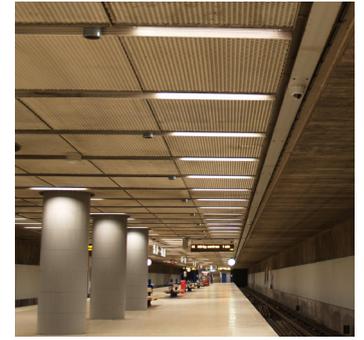


Interim report, January–September 2009

Improved sales over quarters



- Net sales during the period amounted to SEK 1,642 M (1,474), and sales amounted to SEK 568 M (543) for the third quarter.
- Operating profit during the period totaled SEK 188 M (291), and operating profit totaled SEK 95 M (131) for the third quarter.
- Profit before tax during the period amounted to SEK 187 M (291), and profit before tax amounted to SEK 94 M (131) for the third quarter.
- Profit after tax during the period totaled SEK 133 M (207), and profit after tax totaled SEK 66 M (94) for the third quarter.
- Earnings per share for the period amounted to SEK 1.91 (2.99).

President's comments

It is gratifying to be able to report a positive sales trend for Axis during the first nine months of the year. Sales have improved continuously and net sales for the third quarter amounted to SEK 568 M (543).

All the regions showed a positive sales trend between the second and third quarters. The greatest improvement in sales was displayed in the Asia region.

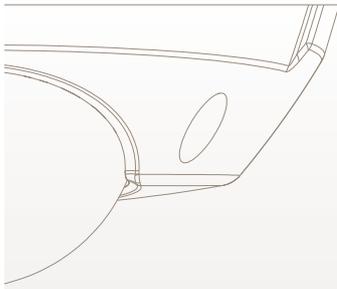
During the period, Axis continued to introduce a number of high quality network video products which were received with great interest on the market. Recruitments have continued during the third quarter and there were 776 employees (680) at the end of the period.

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

July–September, Third quarter

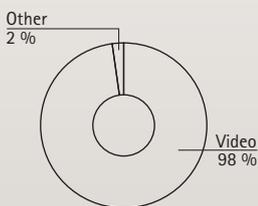
Net sales totaled SEK 568 M (SEK 543 M) during the third quarter, which is an increase of 5 percent compared with the same period of the preceding year. Currency effects during the period impacted sales positively by SEK 84 M (23).

Sales in the Americas region amounted to SEK 282 M (263) during the third quarter, corresponding to growth of 7 percent. There was negative growth of 11 percent in local currency terms. Sales in the EMEA region amounted to SEK 236 M (235) and were negative growth of 12 percent in local currency terms. The Asia region reported sales of SEK 51 M (45), which generated growth of 13 percent. There was negative growth of 5 percent in local currency terms.

January–September

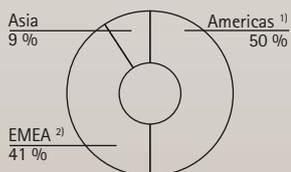
Net sales for the first nine months of the year amounted to SEK 1,642 M (1,474), an increase of 11 percent compared with the same period of the preceding year. Currency effects during the period impacted sales positively by SEK 316 M (-73).

Invoiced sales per product group, Q3 2009



Product area Video represents 98 % of Axis' sales.

Invoiced sales per region, Q3 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	Q3 2009	Q3 2008	Q1–Q3 2009	Q1–Q3 2008	Full year 2008	Q408–Q309 12 months
Video	558.1	522.4	1 599.1	1 404.8	1 885.2	2 079.5
Print	9.0	10.6	29.5	36.2	47.0	40.3
Scan	0.6	7.3	9.6	25.4	32.9	17.1
Other	0.3	2.8	3.7	8.0	9.7	5.4
TOTAL	568.0	543.0	1 641.9	1 474.3	1 974.8	2 142.4

Invoiced sales per region, SEK M	Q3 2009	Q3 2008	Q1–Q3 2009	Q1–Q3 2008	Full year 2008	Q408–Q309 12 months
EMEA	235.6	234.7	681.2	704.2	947.4	924.4
Americas	281.6	263.4	818.6	648.9	852.5	1022.2
Asia	50.8	44.9	142.1	121.2	174.9	195.8
TOTAL	568.0	543.0	1 641.9	1 474.3	1 974.8	2 142.4

Operating profit

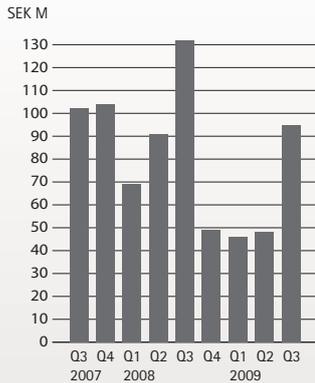
July–September, Third quarter

Operating profit during the third quarter amounted to SEK 95 M (SEK 131), corresponding to an operating margin of 16.7 (24.1) percent. Profit before tax was SEK 94 M (131). Profit after tax amounted to SEK 66 M (94). Changes in exchange rates impacted operating profit positively by SEK 10 M. The operating margin was weakened by tougher competition on a weak market and also by currency effects and amounted to 52.3 percent (54.8).

