

For immediate release:

AXCESS INTERNATIONAL REPORTS SIGNIFICANT INCREASE IN REVENUE FOR SECOND QUARTER 2007 RESULTS

Dallas – August 8, 2007 – AXCESS International Inc. (OTCBB: AXSI), a leading provider of Radio Frequency Identification (RFID) solutions and Real Time Location Systems (RTLS), today reported results for the second quarter ending June 30, 2007.

Highlights for the Second Quarter Ended June 30, 2007

- Second Quarter 2007 Revenue Increased 368% over Second Quarter 2006 to a record \$1,658,758
- Quarter Over Quarter Revenue Growth Up 62%
- 2007 Revenue Now Exceeds YE 2006, to be a Record for Third Consecutive Year
- Revenue Growth Due to Port Security Implementation Now Completed
- Year to Date Gross Margins are Up to 57%
- Earnings Per Share Loss \$0.03 for the Second Quarter within Guidance Including New Product Development and Financing
- Early Stage RFID Market Increasingly Needing AXCESS' Dual-Active Tagging Architecture
- Successfully Implemented and Grew Large Government Laptop Protection Installation
- Intellectual Property Portfolio Growing - Patent Office Notification of Two New Patent Awards
- New Revolutionary Tag Technology, The Dot™, to be Introduced in Early 4'Q 2007

"I am pleased to say AXCESS achieved a significant increase in revenues in the second quarter, up 62% from the previous quarter," said Allan Griebenow, president and CEO of AXCESS. Mr. Griebenow further stated, "We have also achieved record revenue for the year end 2007. The RFID market continues to mature and evolve toward our robust, low cost active RFID system architecture and application solutions. We continue to be best-of-breed in automating the identification, inventory, location, protection and condition monitoring of personnel, assets, and vehicles in and around the enterprise."

"During the quarter, we successfully completed the implementation of a large integrated port protection solution for Barbados where we are credited with helping secure the large port while the country hosted the 2007 Cricket World Cup games. We announced a significant victory with the affirmation that our IT asset solution was found to be 100% successful in thwarting laptop theft and the loss of important data resident on them. We completed a large IT asset protection solution with a U.S. Government agency where we will be instrumental in protecting the privacy records of hundreds of thousands of U.S. citizens. The completion schedule is now finalized for our newest tag technology, The Enterprise Dot™ which promises to be the world's smallest, lowest cost and most powerful wireless tracking and sensing solution ever fielded. It remains clear that RFID systems will deliver dramatic business efficiencies in the coming years based on improved personnel and asset visibility, optimization, sensing and security. We remain committed to driving low cost, reliable, value-added tagging solutions in the enterprise."

Corporate and Industry Developments

AXCESS provides complete RFID system solutions for improving productivity and security in industry and government. These systems are based on “active” RFID technology, where low cost wireless “tags” use on-board battery power to transmit signals from a few feet to hundreds of feet in order to automatically identify, track, monitor, and protect people, assets, and vehicles. In recent years AXCESS has invested in research and development to introduce the industry’s most advanced, patent protected portfolio of active RFID tagging and enterprise solutions.

Active RFID systems (as opposed to passive systems which have no battery power on-board) enable flexible implementations which can serve multiple purposes. AXCESS’ unique patented technology enables tags to wake-up on-demand as needed to provide precise location determination and enable accurate and reliable information for real-time decision making. The ability to have tags always “on” in a beaconing signal mode, plus have the option to transmit their status on demand is called “dual-active” operation. AXCESS’ dual-active RFID is the most economical, accurate, reliable, and flexible solution on the market today. The recent industry report by IDTechEx indicated active RFID solutions are growing rapidly and will sustain 28% compound growth through 2016 and reach \$6.8B.

Overall, the awareness of RFID globally continues to grow with the continued adoption of all types of RFID and RTLS technologies across multiple industry segments including: the retail supply chain; vehicle toll tagging; contactless payment systems; transportation ticketing; security access control; military container tagging; and AXCESS’ enterprise solutions. Wal-Mart continues to mandate that more of its suppliers use low cost, disposable passive tags for identifying cases and pallets. Global awareness continues to translate into increased user demand for applications supported by the more robust and more flexible active (battery-powered) RFID technology which includes Real Time Location Systems (RTLS). AXCESS remains focused on the enterprise market and believe it is developing its business into a distinct, exciting, and large niche within the total market basket of RFID solutions.

