



AXIS COMMUNICATIONS DELIVERS CONSISTENTLY STRONG GROWTH IN NETWORK VIDEO

[Johannesburg, 2 November 2006] - Axis Communications, the global leader in network video, has published financial results for the first nine months of 2006 which confirm sales growth of 44% in its core market of network video products compared to the same period in 2005.

Axis has reported continued strong growth from the expanding network video market.

Across Axis Communications, net sales for the period January to September 2006 rose by 32% to SEK (Swedish Krona) 841 million (R875 million), compared to SEK636 million (R661 million) for the same period in 2005.

Network video accounted for 89% of Axis's total sales and for the reported period net sales revenue in this core product set climbed 44% to SEK738 million (R767 million).

Operating profit also rose sharply, up 56% to SEK150 million (R156 million) for the first nine months of 2006, compared to the previous period in 2005. Gross margins were maintained at 54% over the reported period, and edged slightly higher for the third quarter to 55%. Axis also delivered a 70% rise in operating profit of SEK68 million (R71 million) for the third quarter of 2006, compared to same quarter in 2005.

Axis's EMEA region delivered strong sales growth reporting for the first nine months of 2006 at SEK389 million (R405 million), an increase of 38%. In addition, for the third quarter of 2006, the EMEA region delivered a record quarterly sales total, with EMEA net sales at SEK139 million (R145 million).

During the period January to September 2006, Axis strengthened its position as market leader in network video by recruiting more than 60 new employees, primarily in sales and support functions to make Axis even more responsive to market demands.

Major orders have included Stockholm Transport (SL) with an order for 1 200 network cameras for installation in the city's subway and commuter train stations. New product launches have included the AXIS 207MW, the world's smallest megapixel network camera.

Roy Alves, country manager for Axis Communications in Africa, commented: "These figures show the continued rapid growth of the network video market and our ability to keep ahead of the market in terms of product development and investment in people. The EMEA area remains our largest region for sales and I am pleased that we have reported another quarter of record sales for our region. We share this success with our

partners in the Axis partner programme which has now grown to 5 426 members within EMEA."

For further information, visit www.axisafrica.com or contact us at (011) 548-6780 or roy@axisafrica.com.

About Axis

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 18 countries and cooperating with partners in more than 70 countries. Founded in 1984, Axis is listed on the Nordic List, Mid Cap and Information Technology exchanges. For more information about Axis, please visit our website at www.axis.com.

For further information about Axis Communications in South Africa, please contact:

Roy Alves, Country Manager, Axis Communications Africa
Tel: +27 11 548 6780. Email: roya@axis.com

For all media enquiries, please contact:

Richard Fearon, Cameo Corporate Communications
Tel: +27 83 377 8881. Email: richard@cameogroup.co.za