PRESS RELEASE

For Immediate Release

Aastra Reports Improved Earnings and Declares Dividend

TORONTO, ONTARIO (Marketwire – October 19, 2009) -- Aastra Technologies Limited - (TSX: "AAH") is pleased to report its unaudited financial results for the third quarter ended September 30, 2009 and, in connection with these improved results, the Board of Directors has declared a quarterly cash dividend of $0.15 per share on its common shares payable on November 24, 2009, to shareholders of record at the close of business on November 3, 2009.

"Given our confidence in our financial strength, we are pleased to be able to return profits to our shareholders in the form of a quarterly dividend while satisfying our capital requirements and continuing with our long-term business strategy", said Francis N. Shen, Chairman and Co-CEO of Aastra.

Sales for the three months ended September 30, 2009 were $198.7 million compared to $224.5 million for the same quarter in 2008, a decrease of 11.5%. On a sequential basis, sales increased by 0.8% from sales of $197.2 million in the second quarter of this year, despite the fact that the third quarter is generally seasonally weaker in several of our major markets across Europe.

Gross margin was 44.7% of sales in the quarter compared to 45.1% of sales in the same period in 2008 and 45.6% of sales in the second quarter of 2009. Research and development expenses in the third quarter were $18.8 million or 9.5% of sales, compared to $29.7 million or 13.2% of sales in the same quarter of 2008.

Selling, general and administrative expenses were $49.6 million or 25.0% of sales in the third quarter compared to $58.8 million or 26.2% of sales in the third quarter of 2008. SG&A expenses decreased over the same period last year as well as on a sequential basis as the Company continued to focus on aggressively managing its cost structure in lieu of weaker end customer demand.

Amortization expense recorded in operating expenses was $6.2 million in the third quarter compared to $7.4 million in the same period last year. The Company recorded interest expense of $0.2 million in the third quarter this year compared to $0.9 million in the third quarter of 2008 as a result of both lower interest rates and a lower long-term debt balance. Losses from foreign exchange were $2.0 million in the third quarter of 2009 compared to losses of $1.3 million in the third quarter of 2008.

Investment income totalled $0.8 million in third quarter compared to $0.5 million in the same quarter of 2008. While the investment income earned on excess cash in the quarter has decreased sharply compared to last year, the Company earned a higher amount of financing income on its leasing business. Income tax expense was $2.8 million or 22.7% of pre-tax income compared to $0.7 million or 21.7% of pre-tax income in the same period last year.

As a result, net income for the third quarter was $9.6 million or $0.71 diluted earnings per share compared to $2.6 million or $0.17 diluted earnings per share in the same period last year and $5.5 million or $0.40 diluted earnings per share in the second quarter of 2009.

Cash and short-term investments increased to $105.6 million at the end of September 2009 compared to $80.6 million as at June 30, 2009 and $98.2 million at the end of December 2008. During the third quarter of 2009, the Company generated $37.8 million in cash flow from operations, bringing the total increase in cash flow from operations to $59.5 million for the nine months ended September 30, 2009.

The dividend declared today has been designated as an "eligible" dividend for the purposes of the Income Tax Act (Canada) and similar provincial legislation. Shareholders of Aastra are entitled to receive dividends only if and when such dividends have been declared and there is no entitlement to any dividends prior to any declaration thereof by Aastra's Board of Directors.

About Aastra Technologies Limited

Aastra Technologies Limited (TSX:AAH) is a global company at the forefront of the Enterprise Communication market. Headquartered in Concord, Ontario, Canada, Aastra develops and delivers innovative and integrated solutions that address the communication needs of businesses small and large around the world. Aastra enables Enterprises to communicate and collaborate more efficiently and effectively by offering customers a full range of open standard IP-based and traditional communications networking products, including terminals, systems, and applications. For additional information on Aastra, visit our website at http://www.aastra.com.

Certain statements made herein may be forward-looking statements within the meaning of applicable Canadian securities legislation. These forward-looking statements include, among others, statements with respect to our Board of Directors declaring any future quarterly dividends and, if so declared, the amount of such dividends. By their very nature, forward-looking statements involve numerous factors and assumptions, and are subject to inherent risks and uncertainties, both general and specific, which give rise to the possibility that such forward-looking statements will not be achieved.

Shareholders are entitled to receive dividends only if and when such dividends have been declared and there is no entitlement to any dividends prior to any declaration thereof by our Board of Directors. The material factors that will be considered by our Board of Directors in determining whether it is appropriate to declare any future dividends, and the amount of any such dividends, include: our earnings, cash flow, quarterly fluctuations in financial results and financing requirements to fund acquisitions or other business opportunities. Please refer to our filings on the website maintained by the Canadian Securities Administrators at www.sedar.com, including our Annual Information Form and our annual Management Discussion and Analysis ("MD&A") for fiscal 2008 as well as our MD&A for our third quarter of 2009, for other material factors that may be considered by our Board of Directors in determining whether to declare any future dividends and the amount of any such dividends.