During the quarter, the Company completed the successful implementation of a comprehensive enhanced port security solution for The Barbados Port Inc. It included personnel and vehicle tagging, distributed sensors and an integrated software system which expanded and enhanced the security of the Port while not impacting security labor resources. AXCESS took total responsibility for its delivery including design, construction oversight, installation, training, operations support and maintenance. This was the first order of its size the Company has taken total implementation responsibility for and the results were exceptional. The entire project value totaled approximately \$2,000,000. The Company is working to replicate similar solutions in the Caribbean region as concerns over crime continue to emphasize their need.

In a recent and related development, AXCESS has acquired the rights to manufacture electronic overseas cargo container door seal tags, called E-Seals based on the ISO standard 18185. Originated in part by the Savi division of Lockheed Martin, the AXCESS solution will use the Dot technology to bring low cost, reliable electronic door seals to container security. It is anticipated the Federal Government will announce later in 2007 an evaluation of the electronic door seal and system leading toward potential mandates for greater port security for U.S. imports.

The Company’s solution for the automatic control and protection of physical assets continues to be best in class. The AXCESS solution prevents theft or loss of assets and data by offering individual asset tracking and protection, dynamic wireless custodian assignments to assets, complete reports, and wireless alerting to exception-based security events. When an item is removed from the premises without authorization the AXCESS system delivers actionable intelligence through which a reliable security response can be determined and initiated.

Recent studies have indicated that over eighty percent of businesses have experienced laptop thefts while less than half have reported them. Ninety percent of all data records including personal privacy data lost to thievery was the result of laptop theft. Upwards of four percent of a business' laptop inventory is subject to loss on an annual basis resulting in the potential cost of \$182 per lost record in part to comply with state and federal loss notification mandates. Those mandates require the asset to be controlled and secured in order to avoid the cost of notification. Encryption and auto-recovery methods can be complementary, but cannot provide the necessary loss prevention. During the quarter, AXCESS announced the results of a University implementation fifteen months ago where laptop losses were eliminated using the system, dropping thefts from fifteen percent to zero.

During the quarter, the company announced the successful implementation of its automatic identification solution in the trade show industry. Auto-ID has been identified as one of the technologies destined to revolutionize the industry as it enables automated and accurate attendance gathering for show management. It also enables attendees to profile their interests so exhibitors can automatically provide the specific information of interest to each person. In a similar application, the Company was also notified that its pilot project in support of an innovative and advanced auto identification-based amusement in theme parks was successful and approved for roll-out. The Company expects exciting news as well as the revenue contribution from this project to come in early 2008. Automatic identification solutions continue to be a unique capability of AXCESS and will continue to alter the way access control, security, emergency evacuation, education and entertainment is provided.

AXCESS grew a number of accounts during the quarter. In the Federal government, AXCESS completed the initial implementation and a subsequent expansion of a large IT asset management and protection solution which included the agency's valuable laptop inventory and the critical citizen information on board. In the fleet vehicle market, installations continued with AXCESS' partner Stemco, providing automated access control and sensor data collection. Growth also occurred with the "key control" application in casinos. These all represent examples of AXCESS' business model which enables regular monthly growth revenue – accounting for approximately twenty percent of total quarterly revenue -- with other forms of incremental revenue from existing contracts that include additional infrastructure and locations.

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. AXCESS has announced a new, revolutionary wireless tracking and sensing technology for 2007 called The Enterprise Dot™. Based on a System-on-a-Chip (SoC) design, the patents-pending technology yields the world's lowest cost and smallest multifunctional wireless sub-micro device for delivering visibility oriented data about the personnel and assets operating in and around the enterprise. The product has progressed through manufacturing and testing and is on-target for introduction in early fourth quarter.

In support of Dot™ and the best of breed dual-active tagging architecture, the Company has been notified it has been awarded two additional patents. AXCESS believes those patents offer significant additions to the AXCESS intellectual property portfolio. Our patent protection is very strong and increasing in size, with a total of six issued to date and more patents pending. We believe our investment in this intellectual property is a key to our future success and attainment of substantial market share.