January–September

The Group's operating profit during the first nine months of the year amounted to SEK 188 M (291), corresponding to an operating margin of 11.4 percent (19.8). The gross margin fell slightly due to a somewhat weaker third quarter compared with the beginning of the year and totaled 54.2 percent (55.5). Profit before tax rose to SEK 187 M (291) and profit after tax increased to SEK 133 M (207). Changes in exchange rates had a positive impact of SEK 43 M on operating profit.

Operating profit / EBIT



Condensed income statement, SEK M	Q3 2009	Q3 2008	Q1-Q3 2009	Q1-Q3 2008	Full year 2008	Q408-Q309 12 months
Net sales	568.0	543.0	1 641.9	1 474.3	1 974.8	2 142.4
Gross profit	297.0	297.8	890.4	817.9	1 087.1	1 159.5
<i>Gross margin</i>	52.3 %	54.8 %	54.2 %	55.5 %	55.0 %	54.1 %
Operating profit	94.6	131.1	187.5	291.3	340.6	236.8
<i>Operating margin</i>	16.7 %	24.1 %	11.4 %	19.8 %	17.2 %	11.1 %
Pretax profit	94.3	130.9	186.6	290.6	339.8	235.7

Cash flow and financial position

Cash flow from operating activities amounted to SEK 138 M (230) during the period January–September. Net investments totaled SEK 39 M. Capitalized development expenses amounted to SEK 22 M during the period. Axis had SEK 235 M in cash and cash equivalents, as well as unutilized credit facilities of SEK 200 M. Accordingly, the company had a total of SEK 435 M at its disposal at September 30, 2009.

Shareholders' equity

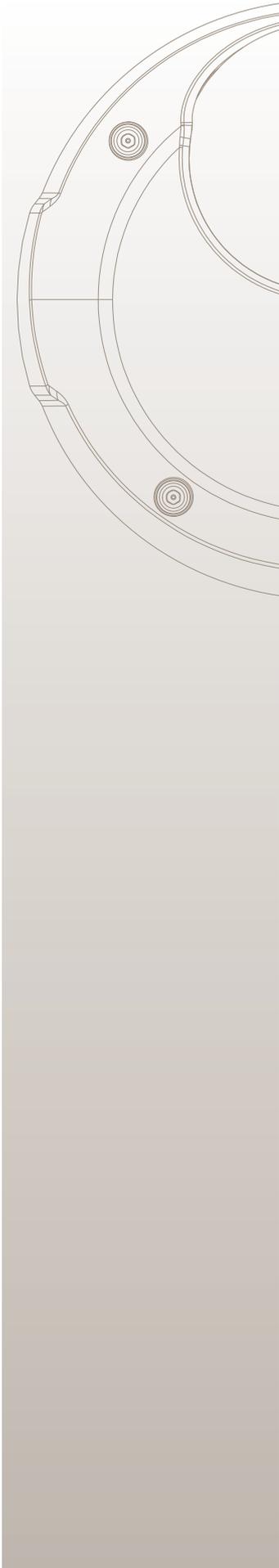
Consolidated shareholders' equity totaled SEK 539 M. The total number of shares at the end of the period was 69,373,700. After full exercise of outstanding warrants, the number of shares totaled 69,530,550. The Group's equity/assets ratio was 54.3 percent as at September 30, 2009.

(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	-	0.1	-15.1	207.2	192.2
Dividend	-	-	-	-312.2	-312.2
Closing balance at Sept 30, 2008	0.7	275.1	-1.4	157.0	431.5
Opening balance at Jan 1, 2009	0.7	275.0	-36.8	202.2	441.1
Total comprehensive income for the period	-	-	52.0	132.7	184.7
Dividend	-	-	-	-86.7	-86.7
Closing balance at Sept 30, 2009	0.7	275.0	15.2	248.2	539.1

Significant events during the period July–September

Axis maintains its strong market leading position for network cameras and further improves its position in the category – global vendors providing video surveillance equipment. This was published in the latest report from IMS Research*, which was released during the period. In the report, Axis is ranked as the world's fourth largest vendor providing video surveillance equipment compared with sixth place last year. Axis retains its position as number three in the world in the security cameras category, which includes analog as well as network cameras. Axis is identified as the clear market leader in the network cameras category. In the same report, IMS Research presented a growth figure of 28 % for network video products in 2010, an estimate that is very optimistic in the prevailing market conditions.

