

For immediate release:

AXCESS INTERNATIONAL REPORTS THIRD QUARTER 2008 RESULTS

Dallas – November 14, 2008 – Axxess International Inc., (OTCBB: AXSI) a leading provider of wireless business activity automation solutions, today reported results for the third quarter ending September 30, 2008.

Highlights for the Third Quarter Ended September 30, 2008

- Third Quarter 2008 Revenue of \$511k up over \$487k in Second Quarter 2008
- Third Quarter 2008 Revenue up \$230k or 81% versus 3Q 2007
- Fourth Quarter Bookings and Backlog Shows Growth at Same Relative Pace
- Growth Revenues from Installed Systems Strong at 17% of Total Revenues YTD
- Third Quarter Gross Margin Remained Strong at 51%
- Loss Per Share for the Third Quarter of \$0.04 Within Expectations
- Closed \$600,000 Equity Private Placement
- New Micro-Wireless Technology Called DotTM Continues as World's Only FCC Approved Hybrid Passive and Active Radio Frequency Identification (RFID)/Real Time Location System (RTLS) Solution

"Third quarter revenue increased over the second quarter as previously announced. New customer wins came from our growth platform applications: automatic asset management; fleet management; advanced workforce management; and personnel and trade show attendee tracking. We successfully introduced a new and potentially significant application in miner safety. We also received an order in a new vertical market for the control of confiscated weapons in metropolitan police departments," said Allan Griebenow, president and CEO of Axxess. Mr. Griebenow further stated, "Our channel partner relationships continue to strengthen and we continue to see a strong interest internationally, both of which continue to point to an ever-maturing and large market.

"Our new Micro-Wireless technology platform, DotTM continues to be best-of-breed, operating in the combined technology and economic "sweet spot" for providing the most feature rich, reliable, and cost effective wireless solutions for local area automated tracking and sensing. DotTM today remains the world's smallest, lowest cost and most powerful battery-powered wireless computer. It provides the most flexible tagging and wireless labeling platform for supporting the wide variety of automated wireless activity monitoring applications. DotTM eclipses the nominal personnel productivity enhancements of short range RFID and handheld wireless. It is driving rapid return, profoundly transformational enterprise-wide automation across multiple industries."

Corporate and Industry Developments

Axxess systems wirelessly enable virtually all things in the enterprise. The Company's revolutionary Micro-Wireless technology platform called DotTM is uniquely designed to address the automated local business activity monitoring needs of manufacturing, the enterprise, oil and gas, utilities, education, entertainment, government and the military. DotTM is based on a revolutionary single low cost flexible chip. DotTM eclipses other wireless technologies such as cell phones, EPC-RFID, Ultra-Wideband (UWB), Zig-Bee, Wi-Fi, and Bluetooth which are not suited to the automated monitoring of personnel and assets in the enterprise because of unacceptable cost, size, reliability, infrastructure, and power consumption constraints.

Dot turns manual access control badges into wireless personnel credentials for advanced workforce management, safety, and security. It transforms name tags and passes via wireless automated identification to enable individualized education and entertainment. It turns manual property labels into wireless asset tags capable of automating enterprise asset management and protection. Vehicle parking passes become wireless for high speed lot access and local location determination. Dot turns short range RFID product tagging into reliable, automated local area inventory, tracking and protection solutions. It also wirelessly connects micro-sensors for automated monitoring and detection.

In the third quarter, orders were received in a number of application areas reflective of Axxess' product advantages including secured building visitor tracking, trade show patron tracking, industrial advanced workforce management, automated asset control, casino key protection, and fleet vehicle payload management.

Reflective of the technological advantage in local personnel tracking, Axxess received a new customer order for visitor management from a foreign government. In the highly secure facility, the Axxess wireless personnel credential is assigned to visitors to track their whereabouts and to ensure they are accompanied. Axxess' automated solution uses customer specific business rules to assess a security risk and then automatically alert security personnel. Its use in the highly secure facility reflects the reliability of the Axxess tagging technology. Axxess has provided this solution in the U.S. to monitor visitors in facilities where U.S. Defense Department work was being performed.

