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FINAL FOR RELEASE

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AXCESS INTERNATIONAL ANNOUNCES SECOND QUARTER 2005 RESULTS

Continued Adoption of RFID Solutions Seen Across Key Verticals

DALLAS, TX – August 9, 2005 - AXCESS International Inc. (OTC Bulletin Board: AXSI.OB), a leading provider of active Radio Frequency Identification (RFID) solutions with applications in the security, supply chain and sensing industries, today reported results for the second quarter ended June 30, 2005.

Second Quarter Highlights Include:

- Gross margin remained within the Company's target range of 40-50%
- Strategic partnership strengthened with Dynasys Technologies, a leading technology distributor and integrator of automatic data collection and RFID hardware engineering solutions.
- Integration of AXCESS' active RFID solutions by Bechtel Hanford, Boyd Gaming and within key Homeland Defense security initiatives

"The second quarter saw the continued development of AXCESS' integrator channel and installed customer base, with a number of key client wins, expansion of existing client relationships and the strengthening of integrator partnerships," commented Allan Griebenow, president and CEO of AXCESS. "We have seen growing interest in AXCESS' active RFID solutions across a range of key verticals, including supply chain management, healthcare and gaming. Additionally, we saw customer wins for our proven specialized applications for homeland defense initiatives and hazardous waste management. The positive business developments we have experienced recently leave us confident that we well positioned to capitalize upon the growing interest in and opportunity for Active RFID solutions in the Federal, State and Enterprise markets. I am also pleased to announce that we recently signed an agreement with Sun Microsystems to deliver active RFID solutions to Sun and its customers."

Total revenue for the second quarter of 2005 was \$206,818 compared to \$225,129 in the second quarter of 2004. RFID revenue for the second quarter 2005 was \$172,232, compared to \$195,300 in the year ago period. The decrease in sales was due to the loss of a sales person during the quarter as the company transitioned to a new modified sales approach. This new approach incorporates training initiatives with partners focused on leveraging key integrator relationships, as well as direct sales and marketing initiatives focused on key verticals where AXCESS has an established customer base and proven vertical-specific applications.

Gross margin was 40% for the second quarter 2005, in-line with the Company's stated target range of 40% to 50%. The year-ago gross margin was 45%. Operating expenses were \$841,188 for the second quarter 2005, compared with \$888,993 for the second quarter 2004. Net loss was \$939,408 for the second quarter of 2005 compared to a loss of \$1,058,972 for second quarter of 2004.

Preferred Stock dividend requirements were \$80,847 for the second quarter 2005 compared to \$70,490 for the prior year period. Net loss applicable to common stock was \$1,020,255 or \$(0.04) per basic and diluted share for the second quarter 2005, compared to \$1,129,462, or \$(0.05) per basic and diluted share for the second quarter of 2004.

Partnership Highlights

Systems integrator and technology partnerships continue to be a key component of AXCESS growth strategy. During the quarter AXCESS expanded its partnership with Dynasys Technologies Inc., a leading technology distributor and integrator of automatic data collection and RFID hardware engineering solutions. This partnership holds significant potential for AXCESS, as enterprises are increasingly realizing the functionality and effectiveness that RFID allows in the data collection space. There is a general trend for bar code providers to expand their product line with new technologies such as active RFID to complement existing solutions. Dynasys now offers AXCESS' Active RFID solutions for long-range asset-tracking to its base of existing customers, while serving as a value added integrator and distributor of AXCESS products within the data collection space. This is a key addition to AXCESS' robust set of integrators and channel partners.

Also during the quarter, AXCESS jointly participated in two Department of Defense (DOD) tradeshow, further strengthening the Company's relationship with Tyco and GTSI.

Product Developments

AXCESS' active RFID solutions provide both the efficiency and security benefits required by many homeland defense initiatives. During the second quarter, Great River Energy, an electric utility company, began using AXCESS' vehicle access control system to automatically control vehicle access at remote secured locations. Provided with active RFID tags, employees no longer need to leave their vehicles when entering secure locations, providing improved security and efficiency. This marks one of numerous installations of AXCESS' technology for Homeland Security initiatives, demonstrating the growing interest in solutions that provide efficient, controlled access to secure sites.

The versatility and scalability of the ActiveTag technology was displayed during the quarter as a similar solution was implemented by Bechtel Hanford, who began using AXCESS' wireless tagging system, FleetTag™, to more efficiently track and manage movement of waste material at the U.S. Department of Energy in southeastern Washington State. The FleetTag system is being used to accurately track low-level and hazardous waste from multiple cleanup sites to the Environmental Restoration Disposal Facility (ERDF) for permanent disposal. The system helps to more efficiently and accurately determine the composition of the waste and whether it is acceptable for disposal at the ERDF, a critical part of the core process.

The Company also continued its success in the casino and gaming arena. Sam's Town Hotel & Gambling Hall, a Boyd Gaming property, integrated AXCESS' active RFID system to monitor slot machine keys to prevent costly casino shut downs. This installation marked the seventh casino to install AXCESS' active RFID solution, demonstrating the growing trend and potential opportunities for RFID applications within casinos. AXCESS is focused on replicating these client wins and is focusing additional sales and marketing efforts in this vertical, an important addressable market of more than 2,400 gaming establishments.

"Our continuing success within casino segment, marked by this seventh installation, is proving the successful installation and replication of our active RFID solutions. We continue to focus on building our sales pipeline through a newly modified sales model, and we would hope to build upon these customer wins and have an equal amount of success in our other key verticals over the coming quarters," concluded Griebenow.

Earnings Conference Call

In conjunction with the second quarter earnings release, AXCESS invites you to listen to its conference call via its webcast over the Internet at 10:30 a.m. (Eastern), on August 9th. The Webcast may be accessed at www.axcessinc.com. To participate in the conference call, domestic callers can dial (800) 322-0079 and international callers can dial (973) 409-9258.