**The 2009 edition of the annual IMS Research report "The World Market for CCTV & Video Surveillance Equipment" is based on data compiled in 2008 and provides an overall view of the video surveillance market for both traditional analog manufacturers and the network video market where Axis is active.*



The broadest product portfolio on the market

During the period, Axis continued to introduce a number of high quality network video products. AXIS P5534 PTZ is a network camera suited to indoor environments that make strict demands on surveillance products e.g. airports, train stations and warehouses. The camera can monitor a vast area, and at the same time, offers the possibility of zooming in on specific areas.

Launching of open platform

Axis' goal is to make a broad range of Axis-compatible applications easily accessible for integrators and end users. AXIS Camera Application Platform was launched during the period and with that a new level of openness was introduced to the security industry. The open application platform means that all companies can develop applications for Axis' range of network cameras and video encoders. Axis is the first company in the industry to completely open its network video products for applications from third parties.

Introduction of the first ONVIF-compatible product

Axis, Bosch Security Systems and Sony Corporation initiated cooperation in 2008 in order to create ONVIF, an open forum for development of an interface standard for network video products. The new standard boosts the compatibility between different manufacturers' products, which enhances freedom and flexibility for end users and system integrators in choice of equipment. Axis introduced the first ONVIF-compatible product during the period, AXIS P3301 Fixed Dome Network Camera, which means that the network camera can easily be integrated in a security system along with network video products regardless of brand.

Outlook

We have seen a gradual improvement in sales of network video products during the period January to September, which is a positive trend in the current market situation. Demand for electronic components has increased on the world market. Restricted delivery capacity on the part of suppliers could lead to general component shortages during the next half year.

In the longer-term, we continue to see strong growth potential for network video products in security installations, and Axis' goal is to continue strengthening the company's 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 on the Mid Cap segment, under the ticker AXIS. Share trading during the period January 1 through September 30, 2009 averaged SEK 11.1 M per day. On average, 178,655 shares per day were traded during the same period. The average share price during the period was SEK 62.42. The total number of shares in the company at the end of the period was 69,673,700.

Nomination Committee

Axis' nominating committee is composed of representatives from the three largest shareholders; Therese Karlsson (LMK Industri AB), Christer Brandberg (Inter Indu (Luxembourg) S.à.r.l.) and Martin Gren (AB Grenspecialisten). Christer Brandberg is Chairman and Convener. Proposals and viewpoints from shareholders concerning the composition of the Board of Directors may be submitted in writing to the following address: Axis AB, Attn. Adrienne Jacobsen, Emdalavägen 14, 223 69 Lund, Sweden, or by phone on +46 46 272 18 00.

Annual General Meeting

Axis' Annual General Meeting will take place on April 21 at 5 p.m. in Lund. Venue to be announced subsequently.

Reporting dates

The year-end report for Axis AB will be presented on February 3, 2010.

Accounting principles

This interim report is prepared in accordance with the Swedish Annual Accounts Act and IAS 34, Interim Financial Reporting. For information on the accounting principles applied, see the 2008 Annual Report. The accounting principles are unchanged, compared with those applied in 2008.

Risks and uncertainties

Axis' operations are subject to a number of risks and uncertainties, which are stated in the Annual Report for 2008. As of September 30, 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. Sales totaled SEK 7.6 M (16.7). Operating profit amounted to SEK -1.8 M (-1.4). Cash and cash equivalents totaled SEK 70.6 M (56.1) and borrowing was SEK 0 M (0). No investments have taken place during the interim period.

