

Interim report January–March 2009

Strong currency effects on sales



- Net sales during the period amounted to SEK 532 M (438).
- Operating profit during the period totaled SEK 46 M (69).
- Profit before tax for the period amounted to SEK 46 M (68).
- Profit after tax for the period totaled SEK 33 M (49).
- Earnings per share during the period amounted to SEK 0.48 (0.71).

President's comments

The level of activity on the market for network video security installations is still relatively low, as was the case at the end of 2008, and the trend continues to be difficult to assess.

During the first quarter, the currencies have had a strongly positive impact on sales growth compared with the corresponding quarter of the preceding year. Americas region reported growth of 8 percent in local currency terms, while EMEA region and Asia

region reported negative growth of 13 percent in each region.

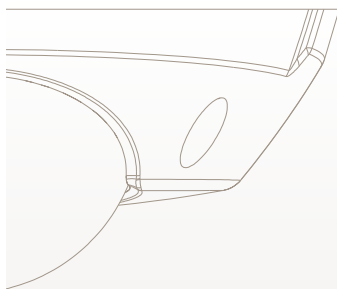
The high rate of recruitment at the end of last year resulted in increased costs during the first quarter of 2009. Recruitment of personnel has continued during 2009, but now at a considerably lower rate.

Ray Mauritsson
President

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 shift from analog to digital video surveillance. Axis products and solutions focus on security surveillance and remote monitoring, and are based on innovative, open technology platforms.*

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, under the ticker AXIS. For more information about Axis, please visit our web site at www.axis.com.





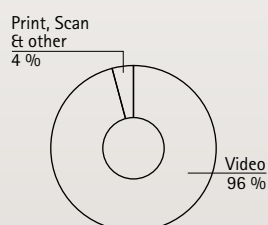
Sales

Net sales for the period January–March totaled SEK 532 M (438), an increase of 22 percent in Swedish kronor compared with the same period of the preceding year. Currency effects during the period impacted sales positively by SEK 114 M, compared with the same period of the preceding year.

Sales in the Video product area amounted to SEK 510 (410) during the first quarter, corresponding to a sales growth of 24 percent compared with the same period of the preceding year. The Video product area accounted for 96 percent of the total sales while the Print & Scan product area accounted for only 4 percent.

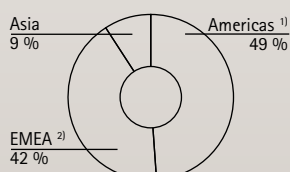
Sales in the Americas region amounted to SEK 259 M (174), generating growth of 8 percent in local currency terms and 49 percent in Swedish kronor. The Asia region reported sales of SEK 49 M (43), corresponding to growth of 14 percent in Swedish kronor and a negative growth of 13 in local currency terms. Sales in the EMEA region totaled SEK 223 M (220), corresponding to slightly positive growth in Swedish kronor and negative growth of 13 percent in local currency terms.

Invoiced sales per product group, Q1 2009



Product area Video represents 96 % of Axis' sales.

Invoiced sales per region, Q1 2009



¹⁾ Incl. North, South and Central America

²⁾ Incl. Europe, the Middle East and Africa

Region Americas is the largest region, followed by EMEA and Asia.

| Invoiced sales per product group, SEK M | Q1 2009 | Q1 2008 | Q2 2008 | Q3 2008 | Q4 2008 |
|-----------------------------------------|---------|---------|---------|---------|---------|
| Video | 509.7 | 409.5 | 472.9 | 522.4 | 480.4 |
| Print | 11.0 | 13.6 | 12.0 | 10.6 | 10.8 |
| Scan | 8.2 | 12.2 | 5.9 | 7.3 | 7.5 |
| Other | 2.7 | 2.3 | 3.0 | 2.8 | 1.7 |
| TOTAL | 531.6 | 437.5 | 493.8 | 543.0 | 500.5 |

| Invoiced sales per region, SEK M | Q1 2009 | Q1 2008 | Q2 2008 | Q3 2008 | Q4 2008 |
|----------------------------------|---------|---------|---------|---------|---------|
| EMEA | 223.0 | 220.5 | 249.0 | 234.7 | 243.2 |
| Americas | 259.2 | 173.8 | 211.7 | 263.4 | 203.6 |
| Asia | 49.4 | 43.2 | 33.1 | 44.9 | 53.7 |
| TOTAL | 531.6 | 437.5 | 493.8 | 543.0 | 500.5 |

Operating profit

The Group's operating profit amounted to SEK 46 (69), corresponding to an operating margin of 8.7 percent (15.7) for the first quarter. The gross margin was impacted slightly positively by currency effects and amounted to 55.8 percent (55.4).