We caution readers not to place undue reliance on these forward-looking statements as our actual results may differ materially from our expectations if known and unknown risks or uncertainties affect our business, or if our estimates or assumptions prove inaccurate. Therefore, we cannot provide any assurance that forward-looking statements will materialize. Unless otherwise required pursuant to applicable Canadian securities legislation, we assume no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

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AASTRA TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)

Stated in thousands of Canadian dollars, except per share amounts

	YEAR-TO-DATE Nine months ended September 30th		3rd QUARTER Three months ended September 30th	
	2009	2008	**2009**	2008
Sales	**$ 615,093**	$ 570,292	**$ 198,666**	$ 224,464
Cost of goods sold	**331,199**	319,396	**109,853**	123,237
	283,894	250,896	**88,813**	101,227
Expenses (income):				
Selling, general and administrative	**165,828**	150,184	**49,568**	58,821
Research and development	**62,580**	70,253	**18,845**	29,739
Depreciation and amortization	**17,672**	16,828	**6,167**	7,351
Interest expense	**1,109**	1,502	**176**	898
Foreign exchange loss	**1,397**	1,001	**1,959**	1,293
Investment income	**(2,157)**	(2,605)	**(778)**	(540)
Other charges	**399**	1,135	**399**	350
Earnings before income taxes	**37,066**	12,598	**12,477**	3,315
Income taxes	**7,766**	2,622	**2,829**	720
Net earnings for the period	**$ 29,300**	$ 9,976	**$ 9,648**	$ 2,595
Earnings per share:				
Basic	**$ 2.09**	$ 0.63	**$ 0.71**	$ 0.17
Diluted	**$ 2.09**	$ 0.63	**$ 0.71**	$ 0.17

* *Actual common shares outstanding as at September 30, 2009 – 13,674,710 (2008 – 15,540,573)*

** *Weighted average common shares outstanding for the nine months and three months ended September 30, 2009 – 14,007,901 and 13,674,710 (2008 – 15,778,848 and 15,540,062)*

The interim consolidated financial statements for the nine months and three months ended September 30, 2009 have not been reviewed by an auditor.

AASTRA TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

Stated in thousands of Canadian dollars

	YEAR-TO-DATE Nine months ended September 30th		3rd QUARTER Three months ended September 30th	
	2009	2008	**2009**	2008
Cash and cash equivalents provided by (used in):				
Operations:				
Net earnings for the period	**$ 29,300**	$ 9,976	**$ 9,648**	$ 2,595
Depreciation of property and equipment	**10,293**	8,775	**3,537**	2,976
Amortization of intangible assets	**11,042**	11,230	**3,686**	5,461
Future income taxes	**(1,766)**	(5,035)	**(1,617)**	(2,615)
Stock-based compensation expense	**1,792**	1,852	**558**	640
Loss on sale of property and equipment	**359**	283	**149**	41
Other charges	**399**	1,135	**399**	350
Change in non-cash pension liabilities	**573**	1,472	**328**	131
Change in non-cash operating working capital	**7,471**	(20,680)	**21,146**	(2,669)
	59,463	9,008	**37,834**	6,910
Financing:				
Issuance of common shares on exercise of options	**3,395**	193	**-**	16
Repurchase of shares	**(17,722)**	(12,746)	**-**	-
Receipt of acquired lease receivables	**2,863**	5,679	**976**	2,211
Payment of loan to Seller	**(2,863)**	(5,679)	**(976)**	(2,211)
Increase in loans payable	**-**	58,940	**-**	-
Payment of loans payable	**(22,742)**	(216)	**(7,764)**	(73)
Decrease in bank indebtedness	**-**	(16)	**-**	-
	(37,069)	46,155	**(7,764)**	(57)
Investments:				
Maturity of short-term investments	**-**	21,919	**-**	2,062
Purchase of short-term investments	**(3,038)**	(20,631)	**-**	(18,631)
Interest received from long-term investment	**417**	-	**-**	-
Proceeds on disposal of property and equipment	**41**	16	**14**	8
Purchase of property and equipment	**(8,963)**	(12,289)	**(2,605)**	(6,415)
Business acquisitions, net of cash acquired	**-**	(97,479)	**-**	-
	(11,543)	(108,464)	**(2,591)**	(22,976)
Foreign exchange on cash held in foreign currency	**(6,580)**	3,656	**(2,514)**	(1,079)
Increase (decrease) in cash and cash equivalents	**4,271**	(49,645)	**24,965**	(17,202)
Cash and cash equivalents, beginning of period	**97,637**	112,802	**76,943**	80,359
Cash and cash equivalents, end of period	**$ 101,908**	$ 63,157	**$ 101,908**	$ 63,157

The interim consolidated financial statements for the nine months and three months ended September 30, 2009 have not been reviewed by an auditor.