In the quarter, Axxess received a new customer order for an asset control solution in a new vertical market, metropolitan city police departments. The tagging of confiscated weapons and their electronic monitoring and control secures them in property and evidence rooms. The application highlights Axxess' experience in reliable and secure Micro-Wireless tagging in security applications.

Also in asset tracking and control, the Company fielded a solution for a Government contractor for the tracking and inventory control of raw and finished goods industrial materials in "laydown" yards. The solution successfully illustrated the flexibility, reliability, location accuracy, and economics of the technology for industrial inventory management. Axxess has previously provided industrial container tracking and inventory control solutions.

Axxess successfully implemented its system in coal mines in West Virginia and elsewhere to provide automated miner tracking for improved safety and emergency evacuation accounting. The solution utilizes existing backbone communications throughout the mine tunnels to automatically monitor and track workers and to continually assess in real time their location and timely exit. The system automatically sends electronic alerts to pre-set conditions including emergency evacuation status. The unique nature of the Micro-Wireless system lets the wireless personnel credentials be re-programmed automatically when entering and exiting the mine shafts to provide constant miner tracking and location determination monitoring.

The Dot's unique ability to provide full featured, economical wireless personnel badges successfully enhanced the trade show experience for over 10,000 attendees at a large European conference and exhibition in September. The system provided an advanced information data collection capability for trade show attendee activity. It provided the patron an enhanced and more productive trade show experience by enabling information to be tailored to their specific desires. It also gave valuable tracking data to the show operator to improve the show's effectiveness. The Dot's reliable tracking capability combined with its low cost enabled the tags to be disposable at the conclusion of the conference.

Axcess' best-of-breed technology position continues to be based on multiple design factors:

- the utilization of the best wireless frequency for robust local signal transmission;
- an adaptive tag anti-collision transmission protocol for reliability;
- tag antenna design optimized to overcome in-the-field idiosyncrasies;
- a low frequency tag wake-up approach for efficient, only-on-demand tag transmission;
- patented tag power conservation circuitry for extended battery life;
- a multi-frequency, flexible infrastructure design for tag location accuracy and lowest cost;
- an ASIC chip approach for ultra-small, ultra low cost, flexible use tags;
- receiver infrastructure compatible with wired and wireless legacy enterprise networks;
- middleware for automated tag data analysis, reporting, and alerting to custom business rules; and
- stand-alone and enterprise-class software with interfaces to legacy software for easy integration.

During the quarter, the Dot technology continued to be augmented to take further advantage of its adaptability to multiple application requirements. Axcess, working with strategic industry partners successfully demonstrated a vibration-based energy harvesting solution as the tag's energy source for tag transmissions. Using the vibrations from a vehicle moving along a roadway, the unique tag showed the capability of battery-free, autonomously powered Micro-Wireless tag ID transmissions.

The Axcess technology remains best-of-breed for the exact local area wireless needs of multiple automated business activity monitoring applications. Bringing to market the complete set of innovative functions of the Dot and building on the current Axcess Micro-Wireless infrastructure has created an open architecture for data to be acquired automatically from multiple sources delivering previously inaccessible information 24/7 in real-time to enable automation in multiple applications in multiple industries.

These innovation and growth efforts continue to be supported by our shareholders and by key financial advisor Amphion Innovations plc. During the quarter, we closed a private equity investment round from key shareholders. These investments have helped the company use investment capital wisely and avoid unnecessary share dilution.

Third Quarter and Nine Months of 2008 Financial Results

Revenue was \$511,190 for the three months ended September 30, 2008 compared to \$281,656 for the three months ended September 30, 2007. Revenue for the nine months of 2008 was \$1,175,022 compared to \$2,963,437 for the same period in 2007. The decrease in sales is a result of the Barbados Contract awarded in January 2007. Add-on sales that are considered by the Company to represent a form of recurring revenue was 17% of total sales in the third quarter 2008 and 21% for the first nine months of 2008.

Gross margin was 51% or \$260,292 in the third quarter 2008 as compared to 51% or \$144,785 in the 2007 period, and 48% or \$559,528 in the nine months of 2008 as compared to 57% or \$1,682,460 in the nine months of 2007. The decrease in gross margin was due to a change in product mix as a result of the Barbados Contract awarded in January 2007.