Devices built on the Dot™ platform, our latest and the industry's most advanced technology will enable widespread and reliable automatic identification, locating, tracking, protecting and monitoring of personnel, physical assets, and vehicles. Dot™ facilitates the capture, processing and delivery of previously unavailable real-time information for dramatic improvements in supply chain visibility, mobile asset management, physical asset security, access control, and industrial condition monitoring. The low cost and flexibility to use existing supply chain infrastructure

results in a very low total cost of ownership, yielding short term return on investments (“ROIs”) for customers. In an original equipment manufacturer (“OEM”) package, it is small enough to be embedded into a variety of shipping/inventory units and business and information technology assets, such as computers, test equipment, medical equipment, credential cards, pallets, and cartons.

The Dot™ technology will extend AXCESS’ existing time to market advantage. It further eclipses competing architectures such as Wi-Fi based and battery-assisted passive RFID systems where size, cost, signal robustness and power management are problematic. The development of AXCESS’ intellectual property portfolio continues in support of the ongoing product development, market strategies, and to re-enforce competitive advantages. These innovation and growth efforts continue to be supported by our shareholder and key financial advisor Amphion Innovations plc.

Bringing together the new functions of the Dot™ and building on the current AXCESS wireless infrastructure for enterprise management creates an open architecture for multiple sources of data to be acquired to deliver previously inaccessible business intelligence. AXCESS 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 enterprise tagging.

Second Quarter and First Half of 2007 Financial Results

Revenue was \$1,658,758 for the three months ended June 30, 2007, an increase of 368% from the same quarter in 2006. Revenue for the six months of 2007 was \$2,681,781, an increase of 232% from the same period in 2006. The increase 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 22% of total sales in the second quarter 2007 and first half of 2007.

Gross margin was 71%, or \$1,176,137, in the second quarter 2007 as compared to 47%, or \$165,260, in the 2006 period, and 57%, or \$1,537,674, in the first half of 2007 as compared to 43%, or \$344,193, in the first half of 2006. The increase 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 second quarter totaled \$1,169,091, compared to \$259,898 in the prior year period, and \$2,294,425 for the first half of 2007, compared to \$863,587 for the first half of 2006. The increase in R&D is due to the timing of the development of the next generation RFID product The Enterprise Dot™ which will continue to be expensed over the remainder of this year.

Selling, Marketing, General & Administrative (S, M, G &A) expenses for the second quarter totaled \$788,202, as compared to \$801,807 in the prior year period, and \$1,769,961 for the first half of 2007, as compared to \$1,529,462 for the first half of 2006. The majority of the increase relates to higher salary and related expenses as a result of changing the skill set of our sales team and increased selling expense relating to the Barbados contract, offset in part by a decrease in investor relations activity, stock compensation expense and recruiting.

Other income (expense) for the second quarter of 2007 totaled (\$78,459), as compared to (\$65,076) for the prior year period in 2006 and (\$138,645) for the first half of 2007 compared to \$460,049 for the first half of 2006. The majority of the increase relates to the gain on the sale of the video patents during 2006, offset by the lower interest expense resulting from lower debt balances and the completion of the amortization of our debt service costs.

Net loss for the second quarter of 2007 was \$863,635 as compared to \$965,812 in the prior year period, and \$2,673,885 for the first half of 2007 as compared to \$1,597,924 in the first half of 2006. The decrease in the net loss is mainly related to the gross margin contribution of the Barbados contract offset by an increase in expenses as we develop the Enterprise Dot, our next generation RFID product.

Recurring preferred stock dividend requirements for the second quarter of 2007 was \$78,861 and \$80,847 for 2006, and \$159,435 for the first half of 2007 and \$161,694 for the first half of 2006. AXCESS also recorded a one-time dividend of \$2,000,000 for preferred stock issued in the first quarter 2007 and \$645,020 for preferred stock issued in the second quarter 2006 and \$1,489,245 for preferred stock issued in the first quarter of 2006.

Net loss applicable to common stock for the 2007 second quarter was \$942,496, or \$0.03 per share, compared to a loss of \$1,691,679, or \$0.06 per share, for the second quarter of 2006, and \$4,833,320, or \$0.17 per share, for the first half of 2007 compared to \$3,893,883, or \$0.14 per share, for the same period in 2006. 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 second quarter earnings release, AXCESS invites you to listen to its conference call today, August 8, 2007 at 1:00 PM Eastern Time. To participate in the call, domestic callers can dial (866) 543-6405 and international callers can dial (617) 213-8897 and enter the reservation code "43161384." 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 "16332722." The replay will be available from approximately two hours after the end of the call until 11:59 (ET) on September 8, 2007. There is no charge for participants to access the live event or replay.

