PRESS RELEASE

For Immediate Release

Aastra Reports Fourth Quarter Financial Results

TORONTO, ONTARIO (February 27, 2007) -- Aastra Technologies Limited - (TSX: "AAH") today announced its unaudited financial results for the fourth quarter and year ended December 31, 2006. During the fourth quarter of 2006 Aastra continued to focus on integrating its European operations while at the same time actively worked on completing several new product initiatives.

Net earnings for the three months ended December 31, 2006 were $12.5 million or $0.74 diluted earnings per share compared to $9.2 million or $0.51 diluted earnings per share in the same period in 2005. Excluding the impact of earnings from discontinued operations as a result of the sale of the Digital Video business, earnings from continuing operations, net of income taxes were $11.6 million or $0.68 diluted earnings per share in the fourth quarter compared to $5.9 million or $0.33 diluted earnings per share for the same period in 2005. The fourth quarter results in 2006 and 2005 both include three full months of operations from the EADS Telephony Business ("EADS") and the DeTeWe Telecom Systems Business ("DTW") acquired in 2005.

Net earnings for the year ended December 31, 2006 were $42.0 million or $2.38 diluted earnings per share compared to $26.3 million or $1.46 diluted earnings per share in 2005. Results for the year ended December 31, 2005 included only ten months and five months of the EADS and DTW businesses respectively.

Sales for the three months ended December 31, 2006 were $160.8 million compared to $163.1 million for the same quarter in 2005, a decrease of 1.4%. Sales in the European Enterprise Communication segment remained flat in the fourth quarter at $134.6 million while sales in the North American Enterprise Communication segment declined 9.0% to $26.7 million primarily as a result of weaker analog and digital terminal sales.

Sales for the year ended December 31, 2006 were $600.5 million compared to $500.8 million for 2005, an increase of approximately 19.9%. Excluding the impact of foreign exchange, the increase in sales would have been approximately 22.6% driven entirely by acquisitions completed in 2005.

Gross profit margin was 42.5% of sales in the fourth quarter of 2006 compared to 37.4% of sales in the same period in 2005. This increase in gross margin is a result of the combined effect of a favourable product mix and lower inventory provisions in the fourth quarter of 2006. Material costs also decreased slightly in the fourth quarter of 2006 as a result of the Company's ongoing focus to improve its product acquisition cost.

Gross margins for the year ended December 31, 2006 were stable with 2005 at 41.9%. Gross margins were negatively influenced by the full year impact of lower margins experienced on the EADS and DTW product lines. However, this was offset by lower overhead costs and an improvement in product mix.

Research and development expenses in the fourth quarter of 2006 were $16.0 million or 9.9% of sales, compared to $15.4 million or 9.5% of sales in the same quarter of 2005. Research and development expenses increased in the fourth quarter as a result of increased development project activities as well as a decrease in government assistance benefits

when compared to the same quarter in 2005. These factors were partially offset with lower research and development labour costs from certain restructuring efforts during the year.

Research and development expenses for the year ended December 31, 2006 increased to $59.6 million or 9.9% of sales from $47.2 million or 9.4% of sales in 2005. Government assistance benefits as well as the full year impact of acquisitions were the main reasons for this increase.

Selling, general and administrative expenses were $38.0 million or 23.6% of sales in the fourth quarter of 2006 compared to $32.3 million or 19.8% of sales in the fourth quarter of 2005. Selling, general and administrative expenses increased substantially as a result of higher sales and marketing expenses incurred in the fourth quarter of 2006.

Selling, general and administrative expenses for the year ended December 31, 2006 were $144.3 million or 24.0% of sales compared to $115.9 million or 23.1% of sales in 2005.

As a result of a weakening Canadian dollar against the euro and Swiss franc in the fourth quarter of 2006, the Company recorded a foreign exchange gain of $1.9 million compared to a loss of $2.8 million in the same quarter last year when the Canadian dollar strengthened significantly against these same currencies. For the year, we recorded foreign exchange gain of $2.9 million compared to a loss of $4.3 million in 2005.

The balance of other charges on the income statement for the year ended December 31, 2006, includes the effects of two unrelated transactions. The first was a one-time foreign exchange loss of $13.2 million and was incurred when one of the Company's U.S. subsidiaries made the decision to repurchase certain shares that it had previously issued to its Canadian parent company. This transaction resulted in a decrease to the cumulative foreign currency translation account in the equity section of the balance sheet. The second was a gain from contingent consideration not earned by the Seller on a previous acquisition.