Research & Development (R&D) expenses for the third quarter of 2008 totaled \$451,274, compared to \$397,074 in the prior year period, and \$1,858,962 for the nine months of 2008, compared to \$2,691,499 for the nine months of 2007. The decrease in R&D is due to the timing of the development of the next generation RFID products which will continue to be expensed over the remainder of this year.

Selling, Marketing, General & Administrative (S, M, G &A) expenses for the third quarter totaled \$658,558, as compared to \$739,067 in the prior year period, and \$2,048,108 for the nine months of 2008, as compared to \$2,509,028 for the nine months of 2007. The majority of the decrease relates to a decreased selling expense relating to the Barbados contract and lower third party fees.

Other expense for the third quarter of 2008 totaled \$100,296, as compared to \$81,545 for the prior year period in 2007 and \$392,537 for the nine months of 2008 compared to \$220,192 for the nine months of 2007. The majority of the increase relates to the increased interest expense recorded in connection with the issuance of warrants to the convertible notes issued during 2008.

Net loss for the third quarter of 2008 was \$952,815 as compared to \$1,076,389 in the prior year period, and \$3,750,020 for the nine months of 2008 as compared to \$3,750,275 in the nine months of 2007. The increase in the net loss is mainly related to the lower gross margin contribution of the Barbados contract offset by a decrease in expenses as we develop our next generation RFID product.

Recurring preferred stock dividend requirements for the third quarter of 2008 was \$39,883 and \$79,728 for 2007, and \$188,430 for the nine months of 2008 and \$239,163 for the nine months of 2007. Axxess also recorded one-time dividends of \$171,984 and \$558,686 for the preferred stock issued during the nine months of 2008 as compared to one-time dividends of \$2,050,000 and \$2,000,000 for preferred stock issued in the nine months of 2007.

Net loss applicable to common stock for the 2008 third quarter was \$1,164,682, or \$0.04 per share, compared to a loss of \$3,206,117 or \$0.11 per share, for the third quarter of 2007, and \$4,669,120 or \$0.16 per share, for the nine months of 2008 compared to \$8,039,438 or \$0.28 per share, for the same period in 2007. The difference in loss in the current year period from the prior year is primarily attributable to the preferred stock dividend requirements.

Conference Call

In conjunction with the earnings release, Axxess invites you to listen to its conference call Friday, November 14, 2008, at 11:00 a.m. (Eastern). To participate in the call, domestic callers can dial (888) 713-4216 and international callers can dial (617) 213-4866 and enter the reservation code "14897556." Participants should dial into the call about 10 minutes prior to the start time.

For those unable to attend the live conference call, a replay will be available by dialing (888) 286-8010 for domestic callers and (617) 801-6888 for international callers and entering the replay code "96625589." The replay will be available for one month beginning approximately two hours after the end of the call. There is no charge for participants to access the live event or replay.

The conference call and replay dial-in information is also available at Axxess' Website at www.axcessinc.com.

About Axxess International Inc.

Axxess International Inc. (OTCBB: AXSI) is a pioneer in Micro-Wireless, real-time business activity automation solutions which improve productivity, efficiency, security, safety and revenue growth. Its revolutionary and patented Micro-Wireless technology enables ultra-small, very low cost, reliable local area wireless capabilities for assets, personnel, vehicles and sensors. Its unique technology platform, called Dot™ is a one-of-a-kind hybrid, system-on-a-chip single

wireless source, common to multiple industry standards and supporting virtually all industries. Access is a portfolio company of [Amphion Innovations plc](#) (AIM: AMP). Additional information on Access is available on the Company's Web site at www.axcessinc.com.

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<p>This release contains forward-looking statements as defined in Section 21E of the Securities Exchange Act of 1934, including statements about future business operations, financial performance and market conditions. Such forward-looking statements involve risks and uncertainties inherent in business forecasts.</p>

(tables to follow)

Source: Axxess International, Inc.