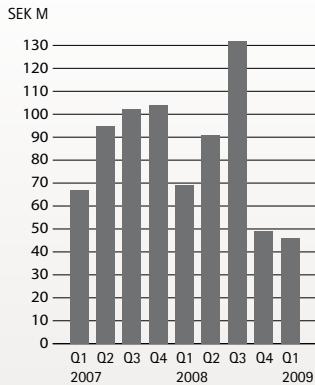
Profit before tax was SEK 46 M (68) and profit after tax was SEK 33 M (49). The total currency impact, including the effects of currency hedges, totaled SEK 18 M, compared with the same period of the preceding year.

| Condensed income statement, SEK M | Q1 2009 | Q1 2008 | Q2 2008 | Q3 2008 | Q4 2008 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Net sales | 531,6 | 437,5 | 493,8 | 543,0 | 500,5 |
| Gross profit | 296,7 | 242,5 | 277,6 | 297,8 | 269,2 |
| <i>Gross margin</i> | <i>55,8 %</i> | <i>55,4 %</i> | <i>56,2 %</i> | <i>54,8 %</i> | <i>53,8 %</i> |
| Operating profit | 46,4 | 68,5 | 91,6 | 131,1 | 49,4 |
| <i>Operating margin</i> | <i>8,7 %</i> | <i>15,7 %</i> | <i>18,6 %</i> | <i>24,1 %</i> | <i>9,9 %</i> |
| Pretax profit | 46,2 | 68,2 | 91,6 | 130,9 | 49,2 |

Cash flow and financial position

The cash flow from operating activities amounted to SEK 47 M. Net investments totaled SEK 7.2 M. Capitalized development expenses amounted to SEK 3 M during the period. Axis has

Operating profit / EBIT



SEK 253 M in cash and cash equivalents, as well as unutilized credit facilities of SEK 200 M. Accordingly, the company had a total of SEK 453 M at its disposal at March 31, 2009.

Shareholders' equity

Consolidated shareholders' equity totaled SEK 485 M. The total number of shares at the end of the period was 69,373,700. After full exercise of outstanding warrants, the number of shares amounts to 69,530,550. The Group's equity/assets ratio was 53.0 percent as at March 31, 2009 (64.4 percent as at March 31, 2008).

| (SEK M) | Share capital | Other contributed capital | Other reserves | Retained earnings | Total equity |
|-------------------------------------------|---------------|---------------------------|----------------|-------------------|--------------|
| Opening balance at Jan 1, 2008 | 0,7 | 275,0 | 13,7 | 262,0 | 551,5 |
| Total comprehensive income for the period | - | - | 3,2 | 49,2 | 52,4 |
| Closing balance at Mar 31, 2008 | 0,7 | 275,0 | 16,9 | 311,2 | 603,9 |
| Opening balance at Jan 1, 2009 | 0,7 | 275,0 | -36,8 | 202,2 | 441,1 |
| Total comprehensive income for the period | - | - | 11,1 | 33,1 | 44,2 |
| Closing balance at Mar 31, 2009 | 0,7 | 275,0 | -25,7 | 235,3 | 485,3 |

Business development

Product announcements after the end of the period

On April 1, in connection with the American security fair ISC West, Axis presented new network video products which attracted considerable interest from visitors at the fair.

AXIS P33 is a dome camera series incorporating a number of different network cameras. The cameras are intended for both indoor and outdoor use and offer video of HDTV quality with H.264 (image compression standard) and are suited for installations in public places, airports and railway stations, among other places. The outdoor cameras cope with extreme weather conditions and do not require any additional outdoor housings, which facilitates the installation.