As a result of substantially higher average cash balances and better interest rates, investment income increased to $1.5 million in the fourth quarter of 2006 compared to $0.3 million in the same quarter of 2005. Investment income for the year was $4.4 million in 2006 compared to $1.1 million in 2005. Income tax expense was $3.0 million or 20.9% of pre-tax profits in the fourth quarter compared to $0.5 million or 7.5% of pre-tax profits in the same period of 2005. Income tax expenses from continuing operations were $3.2 million for the year in 2006 compared to $4.2 million in 2005. In addition, income tax expense of $10.6 million was recorded against discontinued operations in 2006 and $2.3 million 2005.

Cash and short-term investments totaled $115.7 million at the end of 2006 compared to a balance of $102.0 million at the end of 2005. During 2006, the Company used $51.2 million to repurchase approximately 1.7 million of its common shares. In addition, during 2006 the Company continued to generate strong cash flow from operations of approximately $55 million.

About Aastra Technologies Limited

Aastra Technologies Limited (TSX: "AAH"), headquartered in Concord, Ontario, Canada, develops, markets, and supports a comprehensive portfolio of products, systems, and applications for building and accessing communication networks. Aastra's products include a full range of both open-standard Internet Protocol (IP)-based and traditional networking solutions including; Enterprise Private Branch Exchanges (PBXs), gateways, digital and analog telephone terminals, VoIP telephones, wireless handsets, and advanced software applications. Aastra serves the majority of telephone companies in North America and Europe, with a growing presence in Australia. For more information on Aastra, visit our Web site at http://www.aastra.com/

This press release may contain forward-looking information or forward-looking statements within the meaning of applicable securities legislation ("forward-looking statements"). Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, potentials, future events or performance (often, but not always, using words or phrases such as "believes", "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", or "intends" or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken or achieved) are not statements of historical fact, but are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Aastra, or developments in Aastra's business or in its industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Forward-looking statements may include, but are not limited to: expectations regarding Aastra's restructuring and integration plans for the DeTeWe Telecommunications business acquired on July 31, 2005. As described in detail under the heading "Risk Factors" in Aastra's annual information form filed on www.sedar.com, the material factors that could cause our actual results to differ materially from the forward-looking statements in this press release include: integration of Aastra's recent acquisition of DeTeWe's telephony business; continued demand for Aastra's recently-acquired products; Aastra's reliance on third party manufacturers and component suppliers (in general and related to the recently-acquired business); dependence on key personnel; risks related to expansion of Aastra's business operations-domestically and internationally; exchange rate fluctuations; risks related to future acquisitions; requirements for additional financing of Aastra's business; longer credit terms extended to Aastra's customers; continued implementation of an enterprise resource planning system; potential fluctuations in quarterly financial results; possible volatility to Aastra's share price; limited range of products that Aastra sells; risks associated with product returns and product defects; Aastra's ability to protect its intellectual property; Aastra's potential vulnerability to computer and information systems security breaches; competition from third parties; consolidation and reorganization in the telecommunications industry; rapid technological change; risk of third party claims for infringement of intellectual property rights by others; and risks related to technical standards and the certification our products. The material factors and assumptions that were applied in making the forward-looking statements in this press include: that Aastra will be able to continue with its restructuring and integration plans for the DeTeWe Telecommunications business; and that, after the implementation of the restructuring and integration plans, no further changes will be required in order to return the DeTeWe Telecommunications business, to profitability based upon expected revenues.

It is important to note that: unless otherwise indicated, forward-looking statements in this press release describe Aastra's expectations as of the date of this press release; Aastra cautions readers not to place undue reliance on the forward-looking statements in this press release as actual results may differ materially from expectations if known and unknown risks or uncertainties affect Aastra's business, or if estimates or assumptions prove inaccurate. Therefore, Aastra cannot provide any assurance that forward-looking statements will materialize and Aastra assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or other reason.