AASTRA TECHNOLOGIES LIMITED

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

Stated in thousands of Canadian dollars

	SEPTEMBER 30th 2009	DECEMBER 31st 2008	SEPTEMBER 30th 2008
ASSETS			
Current assets:			
Cash and cash equivalents	**$ 101,908**	$ 97,637	$ 63,157
Short-term investments	**3,695**	519	19,195
Accounts receivable	**163,815**	234,021	195,587
Income taxes receivable	**7,080**	8,201	-
Inventories	**96,495**	108,000	106,465
Net investment in leases	**5,924**	7,389	3,694
Acquired lease receivables	**1,998**	3,729	3,848
Prepaid expenses and other assets	**7,392**	8,751	9,625
Future income tax assets	**5,190**	9,615	8,999
	393,497	477,862	410,570
Long-term investment	**4,600**	5,416	5,861
Future income tax assets	**4,822**	4,430	996
Net investment in leases	**34,733**	19,456	12,774
Acquired lease receivables	**2,037**	3,718	4,046
Property and equipment	**43,821**	48,859	42,168
Goodwill	**49,333**	50,269	12,089
Intangible assets	**57,034**	70,239	109,662
Other assets	**677**	441	448
	$ 590,554	$ 680,690	$ 598,614
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Indebtedness	**$ -**	$ 337	$ -
Accounts payable and accrued liabilities	**163,947**	218,933	195,574
Income taxes payable	**29,749**	28,509	25,889
Deferred revenue	**21,335**	22,898	15,562
Current portion of contingent consideration payable	**-**	-	1,895
Current portion of loans payable	**17,665**	27,276	26,929
Future income tax liabilities	**1,255**	1,121	735
	233,951	299,074	266,584
Pensions	**25,923**	27,556	21,882
Loans payable	**17,838**	35,537	35,266
Future income tax liabilities	**18,544**	21,645	3,410
Other long-term liabilities	**2,732**	3,071	2,105
	298,988	386,883	329,247
Shareholders' equity:			
Share capital	**85,613**	90,951	95,639
Contributed surplus	**8,276**	6,484	5,881
Accumulated other comprehensive income	**582**	19,588	(10,485)
Retained earnings	**197,095**	176,784	178,332
	291,566	293,807	269,367
	$ 590,554	$ 680,690	$ 598,614

The interim consolidated financial statements for the nine months and three months ended September 30, 2009 have not been reviewed by an auditor.

AASTRA TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND COMPREHENSIVE INCOME (UNAUDITED)

Stated in thousands of Canadian dollars, except share amounts

	Common Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total	Comprehensive Income (Loss)
Balance, December 31, 2008	14,765,573	$ 90,951	$ 6,484	$ 19,588	$ 176,784	$ 293,807	$ -
Shares issued on exercise of options	326,875	3,395	-	-	-	3,395	-
Stock-based compensation	-	-	1,234	-	-	1,234	-
Shares repurchased for cancellation	(1,417,738)	(8,733)	-	-	(8,989)	(17,722)	-
Translation of self-sustaining operations	-	-	-	(11,230)	-	(11,230)	(11,230)
Net earnings	-	-	-	-	19,652	19,652	19,652
Balance, June 30, 2009	13,674,710	$ 85,613	$ 7,718	$ 8,358	$ 187,447	$ 289,136	$ 8,422
Stock-based compensation	-	-	558	-	-	558	-
Translation of self-sustaining operations	-	-	-	(7,776)	-	(7,776)	(7,776)
Net earnings	-	-	-	-	9,648	9,648	9,648
Balance, September 30, 2009	13,674,710	$ 85,613	$ 8,276	$ 582	$ 197,095	$ 291,566	$ 10,294

	Common Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total	Comprehensive Income (Loss)
Balance, December 31, 2007	16,015,323	$ 98,442	$ 4,029	$ (15,530)	$ 178,106	$ 265,047	$ -
Shares issued on exercise of options	11,250	177	-	-	-	177	-
Stock-based compensation	-	-	1,212	-	-	1,212	-
Shares repurchased for cancellation	(487,000)	(2,996)	-	-	(9,750)	(12,746)	-
Translation of self-sustaining operations	-	-	-	17,387	-	17,387	17,387
Net earnings	-	-	-	-	7,381	7,381	7,381
Balance, June 30, 2008	15,539,573	$ 95,623	$ 5,241	$ 1,857	$ 175,737	$ 278,458	$ 24,768
Shares issued on exercise of options	1,000	16	-	-	-	16	-
Stock-based compensation	-	-	640	-	-	640	-
Translation of self-sustaining operations	-	-	-	(12,342)	-	(12,342)	(12,342)
Net earnings	-	-	-	-	2,595	2,595	2,595
Balance, September 30, 2008	15,540,573	$ 95,639	$ 5,881	$ (10,485)	$ 178,332	$ 269,367	$ 15,021

The interim consolidated financial statements for the nine months and three months ended September 30, 2009 have not been reviewed by an auditor.