, traffic surveillance, toll stations), **Government** (authorities, police, city surveillance, health care, prisons, museums, casinos), and **Industrial** (process industries, engineering, construction, pharmaceutical, energy companies).

Market leadership

Axis is the world's leading expert in network video. The market leadership is founded on more than two decades of success in developing core technologies and products for network connectivity, building strong sales channels, and forming key partnerships. With more than 3 million video channels installed, Axis has the experience to make it possible for the customers to stay one step ahead.

For further information, please contact:

Margareta Lantz, Investor Relations and Corporate Communications Manager, Axis Communications. Phone: + 46 46 272 18 92, e-mail: margareta.lantz@axis.com

More information about Axis can be found at www.axis.com