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AASTRA TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)

Stated in thousands of Canadian dollars except per share data

	Year ended December 31st		4th QUARTER Three months ended December 31st	
	2006	2005	**2006**	2005
Sales	$ **600,536**	$ 500,759	$ **160,786**	$ 163,118
Cost of goods sold	**348,906**	291,188	**92,493**	102,069
	$ **251,630**	$ 209,571	$ **68,293**	$ 61,049
Selling, general and administrative	**144,334**	115,908	**37,997**	32,295
Research and development	**59,631**	47,179	**15,995**	15,443
Amortization	**16,834**	16,314	**4,547**	4,462
Operating income	**30,831**	30,170	**9,754**	8,849
Foreign exchange (gain) loss	**(2,909)**	4,278	**(1,874)**	2,768
Investment income	**(4,361)**	(1,145)	**(1,473)**	(277)
Other charges	**11,356**	-	**(1,504)**	-
Earnings from continuing operations before income taxes	**26,745**	27,037	**14,605**	6,358
Income taxes	**3,168**	4,226	**3,046**	479
Net earnings from continuing operations	**23,577**	22,811	**11,559**	5,879
Earnings (loss) from discontinued operations, net of income taxes	**839**	3,504	**(14)**	3,304
Gain on sale of discontinued operations, net of income taxes and transaction costs	**17,563**	-	**989**	-
Net earnings for the period	$ **41,979**	$ 26,315	$ **12,534**	$ 9,183
Earnings per share from continuing operations:				
Basic	$ **1.37**	$ 1.32	$ **0.70**	$ 0.34
Diluted	$ **1.34**	$ 1.27	$ **0.68**	$ 0.33
Earnings per share:				
Basic	$ **2.44**	$ 1.52	$ **0.76**	$ 0.53
Diluted	$ **2.38**	$ 1.46	$ **0.74**	$ 0.51

* *Actual common shares outstanding as at December 31, 2006 – 16,009,573 (2005 – 17,473,784)*

*** Weighted average common shares outstanding for the year and three months ended December 31, 2006 - 17,222,380 and 16,479,898 (2005 – 17,330,423 and 17,447,870)*

The interim consolidated financial statements for the year and three months ended December 31, 2006 and 2005 have not been reviewed by an auditor.

AASTRA TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

Stated in thousands of Canadian dollars

	Year ended December 31st		4rh QUARTER Three months ended December 31st	
	2006	2005	**2006**	2005
Cash and cash equivalents provided by (used in) operations:				
Net earnings for the period	$ **41,979**	$ 26,315	$ **12,534**	$ 9,183
Net earnings from discontinued operations	**(18,402)**	(3,504)	**(975)**	(3,304)
Amortization of capital assets	**12,839**	12,562	**2,551**	2,812
Amortization of intangible assets	**8,695**	7,335	**2,851**	1,998
Future income taxes	**775**	1,715	**(3,863)**	1,105
Stock-based compensation expense	**1,212**	777	**332**	241
(Gain) loss on short-term investments	**484**	739	**105**	(461)
Loss on sale of capital assets	**1,107**	1,112	**1,004**	723
Other charges	**11,356**	-	**(1,504)**	-
Other	**693**	98	**110**	1,619
Change in non-cash operating working capital	**(6,065)**	28,174	**(5,369)**	3,025
	54,673	75,323	**7,776**	16,941
Cash and cash equivalents provided by discontinued operations:	**20,431**	4,686	**(14)**	3,593
Cash and cash equivalents provided by (used in) financing activities:				
Bank indebtedness	**(3,382)**	4,966	**201**	4,913
Issuance of common shares on exercise of options	**2,133**	2,963	**522**	612
Repurchase of shares	**(51,231)**	-	**(31,502)**	-
Change in non-cash financing working capital	**-**	-	**(2,137)**	-
	(52,480)	7,929	**(32,916)**	5,525
Cash and cash equivalents provided by (used in) investing activities:				
Maturity of short-term investments	**82,773**	67,126	**24,848**	2,390
Purchase of short-term investments	**(93,400)**	(50,897)	**(213)**	(27,969)
Proceeds on disposal of capital assets	**378**	752	**-**	60
Purchase of capital assets	**(11,527)**	(12,489)	**(5,534)**	(6,952)
Business acquisitions	**(587)**	(97,587)	**(587)**	1,666
	(22,363)	(93,095)	**18,514**	(30,805)
Foreign exchange on cash held in foreign currency	**3,312**	(4,884)	**3,157**	(573)
Increase (decrease) in cash and cash equivalents	**3,573**	(10,041)	**(3,483)**	(5,319)
Cash and cash equivalents, beginning of period	**54,140**	64,181	**61,196**	59,459
Cash and cash equivalents, end of period	$ **57,713**	$ 54,140	$ **57,713**	$ 54,140

The interim consolidated financial statements for the year and three months ended December 31, 2006 and 2005 have not been reviewed by an auditor.

