

*For immediate release:*

## **AXCESS INTERNATIONAL REPORTS FIRST QUARTER 2008 RESULTS**

**Dallas – May 15, 2008** – Access International Inc., (OTCBB: AXSI) a leading provider of wireless business activity monitoring solutions, today reported results for the first quarter ending March 31, 2008.

### **Highlights for the First Quarter Ended March 31, 2008**

- First Quarter 2008 Revenue of \$176,486 down \$272,561 versus Fourth Quarter 2007
- First Quarter 2008 Revenue down \$846,537 versus First Quarter 2007
- Second Quarter Fulfillments and Purchase Orders currently \$601,453
- First Quarter Gross Margins 40%
- Loss Per Share of \$0.06 Within Guidance Excluding Non-Recurring Dividends for Financing
- New Micro-Wireless Technology Called Dot<sup>TM</sup> Received FCC Approval
- Dot is Now the World's Only FCC Approved Hybrid Passive and Active RFID Solution.
- Access Architecture Opened Up to Developers
- Long Range Dot Credential Introduced as First in the Industry
- Smart Wireless Dot Sticker Introduced as First in the Industry
- Early Stage RFID/RTLS Market Increasingly Needing Access' Architecture

"The first quarter revenue was down from the previous quarterly run rate due to a delay in processing an international order," said Allan Griebenow, president and CEO of Axxcess. Mr. Griebenow further stated. "Bookings in the second quarter are well ahead of that run rate, exceeding \$500k to date. The higher bookings are a reflection of the strength of our security applications in automated asset protection and automatic personnel access control. The longer term trend remains positive regarding market acceptance of our Dual-Active<sup>TM</sup> products in the emerging RFID marketplace.

Our new technology platform called Dot<sup>TM</sup>, introduced in late fourth quarter 2007 continues to play a significant role in opening market channel doors for us. Dot is the world's smallest, lowest cost and most powerful battery-powered wireless computer. It provides a flexible tagging and wireless labeling platform for supporting a wide variety of enterprise applications in the supply chain, asset management, fleet management, advanced workforce management and mobile sensing. Based on that platform, in Q1 we released the industry's first Smart Wireless Sticker (SWS), essentially a computer-on-a-sticker. At a very low cost, the easy to attach and flexible Micro-Wireless device combines optical characters, bar codes, standards-based EPC short range RFID, and very long range Micro-Wireless RFID in the same device for unsurpassed tagging and tracking. It also includes temperature sensing and the ability to automate the collection of temperature-related data. It exemplifies the power of Dot to deliver revolutionary new capabilities in wireless."

### **Corporate and Industry Developments**

Axxcess systems wirelessly enable virtually all things in the enterprise. The Company provides complete Micro-Wireless system solutions for real-time business activity monitoring to improve productivity, security, safety, and revenue growth. Micro-Wireless technology was born out of the need to have ultra-small, low cost reliable long range transmission capabilities for assets, personnel and vehicles to provide an automatic, exception-based, labor-free way for local

location determination, real-time inventory accounting, security protection and condition status monitoring.

The ability to optimize an ultra small size and very low cost device with all the necessary technical elements including a robust signal able to carry all the necessary message information, has now given birth to the wireless technology area called Micro-Wireless. Other wireless technologies such as cell phones, Wi-Fi and Bluetooth are not well suited to these solutions because of unacceptable cost, size and power consumption. Micro-Wireless transmissions occur in the 315-433 MHz UHF frequency band, are regulated by the Federal Communications Commission (FCC) and do not require separate licensing. However, the FCC does require compliance to certain guidelines that require testing and approval. In the first quarter, Axxess announced that its new [Dot™](#) Micro-Wireless technology has received the Federal Communications Commission (FCC) approval. Currently, this approval gives Dot the distinction of being the world's only approved hybrid passive and active Micro-Wireless solution.

Micro-Wireless systems connect seamlessly into, yet operate separately underneath, the corporate network to operate efficiently and non-disruptively. Tags autonomously transmit signals from a few feet to hundreds of feet when attached or embedded, then assigned to each "thing" in the enterprise or government. Axxess' unique Micro-Wireless implementation is based on a "dual-active" architectural design, where the wireless tags lie dormant until activated by a pre-programmed condition or by movement through a wireless activation field at a doorway or other control point.