Lund, October 16, 2009

Ray Mauritsson
President

Consolidated income statement

(SEK M)	Q3 2009	Q3 2008	Q1-Q3 2009	Q1-Q3 2008	Full year 2008	Q408-Q309 12 months
Net sales	568.0	543.0	1 641.9	1 474.3	1 974.8	2 142.3
Cost of sold products and services	-271.0	-245.2	-751.5	-656.4	-887.7	-982.8
Gross profit	297.0	297.8	890.4	817.9	1087.1	1 159.5
Other revenues and changes in value	-13.8	5.2	-64.5	12.6	8.8	-68.3
Selling and marketing costs	-94.8	-90.2	-329.0	-286.0	-403.8	-446.8
Administrative costs	-18.7	-19.7	-66.3	-60.3	-82.9	-88.9
Research and development costs	-75.1	-62.0	-243.1	-192.9	-268.6	-318.8
Operating profit	94.6	131.1	187.5	291.3	340.6	236.8
Financial expenses	-0.3	-0.2	-0.9	-0.6	-0.8	-1.0
Pretax profit	94.3	130.9	186.6	290.6	339.8	235.7
Tax	-28.3	-37.0	-53.9	-83.3	-87.4	-58.0
Net profit for the period	66.0	93.9	132.7	207.3	252.4	177.8
Other comprehensive income						
Cash flow hedges	20.7	-18.4	66.1	-14.0	-48.7	31.4
Hedging of net investments	9.3	-10.5	9.8	-5.4	-25.7	-10.5
Exchange rate differences	-4.5	8.2	-3.9	-1.2	3.8	-0.7
Tax attributable to components in other comprehensive income	-8.0	8.1	-20.0	5.4	20.1	-3.5
Other comprehensive income for the period, net after tax	17.5	-12.7	52.0	-15.2	-50.5	16.7
Net profit for the period	83.5	81.2	184.7	192.2	201.9	194.4
Total comprehensive income attributable to:						
The Parent Company's shareholders	83.5	81.2	184.7	192.2	201.9	194.4
Earnings per share before dilution, SEK	0.95	1.35	1.91	2.99	3.64	2.56
Earnings per share after dilution, SEK	0.95	1.35	1.91	2.98	3.63	2.56
Average number of shares before dilution, thousands	69 374	69 374	69 374	69 374	69 374	69 374
Average number of shares after dilution, thousands	69 420	69 469	69 420	69 469	69 452	69 420

*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 14 M (positively by 3) for the third quarter and negatively by SEK 66 M (positively by 5) for the first nine months.

Cash-flow statement

(SEK M)	Q3 2009	Q3 2008	Q1-Q3 2009	Q1-Q3 2008	Full year 2008	Q408-Q309 12 months
Cash flow from operating activities before change in working capital	63.1	105.5	203.0	236.8	244.3	210.5
Change in working capital	33.3	20.0	-64.8	-6.8	-41.9	-99.9
Cash flow from operating activities	96.4	125.5	138.2	230.0	202.4	110.6
Cash flow from investment activities	-10.5	-11.8	-39.1	-39.7	-55.3	-54.7
Cash flow from financing activities	9.5	0.0	-77.2	-317.8	-317.8	-77.3
Cash flow for the period	95.4	113.7	21.9	-127.6	-170.7	-21.3
Cash and cash equivalents, beginning of period	139.9	142.9	213.4	384.1	384.1	256.6
Cash and cash equivalents, end of period	235.3	256.6	235.3	256.6	213.4	235.3

Consolidated balance sheet

(SEK M)	Sept 30, 2009	Sept 30, 2008	Dec 31, 2008
Fixed assets	117.8	99.6	105.8
Inventories	224.4	176.9	248.7
Accounts receivable and other receivables	414.7	362.1	291.4
Cash and cash equivalents	235.3	256.6	213.4
Total	992.2	895.2	859.3
Shareholders' equity	539.0	431.5	441.1
Long-term liabilities	57.0	6.7	30.8
Current liabilities	396.2	457.0	387.4
Total	992.2	895.2	859.3

Key figures

	Q3 2009	Q3 2008	Q1-Q3 2009	Q1-Q3 2008	Full year 2008
Net sales growth (%)	4.6	22.2	11.4	23.6	18.2
Gross margin (%)	52.3	54.8	54.2	55.5	55.0
Operating margin (%)	16.7	24.1	11.4	19.8	17.2
Profit margin (%)	16.6	24.1	11.4	19.7	17.2
Depreciation/amortization (SEK M) *	38	41	38	41	40.6
Shareholders' equity (SEK M)	539	432	539	432	441
Capital employed (SEK M)	692	548	692	548	472
Interest-bearing liabilities (SEK 000s)	0	0	0	0	0
Net interest-bearing liabilities (SEK 000s)	-235	-257	-235	-257	-213
Total assets (SEK M)	992	895	992	895	859
Return on capital employed (%) *	40.7	69.4	40.7	69.4	64.1
Return on total capital *	25.6	43.8	25.6	43.8	38.4
Return on equity (SEK M) *	35.5	57.9	35.5	57.9	49.3
Interest-coverage ratio (times) *	226.8	531.2	226.8	531.2	411.9
Net debt/equity ratio (times)	-0.4	-0.6	-0.4	-0.6	-0.5
Equity/assets ratio (%)	54.3	48.2	54.3	48.2	51.3
Share of risk-bearing capital (%)	64.0	60.4	63.8	60.4	54.0
Capital turnover ratio (times)	3.7	3.4	3.7	3.4	3.7
Number of employees (average for the period)	777	668	760	631	663
Sales per employee (SEK M)	2.8	2.9	2.8	3.1	3.0
Operating profit per employee (SEK M)	0.3	0.6	0.3	0.6	0.5

