

Interim report January - March 2014.

Ray Mauritsson, CEO

Fredrik Sjöstrand, CFO



The market leader in network video

Founded in
1984

65,000
partnerships in
179 countries

Own offices
in more than
40 countries

Total sales*

SEK

4.7
billion

Employees*

1627

*Year-end result 2013

Highlights Q1

- > Weaker sales than expected
- > Eastern Europe affected by current uncertainty
- > Stable gross margin
- > High pace in innovation and recruitment

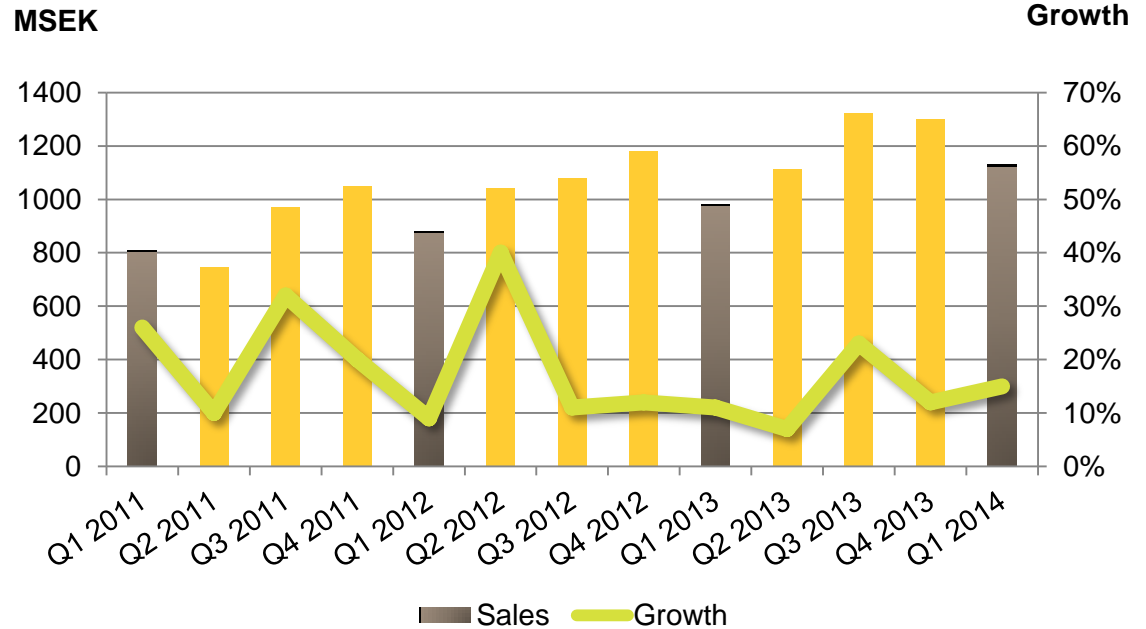


Sales Q1, 2014

Weaker sales in all regions

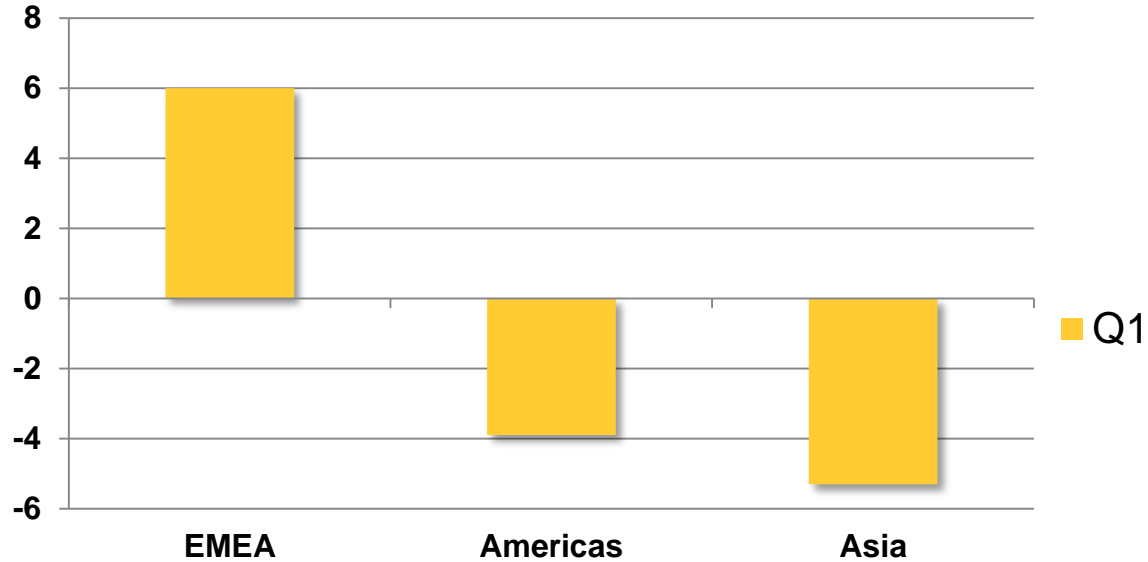
> January - March

- Sales of 1,129 MSEK (982)
- YoY growth of 15%
- YoY growth of 15% in local currencies



