

CORPORATE BACKGROUNDER

About Axis

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 18 countries and cooperating with partners in more than 70 countries. Founded in 1984, Axis is listed on the Nordic List, Mid Cap and Information Technology exchanges. For more information about Axis, please visit our website at www.axis.com.

Axis' overall goal

Axis' overall goal is to further strengthen and develop the company's position as the market-leading supplier of network video solutions. Axis aims to drive the technology shift from analog to digital network-based security solutions and to continue to strengthen its position in this market. This is an area that is expected to continue growing rapidly, with excellent growth opportunities for Axis as a logical consequence.

Axis' business concept

Axis' business concept is to offer the market intelligent network-based products and solutions. The company is focused primarily on the rapidly growing market for network video solutions. In addition to this business area, Axis has a leading position as a supplier of print servers. Its products are primarily used in network applications for security systems and remote monitoring. These network products provide maximum customer value through effective surveillance solutions, reduced costs and increased flexibility and performance, for example in the form of scalable systems.

Axis' product portfolio

Axis specializes in professional network video solutions for surveillance and remote monitoring. Our range of products includes network cameras, video servers, video decoders, video management software, and a full range of accessories.

Since 1996, when Axis launched the world's first network camera for connection to an IP network, the company has been the leader in network video solutions. Axis currently offers a broad range of network cameras and video servers for a large number of applications, the most prominent solutions being in the areas of security and remote surveillance. Today, the portfolio comprises a broad range of video solutions, cameras and servers for installations ranging from entry level to professional level. For several years, Axis has been one of the world's leading brands in print servers, providing cost-efficient and user-friendly print functions without regard to network environment or printer type. With the market's broadest range of external print servers, Axis can meet the requirements of both small customers and large companies and organizations.

Axis' customers

Axis' end users range from large multinational corporations to small-to-midsize enterprises, which use Axis' products and systems solutions in their installations to optimize their business processes. Axis prioritizes six primary end-user segments for products sold under Axis' own brands. The

segments are: Education (universities, schools, education institutes), Banking & Finance (banks, post offices, insurance companies), Retail (stores, gas stations, supermarkets), Transportation (airports, railways, harbors, traffic surveillance, toll stations), Government (authorities, police, military, health care, prisons, museums, casinos), and Industrial (process industries, engineering, construction, pharmaceutical, energy companies).

Axis' way to the market

Axis uses a two-tier model for its sales process, utilizing distributors and resellers and system. Axis has established a consistent channel strategy and policy after more than 20 years of working with indirect business models. All of Axis' branded products have been and will continue to be sold through the channels of distributors and resellers. These include distributors such as Ingram Micro, Tech Data and Anixter. Axis is proud to have established global strategic partnerships with such prominent companies as Securitas Systems, Lenel and Honeywell.

Today, Axis has partners in more than 70 countries. In order to optimize the use of channels in the network market, Axis has developed a Channel Partner Program. The goal of the program is to bring the customers to the right level of recognition and resources to ensure success in their business.

Another important Axis tool is the company's successful Application Development Partner (ADP) program. This program is an initiative that brings application developers closer to Axis while ensuring that there is a broad range of applications that include the company's products. In addition, the ADP program extends Axis' presence to new market segments and new language areas.

Technology leadership

The core of the Axis product offering is its in-house-developed IP-based technology platform. Axis' ETRAX and ARTPEC chips are regarded as industry-benchmark core components within the network-management and communications and 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.

Market leadership

Axis' 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 around 1,000,000 professional network video products and more than 3 million networking products installed, Axis has the experience to meet the customer's needs.

Axis is recognized as one of the trust worthiest brands within the new IP-based surveillance industry. Research firms such as Frost & Sullivan and J.P. Freeman have recognized Axis as the leader in the global network video market, which is expected to reach a value of \$1.2 billion by 2010. In addition, Axis is the leading independent provider of print servers, which simplify printing in multi-platform environments by supporting virtually all printer models and networks using wired or wireless media.

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