AXCESS INTERNATIONAL INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	September 30, 2008	December 31, 2007
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 223,426	\$ 59,089
Accounts receivable - trade, net of allowance for doubtful accounts of \$25,176 and \$32,363 for 2008 and 2007, respectively.	196,659	257,957
Inventory, net	128,888	193,405
Prepaid expenses and other	60,486	77,506
Total current assets	609,459	587,957
Property, plant and equipment, net	24,232	12,003
Deferred debt issuance costs	20,313	30,421
Other assets	66,009	56,438
Total assets	<u>\$ 720,013</u>	<u>\$ 686,819</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 831,862	\$ 172,278
Accrued liabilities	1,489,222	1,309,979
Deferred revenue	25,710	42,060
Notes payable (includes \$795,273 and \$150,000 with a related party in 2008 and 2007, respectively)	947,273	150,000
Dividends payable	223,517	125,991
Total current liabilities	3,517,584	1,800,308
Notes payable (includes \$393,787 with a related party in 2008 and 2007)	2,706,346	2,858,346
Debt discount	(2,955)	—
Total liabilities	6,220,975	4,658,654
Commitments and contingencies		
Stockholders' deficit:		
Convertible preferred stock, 10,000,000 shares authorized in 2008 and 2007. Without liquidation preferences; \$0.01 par value, 6,125,198 and 6,860,116 shares issued and outstanding in 2008 and 2007, respectively	61,252	68,601
Common stock, \$.01 par value, 70,000,000 shares authorized in 2008 and 2007; 31,204,931 shares issued and outstanding in 2008 and 29,304,927 shares issued and outstanding in 2007.	312,050	293,050
Shares of common stock to be issued 25,000 shares as of December 31, 2007	—	250
Additional paid-in capital	165,345,188	162,947,266
Accumulated deficit	(171,219,452)	(167,281,002)
Total stockholders' deficit	(5,500,962)	(3,971,835)
Total liabilities and stockholders' deficit	<u>\$ 720,013</u>	<u>\$ 686,819</u>

AXCESS INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF OPERATION
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
Sales	\$ 511,190	\$ 281,656	\$ 1,175,022	\$ 2,963,437
Cost of sales	<u>250,898</u>	<u>136,871</u>	<u>615,494</u>	<u>1,280,977</u>
Gross profit	260,292	144,785	559,528	1,682,460
Expenses:				
Research and development	451,274	397,074	1,858,962	2,691,499
General and administrative	359,703	419,110	1,105,511	1,277,294
Selling and marketing	298,855	319,957	942,597	1,231,734
Depreciation and amortization	<u>2,979</u>	<u>3,488</u>	<u>9,941</u>	<u>12,016</u>
Operating expenses	<u>1,112,811</u>	<u>1,139,629</u>	<u>3,917,011</u>	<u>5,212,543</u>
Loss from operations	(852,519)	(994,844)	(3,357,483)	(3,530,083)
Other income (expense):				
Interest expense	(102,512)	(81,545)	(397,071)	(245,991)
Gain on vendor settlements	<u>2,216</u>	<u>—</u>	<u>4,534</u>	<u>25,799</u>
Other income (expense), net	<u>(100,296)</u>	<u>(81,545)</u>	<u>(392,537)</u>	<u>(220,192)</u>
Net loss	<u>(952,815)</u>	<u>(1,076,389)</u>	<u>(3,750,020)</u>	<u>(3,750,275)</u>
Preferred stock dividend requirements:				
Recurring	(39,883)	(79,728)	(188,430)	(239,163)
2006C Preferred equity offering	—	—	—	(2,000,000)
2007 Preferred equity offering	—	(2,050,000)	—	(2,050,000)
2008 Preferred equity offering	—	—	(558,686)	—
2008B Preferred equity offering	<u>(171,984)</u>	<u>—</u>	<u>(171,984)</u>	<u>—</u>
Preferred stock dividend requirements	<u>(211,867)</u>	<u>(2,129,728)</u>	<u>(919,100)</u>	<u>(4,289,163)</u>
Net loss applicable to common stock	<u>\$ (1,164,682)</u>	<u>\$ (3,206,117)</u>	<u>\$ (4,669,120)</u>	<u>\$ (8,039,438)</u>
Basic and diluted net loss per share	<u>\$ (0.04)</u>	<u>\$ (0.11)</u>	<u>\$ (0.16)</u>	<u>\$ (0.28)</u>
Weighted average shares of common stock outstanding	<u>30,813,627</u>	<u>28,874,100</u>	<u>29,932,137</u>	<u>28,760,562</u>