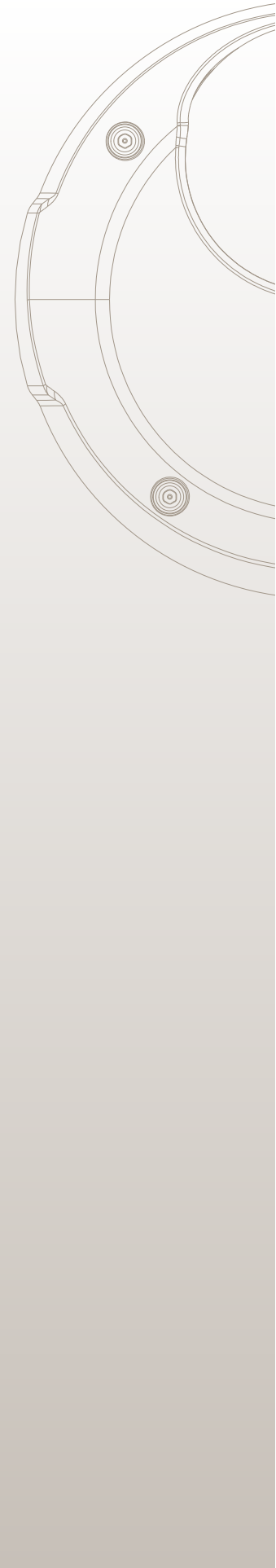


AXIS Q7404 is a video encoder offering four channels with H.264 compression, which means that four analog cameras can be connected and video can be converted to digital signals. The video encoders mean a cost effective offer to utilize the advantages of the digital system in existing analog systems.



Successful partner cooperation

During the period, Axis continued its efforts to educate the market in the shift from analog to digital surveillance. At the end of the period, Axis had more than 25,000 partners in Axis' partnership program (Channel Partner program) and more than 650 application developers in Axis' ADP program (Application Development Partners).



Customer installations

In March the Chipewa Valley school district in the American State of Michigan announced that they will install Axis' network cameras in order to increase security in a cost effective way. More than 600 network cameras and video encoders from Axis will be installed in the district's various compulsory and secondary schools during spring 2009.

Chipewa Valley is located in a suburb of Detroit and is the State's ninth largest school district with 15,000 students. The district needed a video solution in order to increase security, while at the same time, without it requiring too much staff resources. There were a number of reasons why the school district wanted to have a network video solution instead of an analog solution. Among other things, a network video solution offers superior image quality and the images are stored and handled centrally, but it can also be integrated in the district's existing system.

Strengthened supply chain

In March a configuration and logistics center (CLC) was established in Atlanta, Georgia, US. The establishment will further improve the supply of products to the American market, reduce environmental impacts, strengthen Axis' presence both in North and South America and offer enhanced service to the customers in the regions.

Global interest

During the first quarter of the year, Axis has participated in about twenty fairs all over the world. Axis' products have received attention and attracted considerable interest at a number of fairs including ISC West in the US, ISC Brazil in Brazil, Security Show in Tokyo, Intersec Middle East in Dubai, Eurocis in Germany, Security and Safety Technologies and ExpoRail in Russia.

Outlook for 2009

The network video market continues to be relatively weak with generally lower activity within all customer segments than in 2008. This means that it is still difficult to assess the future trend. In the long-term, we see continued strong growth potential for network video products in security installations, which means that Axis' goal of being market leader within network video remains unchanged.

The company's goal is to continue strengthening its position as the market leading supplier of network video solutions. To achieve the goals and meet the increasing competition, Axis will continue its focused strategy which involves the introduction of innovative network video products as well as advancing partnerships which provide a local presence globally.

The Axis share

The company's share is listed on NASDAQ OMX Nordic. The average daily trading volume during the period January 1 until March 31, 2009 amounted to SEK 7.4 M per day. On average, 164,134 shares per day were traded during the same period. The average share price during the period was SEK 45.82. The total number of shares in the company at the end of the period was 69,373,700.

Accounting principles

This interim report is prepared in accordance with the Swedish Annual Accounts Act and IAS 34, Interim Financial Reporting. For a description of the new amendments, interpretations and standards that became effective on January 1, 2009, refer to the Annual Report for 2008. One of the revised standards, the amendment to IAS 1 – Presentation of Financial Statements, has principally entailed changes in format of the Income statement and Changes in equity. The Axis Group has implemented IFRS 8, Operating segments, with effect from January 1, 2009. IFRS 8 replaces IAS 14, Segment reporting. The new standard requires 'a management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The introduction of IFRS 8 has not meant that the Group has identified any new operating segments compared with previously. To sum up, the new amendments, interpretations and standards that became effective on January 1, 2009 have not resulted in any changes in the Group's accounting principles. For information regarding the accounting principles applied in the preparation of this interim report, refer to the Annual Report for 2008.