Micro-Wireless solutions derive a "wireless intelligence" through applications including automated asset management and protection; personnel and vehicle automatic access control; advanced workforce management and emergency evacuation accounting; and wireless-based condition sensing. Micro-Wireless tagging in the enterprise now encompasses the complete life cycle of business operations, from raw materials delivery reconciliation, to fleet vehicle management, warehousing inventory counts and sensing, production automation, work-in-process tagging, and finished goods locating.

According to recent studies, the awareness of Micro-Wireless systems globally continues to grow with the continued adoption of all types of radio frequency identification (RFID), real time location system (RTLS), and wireless sensing technologies across multiple industry segments. Growth rates of 18% and higher are forecast yet many believe the growth is slower than the expectations. A recent study concluded that standards and mandates are helpful elements for the market but have not forced growth or program rollouts. The consensus was that full solution providers have a better business model than component providers. The study noted that bigger integrators and the larger industrial companies are now showing signs of interest in the market from both growth and acquisition perspectives. The market studies support both the channel strategy and the full system solutions focus of Axxess. Axxess will remain focused on the enterprise and government markets through the growth of the integrator channel, and believes it is developing its business into a distinct, exciting, and large niche within the total worldwide market basket of wireless solutions.

During the quarter, the Company announced relationships with three integrators each in different markets but all poised to help Axxess grow the business. Axxess announced successful results from five casino implementations of its Micro-Wireless system for the automatic protection of assets with Interface Security Systems, LLC, one of the nation's largest providers of electronic security solutions and integrated security systems. Working closely with Axxess, Interface has successfully prevented the loss of critical casino keys, resulting in casinos keeping their doors open and saving them hundreds of thousands of dollars.

Axcess and Vector Networks, Inc., an Atlanta-based company specializing in solutions for desktop asset and service management, announced the successful implementation of the RFID solution set to automate a large government agency's process of tracking thousands of assets and preventing their loss.

Management Controls Inc., a leader in automating the processing of service-based contracts, and Axcess announced they will deliver integrated solutions that offer customers direct contract labor cost savings through automatic workforce identification and tracking along with improved facility security, worker safety and real-time monitoring of physical assets. The solutions are based on MCI's market-leading project cost management software combined with Axcess' technology for automatic identification, data collection and access control.

In a strategic product move, the Company announced the opening of its technology platform to developers for building applications to enable wireless communications from all things in the enterprise. The kit includes documentation in the form of an Application Program Interface (API) and software to emulate the hardware system. Certified partners and Strategic Development partners also get hardware system training, sales, marketing support and help in developing advanced uses for the system. Axcess is working to increase its interfaces into the largest and most critical legacy enterprise systems. These include security access control and fire and burglary systems, enterprise-wide database systems, Enterprise Resource Planning (ERP), automated Workforce Management systems (WFM), accounting and inventory systems, contractor time and attendance systems, asset management systems and Environmental Health and Safety (EHS) systems.

The Company continues to work on its next generation products based on a philosophy of offering the smallest, lowest cost and most reliable tags and infrastructure with multiple features and flexible operating options. Dot is a system-on-a-chip (SOC) technology platform. It is the world's smallest, most powerful, lowest cost battery-powered wireless computer. Because of its low cost and multiple features, it provides a dynamic view into the status of every "thing" operating in the enterprise and how each thing contributes to the goals of the enterprise. Axcess' invention combines a processor, memory and wireless communications into one chip about the size of a single grain of rice. It is as powerful as the first personal digital assistants (PDAs). It runs for years on a watch battery, stores at least three pages of information in memory and communicates to the world at high speed, all at a cost of only a few dollars each.

Dot combines the necessary elements of today's monolithic technologies such as RFID, RTLS and wireless sensing into a single, low cost chip. Dot is a one-of-a-kind hybrid, a single wireless source, common to multiple industry standards and supporting virtually all industries including manufacturing, the enterprise, oil and gas, utilities, education, government and the military. Dot is a better solution for access control badges, passive RFID product tags, active RFID asset tags, Real Time Location Systems (RTLS) and distributed sensor transmitters. Memory and sensor inputs enable the Dot to be tailored to each specific data capture need. Bringing together the new functions of Dot and building on the current Axcess Micro-Wireless infrastructure for enterprise management creates an open architecture for multiple sources of data to be acquired to deliver previously inaccessible business intelligence.