For those who cannot access the live broadcast, a replay will be available by dialing (877) 519-4471 for domestic callers and (973) 341-3080 for international callers and entering "6349353" from two hours after the end of the call until 11:59 p.m. (Eastern) on August 16, 2005. A replay of the conference call will also be available on the company's website approximately two hours after the end of the call for thirty days.

About AXCESS International Inc.

AXCESS International Inc. (OTCBB:AXSI), headquartered in greater Dallas, TX, provides patented active RFID (radio frequency identification) and video surveillance systems for physical security and supply chain efficiencies. The battery-powered (active) RFID tags locate, identify, track, monitor, count, and protect people, assets, inventory, and vehicles. AXCESS' active RFID solutions are supported by its integrated network-based, streaming digital video (or IPTV) technology. Both patented technologies enable applications including: automatic "hands-free" personnel access control, automatic vehicle access control, automatic electronic asset

management, sensor management, and network-based security surveillance. AXCESS is a portfolio company of Amphion Capital Partners LLC.

This news release contains "forward-looking statements" within the meaning of the "safe-harbor" provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to differ materially from the results expressed or implied by such statements, including changes from anticipated levels of sales, future national or regional economic and competitive conditions, changes in relationships with customers, access to capital, difficulties in developing and marketing new products, marketing existing products, customer acceptance of existing and new products, and other factors disclosed in the Company's Annual Report on Form 10KSB for the year ended Dec. 31, 2004 and all of the Company's subsequent Quarterly Reports on Form 10QSB, especially in the "risk factors" sections of these annual and quarterly reports. Accordingly, although the Company believes that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The Company has no obligation to update the forward-looking information contained in this news release.

AXCESS INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2005	2004	2005	2004
Sales	\$ 206,818	\$ 225,129	\$ 447,976	\$ 431,807
Cost of sales	123,545	124,787	247,893	223,673
Gross profit	83,273	100,342	200,083	208,134
Expenses:				
Research and development	207,739	166,534	391,920	351,892
General and administrative	335,520	461,863	690,983	866,079
Selling and marketing	290,018	172,162	545,115	346,745
Depreciation and amortization	7,911	88,434	16,984	182,065
Operating expenses	841,188	888,993	1,645,002	1,746,781
Loss from operations	(757,915)	(788,651)	(1,444,919)	(1,538,647)
Other income (expense):				
Interest expense	(246,599)	(334,830)	(411,737)	(657,553)
Gain in vendor settlements	65,106	64,509	173,816	152,751
Other	—	—	—	6,509
Other expense, net	(181,493)	(270,321)	(237,921)	(498,293)
Net loss	(939,408)	(1,058,972)	(1,682,840)	(2,036,940)
Preferred stock dividend requirements:				
Recurring	(80,847)	(70,490)	(161,694)	(136,011)
Warrant inducement	—	—	(2,060,397)	—
Preferred stock dividend requirements	(80,847)	(70,490)	(2,222,091)	(136,011)
Net loss applicable to common stock	<u>\$ (1,020,255)</u>	<u>\$ (1,129,462)</u>	<u>\$ (3,904,931)</u>	<u>\$ (2,172,951)</u>
Basic and diluted net loss per share	<u>\$ (0.04)</u>	<u>\$ (0.05)</u>	<u>\$ (0.15)</u>	<u>\$ (0.09)</u>
Weighted average shares of common stock outstanding	<u>26,930,819</u>	<u>24,303,151</u>	<u>26,333,012</u>	<u>22,951,611</u>

**ACCESS INTERNATIONAL INC.
CONSOLIDATED BALANCE SHEETS**

	(Unaudited) June 30, 2005	December 31, 2004
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 670,480	\$ 461,101
Accounts receivable - trade, net of allowance for doubtful accounts of \$11,863 in 2005 and \$8,859 in 2004	61,848	79,965
Inventory, net	213,056	144,714
Prepaid expenses and other	134,137	97,164
Total current assets	1,079,521	782,944
Property, plant and equipment, net	35,006	49,395
Intellectual property, net	—	133
Deferred debt issuance costs	422,407	506,889
Other assets	2,691	3,906
Total assets	\$ 1,539,625	\$ 1,343,267
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 295,448	\$ 490,100
Accrued liabilities	876,805	789,589
Notes payable:		
Convertible notes payable (includes \$80,000 and \$66,667 with related party in 2005 and 2004, respectively)	613,333	483,333
Discounts on convertible debt	(111,558)	(289,482)
Dividends payable	45,310	316,062
Total current liabilities	1,719,338	1,789,602
Notes payable to stockholders	3,709,070	3,932,092
Convertible notes payable (includes \$13,333 with related party in 2004)	—	236,667
Discount on convertible debt	—	(34,084)
Total liabilities	5,428,408	5,924,277
Commitments and contingencies		
Stockholders' deficit:		
Convertible preferred stock, 7,000,000 shares authorized, \$0.01 par value, 2,415,000 shares issued and outstanding in 2005 and 2004.	24,150	24,150
Common stock, \$.01 par value, 50,000,000 shares authorized in 2005 and 2004; 27,211,119 shares issued and outstanding in 2005 and 24,720,939 shares issued and outstanding in 2004	272,111	247,209
Shares of common stock to be issued, 5,333 shares in 2005	53	—
Additional paid-in capital	152,410,403	149,898,600
Accumulated deficit	(156,595,500)	(154,750,969)
Total stockholders' deficit	(3,888,783)	(4,581,010)
Total liabilities and stockholders' deficit	\$ 1,539,625	\$ 1,343,267