Risks and uncertainties

Axis' operations are subject to a number of risks and uncertainties, which are described in the 2008 Annual Report. As of March 31, it is our assessment that no new significant risks or uncertainties have arisen.

The Parent Company

The Parent Company's operations are primarily focused on company-wide administration. The Parent Company has no employees. Operating profit amounted to SEK -0.6 M (-0.6). Cash and cash equivalents totaled SEK 58 M (280) and borrowing was 0 (0).

Reporting dates

Axis will report on the following dates in 2009.

- Half-year report – Wednesday, July 8
- Interim report, January-September – Friday, October 16

Annual General Meeting

The Annual General Meeting will be held on April 22, 2009 at 5:00 p.m. at Edison Park, Lund.

The Board of Directors proposes to declare a dividend in accordance with the company's policy of SEK 1.25 (SEK 1.25 ordinary dividend and SEK 3.25 extra dividend)

Lund, April 21, 2009

Ray Mauritsson
President

Consolidated (statement of) comprehensive income

| (SEK M) | Q1 2009 | Q1 2008 | Full-year 2008 | Q2 08–Q1 09 12 months |
|-----------------------------------------------------------------|--------------|--------------|-------------------|--------------------------|
| Net sales | 531.6 | 437.5 | 1 974.8 | 2 068.9 |
| Cost of sold products and services | -234.9 | -195.0 | -887.7 | -927.6 |
| Gross profit | 296.7 | 242.5 | 1 087.1 | 1 141.3 |
| Other revenues and changes in value | -25.9 | 3.8 | 8.8 | -20.9 |
| Selling and marketing costs | -120.9 | -94.5 | -403.8 | -430.2 |
| Administrative costs | -23.5 | -19.9 | -82.9 | -86.5 |
| Research and development costs | -80.0 | -63.5 | -268.6 | -285.1 |
| Operating profit | 46.4* | 68.5 | 340.6 | 318.6 |
| Financial expenses | -0.2 | -0.4 | -0.8 | -0.6 |
| Pretax profit | 46.2 | 68.2 | 339.8 | 318.0 |
| Tax | -13.1 | -19.0 | -87.4 | -81.5 |
| Net profit for the period | 33.1 | 49.2 | 252.4 | 236.5 |
| Other comprehensive income | | | | |
| Cash flow hedges | 14.4 | 6.8 | -48.7 | -41.1 |
| Hedging of net investments | -4.4 | 4.3 | -25.7 | -34.4 |
| Exchange rate differences | 3.7 | -4.0 | 3.8 | 11.5 |
| Tax attributable to components in other comprehensive income | -2.6 | -3.9 | 20.1 | 21.4 |
| Other comprehensive income for the period, net after tax | 11.1 | 3.2 | -50.5 | -42.6 |
| Net profit for the period | 44.2 | 52.4 | 201.9 | 193.9 |
| Total comprehensive income attributable to: | | | | |
| The Parent Company's shareholders | 44.2 | 52.4 | 201.9 | 193.9 |
| Earnings per share before dilution, SEK | 0.48 | 0.71 | 3.64 | 3.41 |
| Earnings per share after dilution, SEK | 0.48 | 0.71 | 3.63 | 3.41 |
| Average number of shares before dilution, thousands | 69 374 | 69 340 | 69 374 | 69 374 |
| Average number of shares after dilution, thousands | 69 432 | 69 450 | 69 452 | 69 432 |

*Net effects of hedging and changes in exchange rates in underlying liabilities and receivables denominated in foreign currencies have impacted operating profit negatively by SEK 27 M.

Cash-flow statement

| (SEK M) | Q1 2009 | Q1 2008 | Full-year 2008 | Q2 08–Q1 09 12 months |
|----------------------------------------------------------------------|-------------|-------------|-------------------|--------------------------|
| Cash flow from operating activities before change in working capital | 68.9 | 55.2 | 244.3 | 258.0 |
| Change in working capital | -22.3 | -27.6 | -41.9 | -36.6 |
| Cash flow from operating activities | 46.6 | 27.7 | 202.4 | 221.3 |
| Cash flow from investment activities | -7.2 | -14.9 | -55.3 | -47.6 |
| Cash flow from financing activities | - | 0.1 | -317.8 | -317.9 |
| Cash flow for the period | 39.4 | 12.8 | -170.7 | -144.2 |
| Cash and cash equivalents, beginning of period | 213.4 | 384.1 | 384.1 | 396.9 |
| Cash and cash equivalents, end of period | 252.8 | 396.9 | 213.4 | 252.8 |