In the first quarter, Axcess announced the first shipment of a new type of corporate ID card with comprehensive capabilities. The wireless Dot card provides automatic "hands-free" building access control, contractor time and attendance data capture, electronic asset-custodian assignments and emergency evacuation personnel tracking. By removing the need to manually present ID cards, access is more convenient for employees, throughput is dramatically improved and additional security and safety measures are easily provided to employees. The standard size card has a small battery, antenna and Dot chip embedded into it to enable both long range and proximity automatic identification of personnel. The Dot Credential is compatible with existing access control system infrastructures, can easily interface with workforce

management systems, and sells at a remarkably low price of \$7.95 (MSRP) per card. The system has successfully been deployed in government and commercial industry including oil/gas plants, manufacturing facilities and office buildings. By automating ID card reads for access control, employees start work faster and are more productive. In the case of larger workforces, the savings can amount to a 10% improvement in productivity.

Later in the quarter, the Company announced the industry's first Smart Wireless Sticker™. It provides automatic item identification, locating, tracking, protecting, data logging and condition sensing for items from up to a 1000 feet away at a cost of less than \$10 each. The "wireless computer on a sticker" combines traditional bar codes, Electronic Product Code (EPC) RFID, long range RFID tracking and wireless sensing in a small electronic label easily adhered to most any object. It is designed to enhance data management in product manufacturing, product automatic identification in shipping, automatic inventory and protection of enterprise assets and visibility into the condition of perishables and pharmaceuticals throughout the shipping process.

Bringing to market the innovative functions of the Dot and building on the current Axxess Micro-Wireless infrastructure for enterprise management creates an open architecture for multiple sources of data to be acquired to deliver previously inaccessible wireless intelligence. Axxess sees this as an opportunity to use its time-to-market and technical advantages to serve an ever-expanding market based on its core technology, which has been optimized for the exact needs of the enterprise.

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

### **First Quarter 2008 Financial Results**

Revenue was \$176,486 for the three months ended March 31, 2008 compared to \$1,023,023 for the same quarter in 2007. A large portion of the decrease relates to the Barbados contract that was sold in 2007.

Gross margin was 40% or \$70,759 in the first quarter 2008 as compared to 35% or \$361,537, in the same quarter in 2007. The 2007 margin was adversely affected by the Barbados transaction. However, we continue to believe our margins will be stable in the 40% - 50% range.

Research & development (R&D) expenses for the first quarter totaled \$871,590, compared to \$1,125,334 in the year-ago period. The decrease in R&D is due to the timing of the development of the next generation RFID product, that was launched in the fourth quarter of 2007, and which will continue to be expensed over the remainder of this year.

Selling, marketing, general & administrative (SMG&A) expenses for the first quarter totaled \$713,485, as compared to \$981,759 in the prior year period. The majority of the decrease relates to selling expenses in connection with the Barbados transaction and was offset by an increased spending for sales and marketing initiatives.

Other expense for the first quarter of 2008 totaled \$116,423, as compared to \$60,187 for the same period in 2007. The majority of the change was relating to the expensing of warrants that have been issued with convertible debt that was issued during the first quarter of 2008.

Net loss for the first quarter of 2008 was \$1,635,031, as compared to \$1,810,251 in the prior year's first quarter. The decrease in the net loss is a result of the decrease in research and development for the next generation RFID platform and the impact of the Barbados contract.

Recurring preferred stock dividend requirements for the first quarter of 2008 was \$76,955, compared to \$80,573 for the same period in 2007. We also recorded a one-time dividend of \$2,000,000 for preferred stock issued in the first quarter of 2007.

Net loss applicable to common stock for the first quarter of 2008 was \$1,711,986, or \$0.06 per share, compared to a loss of \$3,890,824, or \$0.14 per share, for the first quarter of 2007. The difference in loss in the current year period from the prior year is primarily attributable to the preferred stock dividend requirements, the gain on sale of the video patents, the decrease in R&D and the impact of the Barbados Contract.

### **Conference Call**

In conjunction with the earnings release, Axxess invites you to listen to its conference call Friday, May 16, 2007, at 11:00 a.m. (Eastern). To participate in the call, domestic callers can dial (888) 713-4213 and international callers can dial (617) 213-4865 and enter the reservation code "62588734." 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 "90771211." 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](http://www.axcessinc.com).