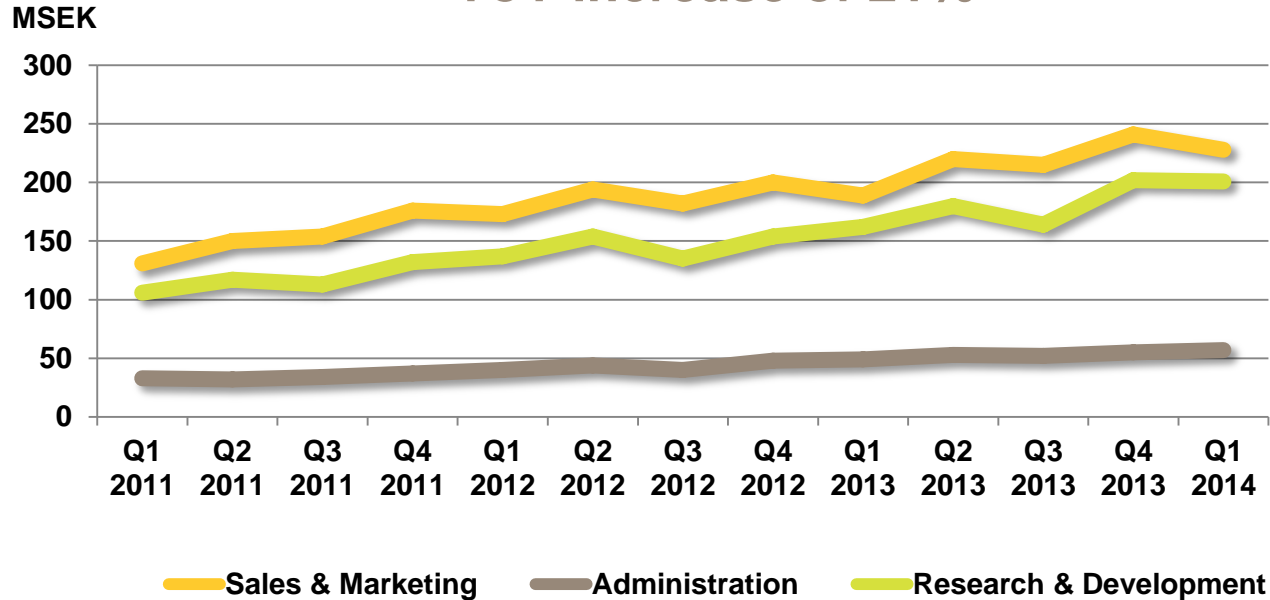
Regional currency effects Q1, 2014

Negative currency effect of 3,2 MSEK



Operating expenses Q1 2011 – Q1 2014

OPEX expenses of 486 MSEK
YoY increase of 21%

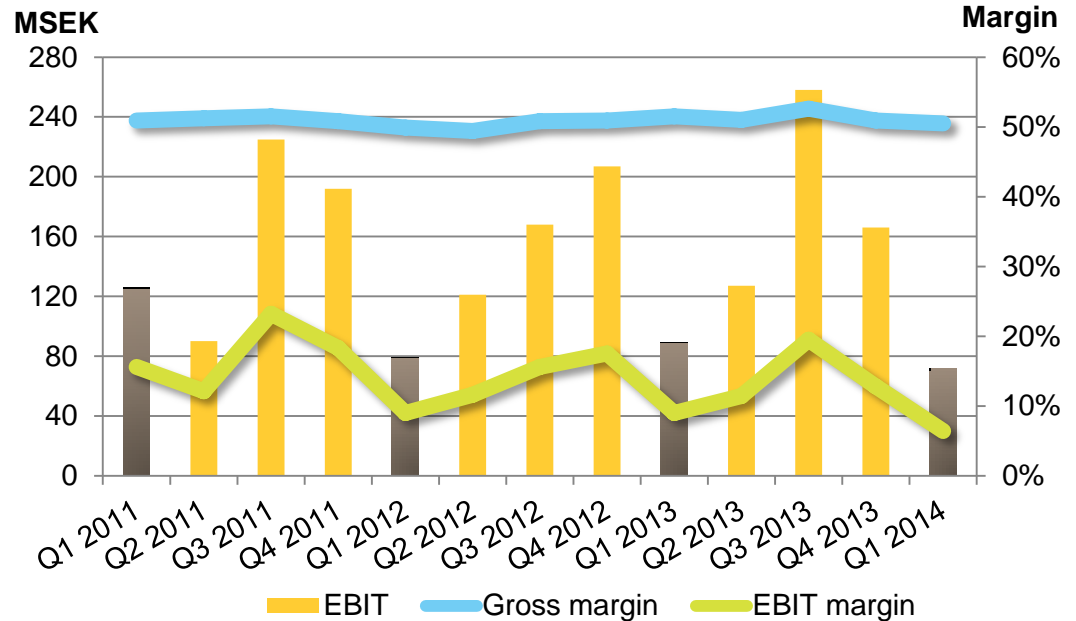


Margins Q1, 2014

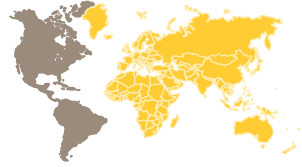
Gross margin on stable level

> January - March

- Gross margin of 50.5 %
(51.5 %)
- EBIT margin of 6.4 %
(9,1 %)
- Profit margin of 6.3%
(9.0 %)

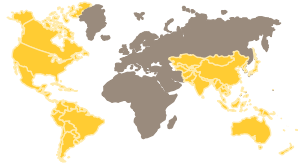
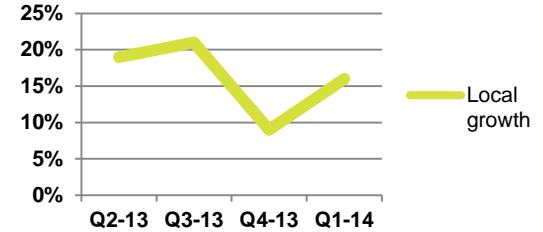


Regional development Q1, 2014



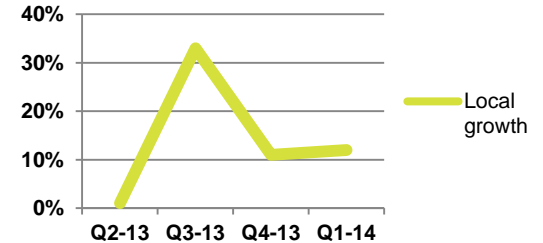
Americas
52%

- > Total sales of 591 MSEK (513)
- > Local growth of 16%



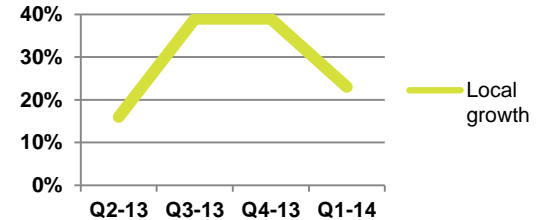
EMEA
36%
of sales

- > Total sales of 402 MSEK (353)
- > Local growth of 12%



Asia
12%
of sales

- > Total sales of 136 MSEK (115)
- > Local growth of 23%



Selection of product releases Q1, 2014

ACS 4.0



- > New functionality and features
- > Easy to install, use and manage

AXIS P-line



- > Stronger P-line offering
- > Several new competitively priced camera releases

AXIS Q60-S PTZ



- > Exceptional video surveillance
- > Ideal for mining, oil and gas, food and medical environments

Investing for long term growth

Continued market leadership

- > Investments in network video solutions
 - Strengthen partner network
 - Expansion in emerging markets
 - Continued investments in R&D
 - Innovative new solutions

Investing in new growth areas

- > Growing New Business initiatives
- > Key criterias for new businesses initiatives:
 - Leverage the global business model
 - Leverage technology know-how



Outlook

Short-term perspective

- > Unchanged view on current market growth
- > Uncertain situation in Eastern Europe

Long-term perspective

- > Good market conditions for a continued positive development within network video, 20-25% growth
- > Strong focus on innovation for future network video opportunities