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

Per-share data

	Sept 30, 2009	Sept 30, 2008	Dec 31, 2008
Share price at end of period, SEK	73.75	76.25	57.50
Dividend, SEK	1.25	4.50	4.50
P/E multiple	29	19	16
Earnings per share before dilution, SEK	1.91	2.99	3.64
Earnings per share after dilution, SEK	1.91	2.98	3.63
Average number of shares before dilution, thousands	69 374	69 374	69 374
Average number of shares after dilution, thousands	69 420	69 469	69 452
Number of shares outstanding (thousand)	69 374	69 374	69 374

Quarterly data

Invoiced sales per product group (SEK M)	Q4 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009
Video	324,1	309,2	368,2	412,7	439,8	409,5	472,9	522,4	480,4	509,7	531,3	558,1
Print	22,3	18,7	29,6	15,3	15,4	13,6	12,0	10,6	10,8	11,0	9,5	9,0
Scan	9,7	4,6	8,5	9,6	17,7	12,2	5,9	7,3	7,5	8,2	0,8	0,6
Other	4,9	5,7	4,0	6,5	5,7	2,3	3,0	2,8	1,7	2,7	0,6	0,3
TOTAL	361,0	338,2	410,3	444,2	478,6	437,5	493,8	543,0	500,5	531,6	542,2	568,0

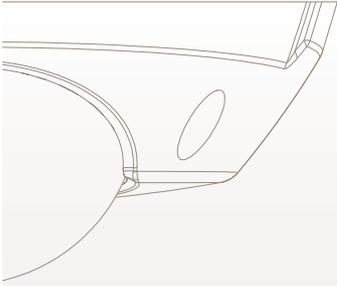
Invoiced sales per region (SEK M)	Q4 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009
EMEA	191,6	161,3	181,7	212,3	245,0	220,5	249,0	234,7	243,2	223,0	222,5	235,6
Americas	129,9	141,9	179,3	198,2	194,9	173,8	211,7	263,4	203,6	259,2	277,8	281,6
Asia	39,5	35,0	49,3	33,8	38,6	43,3	33,1	44,9	53,7	49,4	41,9	50,8
TOTAL	361,0	338,2	410,3	444,2	478,6	437,5	493,8	543,0	500,5	531,6	542,2	568,0

Parent Company income statement

(SEK M)	Q1-Q3 2009	Q1-Q3 2008	Full-year 2008
Net sales	7,6	16,7	23,6
Gross profit	7,6	16,7	23,6
Administrative costs	-9,4	-18,1	-26,3
Operating profit	-1,8	-1,4	-2,7
Result from participations in Group companies	-	-	351,4
Financial income	55,2	40,6	30,3
Financial expenses	-75,0	-23,4	-133,1
Pretax profit	-21,6	15,8	245,9
Change in tax allocation reserve	-	-	-78,5
Tax	5,7	-4,4	-50,4
Net profit for the period	-15,9	11,4	116,9

Parent Company balance sheet

(SEK M)	Sept 30, 2009	Sept 30, 2008	Dec 31, 2008
Fixed assets	2,3	2,4	2,3
Receivables from Group companies	299,4	173,2	364,6
Accounts receivable and other receivables	1,1	1,0	0,4
Tax receivables	54,4	53,7	32,0
Cash and cash equivalents	70,6	56,1	132,5
Total	427,8	286,4	531,8
Shareholders' equity	173,1	174,6	275,7
Untaxed reserves	187,4	108,9	187,4
Tax liabilities	1,0	0,7	0,8
Current liabilities	66,3	2,2	67,9
Total	427,8	286,4	531,8



Review report

We have reviewed this report for the period January 1 to September 30, 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 Annual Accounts Act, regarding the Parent Company.

Lund, October 16, 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, October 16 at 10 a.m.

A presentation is available on <http://www.axis.com/corporate/investor/index.php>

Time: Friday, October 16, at 10 a.m.

Phone number: + 46 (0)8 50520110

Specify Axis Communications.

Or contact:

Margareta Lantz

Manager, Investor Relations & Corporate Communications

Phone: +46 (0)708 901892