Consolidated balance sheet

| (SEK M) | 09-03-31 | 08-03-31 | 08-12-31 |
|-------------------------------------------|--------------|--------------|--------------|
| Fixed assets | 103.4 | 95.4 | 105.8 |
| Inventories | 267.6 | 180.1 | 248.7 |
| Accounts receivable and other receivables | 292.6 | 265.7 | 291.4 |
| Cash and cash equivalents | 252.8 | 396.9 | 213.4 |
| Total | 916.4 | 938.1 | 859.3 |
| Shareholders' equity | 485.3 | 603.9 | 441.1 |
| Long-term liabilities | 47.5 | 11.6 | 30.8 |
| Current liabilities | 383.5 | 322.7 | 387.4 |
| Total | 916.4 | 938.1 | 859.3 |

Key figures

| | Q1 2009 | Q1 2008 | Full-year 2008 |
|----------------------------------------------|---------|---------|-------------------|
| Net sales growth (%) | 21.5 | 29.4 | 18.2 |
| Gross margin (%) | 55.8 | 55.4 | 55.0 |
| Operating margin (%) | 8.7 | 15.7 | 17.2 |
| Profit margin (%) | 8.7 | 15.6 | 17.2 |
| Depreciation/amortization (SEK M) * | 39.8 | 28.7 | 40.6 |
| Shareholders' equity (SEK M) | 485 | 604 | 441 |
| Capital employed (SEK M) | 495 | 721 | 472 |
| Interest-bearing liabilities (SEK 000s) | 0 | 6 | 0 |
| Net interest-bearing liabilities (SEK 000s) | -253 | -333 | -213 |
| Total assets (SEK M) | 916 | 938 | 859 |
| Return on capital employed (%) * | 65.9 | 56.4 | 64.1 |
| Return on total capital * | 35.9 | 40.0 | 38.4 |
| Return on equity (SEK M) * | 50.6 | 46.0 | 49.3 |
| Interest-coverage ratio (times) * | 531.0 | 437.9 | 411.9 |
| Net debt/equity ratio (times) | -0.5 | -0.6 | -0.5 |
| Equity/assets ratio (%) | 53.0 | 64.4 | 51.3 |
| Share of risk-bearing capital (%) | 57.1 | 70.0 | 54.0 |
| Capital turnover ratio (times) | 1.1 | 2.7 | 3.7 |
| Number of employees (average for the period) | 739 | 589 | 663 |
| Sales per employee (SEK M) | 2.8 | 3.0 | 3.0 |
| Operating profit per employee (SEK M) | 0.4 | 0.6 | 0.5 |

* The key figures have been recalculated to full-year values.

Per-share data

| | 09-03-31 | 08-03-31 | 08-12-31 |
|-----------------------------------------------------|----------|----------|----------|
| Share price at end of period, SEK | 47.20 | 118.50 | 57.50 |
| Dividend, SEK | 1.25* | 4.50* | 4.50 |
| P/E multiple | 25 | 42 | 16 |
| Earnings per share before dilution, SEK | 0.48 | 0.71 | 3.64 |
| Earnings per share after dilution, SEK | 0.48 | 0.71 | 3.63 |
| Average number of shares before dilution, thousands | 69 374 | 69 340 | 69 374 |
| Average number of shares after dilution, thousands | 69 432 | 69 450 | 69 452 |
| Number of shares outstanding (thousand) | 69 374 | 69 374 | 69 374 |

*Proposed dividend

Quarterly data

| Invoiced sales per product group (SEK M) | Q2 2006 | Q3 2006 | Q4 2006 | Q1 2007 | Q2 2007 | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Q4 2008 | Q1 2009 |
|------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Video | 249.3 | 268.7 | 324.1 | 309.2 | 368.2 | 412.7 | 439.8 | 409.5 | 472.9 | 522.4 | 480.4 | 509.7 |
| Print | 24.2 | 20.9 | 22.3 | 18.7 | 29.6 | 15.3 | 15.4 | 13.6 | 12.0 | 10.6 | 10.8 | 11.0 |
| Scan | 6.2 | 6.9 | 9.7 | 4.6 | 8.5 | 9.6 | 17.7 | 12.2 | 5.9 | 7.3 | 7.5 | 8.2 |
| Other | 3.4 | 4.8 | 4.9 | 5.7 | 4.0 | 6.5 | 5.7 | 2.3 | 3.0 | 2.8 | 1.7 | 2.7 |
| TOTAL | 283.1 | 301.3 | 361.0 | 338.2 | 410.3 | 444.2 | 478.6 | 437.5 | 493.8 | 543.0 | 500.5 | 531.6 |