About AXCESS International Inc.

AXCESS International Inc. (OTCBB:AXSI), headquartered in greater Dallas, TX, provides Radio Frequency Identification (RFID) solutions and Real Time Location Systems (RTLS) for asset management, physical security and supply chain efficiencies. The battery-powered "active" and "semi-active" (on-demand) RFID tags locate, identify, track, monitor, count, and protect people, assets, inventory, and vehicles. AXCESS' 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 asset management, real time location determination, and sensor management. AXCESS is a portfolio company of Amphion Innovations plc.

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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: AXCESS International, Inc.

**AXCESS INTERNATIONAL INC.
CONSOLIDATED BALANCE SHEETS**

	(Unaudited) June 30, 2007	December 31, 2006
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 472,591	\$ 347,361
Accounts receivable - trade, net of allowance for doubtful accounts of \$14,521 for 2007 and \$17,389 for 2006.	188,730	252,230
Inventory, net	252,438	396,305
Prepaid expenses and other	126,958	92,090
Total current assets	1,040,717	1,087,986
Property, plant and equipment, net	16,246	18,369
Deferred debt issuance costs	84,482	168,963
Other assets	2,934	2,934
Total assets	\$ 1,144,379	\$ 1,278,252
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 770,038	\$ 101,261
Accrued liabilities	1,205,899	1,121,350
Deferred revenue	25,783	25,665
Notes payable to stockholders	3,118,716	3,365,500
Dividends payable	298,029	138,594
Total current liabilities	5,418,465	4,752,370
Commitments and contingencies (Notes 1 and 2)		
Stockholders' deficit:		
Convertible preferred stock, 10,000,000 shares authorized in 2007 and 2006, respectively; Without liquidation preferences; \$0.01 par value, 7,008,750 and 7,073,550 shares issued and outstanding in 2007 and 2006, respectively	70,087	70,735
Common stock, \$.01 par value, 70,000,000 shares authorized in 2007 and 2006, respectively; 28,744,413 shares issued and outstanding in 2007 and 28,657,313 shares issued and outstanding in 2006	287,444	286,573
Additional paid-in capital	160,217,666	158,184,537
Accumulated deficit	(164,849,283)	(162,015,963)
Total stockholders' deficit	(4,274,086)	(3,474,118)
Total liabilities and stockholders' deficit	\$ 1,144,379	\$ 1,278,252

AXCESS INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF OPERATION
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Sales	\$ 1,658,758	\$ 354,475	\$ 2,681,781	\$ 808,038
Cost of sales	482,621	189,215	1,144,107	463,845
Gross profit	1,176,137	165,260	1,537,674	344,193
Expenses:				
Research and development	1,169,091	259,898	2,294,425	863,587
General and administrative	449,022	503,695	858,184	965,105
Selling and marketing	339,180	298,112	911,777	564,357
Depreciation and amortization	4,020	4,291	8,528	9,117
Operating expenses	1,961,313	1,065,996	4,072,914	2,402,166
Loss from operations	(785,176)	(900,736)	(2,535,240)	(2,057,973)
Other income (expense):				
Interest expense	(81,118)	(87,372)	(164,444)	(182,636)
Gain in vendor settlements	2,659	22,296	25,799	42,685
Gain on sale of intellectual property	—	—	—	600,000
Other income (expense), net	(78,459)	(65,076)	(138,645)	460,049
Net loss	(863,635)	(965,812)	(2,673,885)	(1,597,924)
Preferred stock dividend requirements:				
Recurring	(78,861)	(80,847)	(159,435)	(161,694)
2005 Preferred equity offering	—	—	—	(1,489,245)
2006 Preferred equity offering	—	(645,020)	—	(645,020)
2006C Preferred equity offering	—	—	(2,000,000)	—
Preferred stock dividend requirements	(78,861)	(725,867)	(2,159,435)	(2,295,959)
Net loss applicable to common stock	\$ (942,496)	\$ (1,691,679)	\$ (4,833,320)	\$ (3,893,883)
Basic and diluted net loss per share	\$ (0.03)	\$ (0.06)	\$ (0.17)	\$ (0.14)
Weighted average shares of common stock outstanding	28,737,469	28,203,636	28,702,852	28,067,362