### **About Axxess International Inc.**

Axxess International Inc. (OTCBB: AXSI) provides wireless real-time business activity monitoring system solutions that improve productivity, security, safety and revenue growth. The systems derive "wireless intelligence" from applications including automatic advanced workforce management, workflow management, asset monitoring and distributed sensing. Its revolutionary and patented Dot Micro-Wireless technology platform combines RFID, RTLS and wireless sensing for better decision-making and control throughout the enterprise. Axxess is a portfolio company of [Amphion Innovations plc](http://www.amphion.com) (AIM: AMP). Additional information on Axxess is available on the Company's Web site at [www.axcessinc.com](http://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>
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(tables to follow)

Source: Axxess International, Inc.

**AXCESS INTERNATIONAL INC.**  
**CONSOLIDATED BALANCE SHEETS**  
**(Unaudited)**

	March 31, 2008	December 31, 2007
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 400	\$ 59,089
Accounts receivable - trade, net of allowance for doubtful accounts of \$30,498 and \$32,363 for 2008 and 2007, respectively.	89,723	257,957
Inventory, net	181,815	193,405
Prepaid expenses and other	63,423	77,506
<b>Total current assets</b>	<b>335,361</b>	<b>587,957</b>
Property, plant and equipment, net	9,806	12,003
Deferred debt issuance costs	46,446	30,421
Other assets	55,875	56,438
<b>Total assets</b>	<b>\$ 447,488</b>	<b>\$ 686,819</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current liabilities:		
Accounts payable	\$ 768,748	\$ 172,278
Accrued liabilities	1,350,403	1,309,979
Deferred revenue	23,148	42,060
Notes payable (includes \$628,000 and \$150,000 with a related party in 2008 and 2007, respectively)	628,000	150,000
Dividends payable	202,946	125,991
<b>Total current liabilities</b>	<b>2,973,245</b>	<b>1,800,308</b>
Notes payable (includes \$393,787 with a related party in 2008 and 2007)	2,858,346	2,858,346
<b>Total liabilities</b>	<b>5,831,591</b>	<b>4,658,654</b>
Commitments and contingencies		
Stockholders' deficit:		
Convertible preferred stock, 10,000,000 shares authorized in 2008 and 2007. Without liquidation preferences; \$0.01 par value, 6,750,111 and 6,860,116 shares issued and outstanding in 2008 and 2007, respectively	67,501	68,601
Common stock, \$0.01 par value, 70,000,000 shares authorized in 2008 and 2007; 29,489,927 shares issued and outstanding in 2008 and 29,304,927 shares issued and outstanding in 2007.	294,900	293,050
Shares of common stock to be issued, 25,000 shares as of December 31, 2007	—	250
Additional paid-in capital	163,246,484	162,947,266
Accumulated deficit	(168,992,988 )	(167,281,002 )
<b>Total stockholders' deficit</b>	<b>(5,384,103 )</b>	<b>(3,971,835 )</b>
<b>Total liabilities and stockholders' deficit</b>	<b>\$ 447,488</b>	<b>\$ 686,819</b>

**AXCESS INTERNATIONAL INC.**  
**CONSOLIDATED STATEMENTS OF OPERATION**  
**(Unaudited)**

	Three Months Ended March 31,	
	2008	2007
Sales	\$ 176,486	\$ 1,023,023
Cost of sales	<u>105,727</u>	<u>661,486</u>
Gross profit	70,759	361,537
Expenses:		
Research and development	871,590	1,125,334
General and administrative	387,435	409,163
Selling and marketing	326,050	572,596
Depreciation and amortization	<u>4,292</u>	<u>4,508</u>
Operating expenses	<u>1,589,367</u>	<u>2,111,601</u>
Loss from operations	(1,518,608 )	(1,750,064 )
Other income (expense):		
Interest expense, net	(116,494 )	(83,328 )
Gain in vendor settlements	<u>71</u>	<u>23,141</u>
Other expense, net	<u>(116,423 )</u>	<u>(60,187 )</u>
Net loss	(1,635,031 )	(1,810,251 )
Preferred stock dividend requirements:		
Recurring	(76,955 )	(80,573 )
2006C Preferred equity offering	<u>—</u>	<u>(2,000,000 )</u>
Preferred stock dividend requirements	(76,955 )	(2,080,573 )
Net loss applicable to common stock	<u>\$ (1,711,986 )</u>	<u>\$ (3,890,824 )</u>
Basic and diluted net loss per share	<u>\$ (0.06 )</u>	<u>\$ (0.14 )</u>
Weighted average shares of common stock outstanding	<u>29,388,883</u>	<u>28,667,849</u>