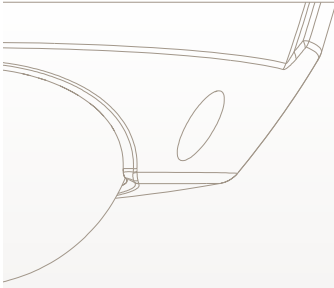
| Invoiced sales per region (SEK M) | Q2 2006 | Q3 2006 | Q4 2006 | Q1 2007 | Q2 2007 | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Q4 2008 | Q1 2009 |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| EMEA | 134.4 | 139.5 | 191.6 | 161.3 | 181.7 | 212.3 | 245.0 | 220.5 | 249.0 | 234.7 | 243.2 | 223.0 |
| Americas | 117.2 | 129.4 | 129.9 | 141.9 | 179.3 | 198.2 | 194.9 | 173.8 | 211.7 | 263.4 | 203.6 | 259.2 |
| Asia | 31.4 | 32.4 | 39.5 | 35.0 | 49.3 | 33.8 | 38.6 | 43.3 | 33.1 | 44.9 | 53.7 | 49.4 |
| TOTAL | 283.1 | 301.3 | 361.0 | 338.2 | 410.3 | 444.2 | 478.6 | 437.5 | 493.8 | 543.0 | 500.5 | 531.6 |

Parent Company income statement

| (SEK M) | Q1 2009 | Q1 2008 | Full-year 2008 |
|-----------------------------------------------|--------------|-------------|----------------|
| Net sales | 3.0 | 6.1 | 23.6 |
| Gross profit | 3.0 | 6.1 | 23.6 |
| Administrative costs | -3.6 | -6.7 | -26.3 |
| Operating profit | -0.6 | -0.6 | -2.7 |
| Result from participations in Group companies | - | - | 351.4 |
| Financial income | 7.3 | 46.5 | 30.3 |
| Financial expenses | -36.9 | -3.4 | -133.1 |
| Pretax profit | -30.2 | 42.5 | 245.9 |
| Change in tax allocation reserve | - | - | -78.5 |
| Tax | - | -11.9 | -50.4 |
| Net profit for the period | -30.2 | 30.6 | 116.9 |

Parent Company balance sheet

| (SEK M) | 09-03-31 | 08-03-31 | 08-12-31 |
|-------------------------------------------|--------------|--------------|--------------|
| Fixed assets | 2.3 | 2.3 | 2.3 |
| Receivables from Group companies | 412.1 | 324.3 | 364.6 |
| Accounts receivable and other receivables | 0.2 | 8.2 | 0.4 |
| Tax receivables | 25.4 | - | 32.0 |
| Cash and cash equivalents | 57.6 | 280.4 | 132.5 |
| Total | 497.6 | 615.2 | 531.8 |
| Shareholders' equity | 245.5 | 501.5 | 275.7 |
| Untaxed reserves | 187.4 | 108.9 | 187.4 |
| Tax liabilities | 1.0 | - | 0.8 |
| Current liabilities | 63.7 | 4.8 | 67.9 |
| Total | 497.6 | 615.2 | 531.8 |



Review report

We have reviewed this report for the period January 1 to March 31, 2009, for Axis Group AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements (SÖG) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Lund, April 21, 2009

Öhrlings PricewaterhouseCoopers AB

Bertil Johanson

Authorized Public Accountant

Auditor in charge

Analyst & Press Conference

Axis will hold a teleconference for media and financial analysts today.

Time: Tuesday, April 21 at 10 a.m.

Phone number: +46 (0)8 5052 01 10

Participants from Axis AB will be:

Ray Mauritsson, President and Fredrik Sjöstrand, CFO.

A recorded version of the teleconference will be available for ten business days on:

+46 (0)8 5052 0333, specify: 831744.

Or contact:

Margareta Lantz

Manager, Investor Relations & Corporate Communications

Tel: +46 (0)46 272 18 00