AASTRA TECHNOLOGIES LIMITED

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

Stated in thousands of Canadian dollars

		DECEMBER 31st 2006		DECEMBER 31st 2005
Assets				
Current assets:				
Cash and cash equivalents	$	**57,713**	$	54,140
Short-term investments		**58,030**		47,885
Accounts receivable		**145,350**		144,480
Income taxes receivable		**-**		404
Inventories		**73,484**		59,941
Net investment in leases		**1,665**		2,071
Acquired lease receivables		**9,998**		18,789
Prepaid expenses and other assets		**4,401**		9,457
Future income tax assets		**11,671**		9,651
	$	**362,312**	$	346,818
Future income tax assets		**3,879**		5,932
Net investment in leases		**3,017**		2,793
Acquired lease receivables		**15,053**		24,031
Capital assets		**37,182**		39,378
Goodwill		**11,547**		18,147
Intangible assets		**31,742**		32,131
Other assets		**815**		787
	$	**465,547**	$	470,017
Liabilities and Shareholders' Equity				
Current liabilities:				
Indebtedness		**2,586**		5,640
Accounts payable and accrued liabilities		**117,832**		121,068
Restructuring accruals		**3,668**		16,973
Income taxes payable		**20,999**		11,426
Deferred revenue		**14,546**		13,960
Loan payable		**9,998**		18,789
Future income tax liabilities		**364**		262
	$	**169,993**	$	188,118
Contingent consideration payable		**3,822**		5,313
Pensions		**20,365**		16,506
Loan payable		**15,053**		24,031
Future income tax liabilities		**10,380**		8,623
Other long-term accruals		**2,672**		622
Restructuring accruals		**929**		2,527
		223,214		245,740
Shareholders' equity:				
Share capital		**97,513**		105,370
Contributed surplus		**2,244**		1,110
Cumulative foreign currency translation adjustment		**(1,549)**		(25,512)
Retained earnings		**144,125**		143,309
		242,333		224,277
	$	**465,547**	$	470,017

The interim consolidated financial statements for the year and three months ended December 31, 2006 and 2005 have not been reviewed by an auditor.

AASTRA TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (UNAUDITED)

Stated in thousands of Canadian dollars

	Common Shares	Share Capital	Contributed Surplus	Cumulative Translation Adjustment	Retained Earnings	Total
Balance, December 31, 2005	17,473,784	$ 105,370	$ 1,110	$ (25,512)	$ 143,309	$ 224,277
Shares issued on exercise of options	156,425	1,611	-	-	-	1,611
Stock option compensation	-	-	880	-	-	880
Shares repurchased for cancellation	(700,000)	(4,246)	-	-	(15,483)	(19,729)
Transfer from contributed surplus to share capital	-	51	(51)	-	-	-
Translation of self sustaining operations	-	-	-	11,992	-	11,992
Net earnings	-	-	-	-	29,445	29,445
Balance, September 30, 2006	16,930,209	102,786	1,939	(13,520)	157,271	248,476
Shares issued on exercise of options	**38,375**	**522**	**-**	**-**	**-**	**522**
Stock option compensation	**-**	**-**	**332**	**-**	**-**	**332**
Shares repurchased for cancellation	**(959,011)**	**(5,822)**	**-**	**-**	**(25,680)**	**(31,502)**
Transfer from contributed surplus to share capital	**-**	**27**	**(27)**	**-**	**-**	**-**
Translation of self sustaining operations	**-**	**-**	**-**	**11,971**	**-**	**11,971**
Net earnings	**-**	**-**	**-**	**-**	**12,534**	**12,534**
Balance, December 31, 2006	**16,009,573**	**97,513**	**2,244**	**(1,549)**	**144,125**	**242,333**

	Common Shares	Share Capital	Contributed Surplus	Cumulative Translation Adjustment	Retained Earnings	Total
Balance, December 31, 2004	17,206,634	$ 102,407	$ 333	$ 211	$ 116,994	$ 219,945
Shares issued on exercise of options	216,425	2,351	-	-	-	2,351
Stock option compensation	-	-	536	-	-	536
Translation of self sustaining operations	-	-	-	(21,177)	-	(21,177)
Net earnings	-	-	-	-	17,132	17,132
Balance, September 30, 2005	17,423,059	104,758	869	(20,966)	134,126	218,787
Shares issued on exercise of options	50,725	612	-	-	-	612
Stock option compensation	-	-	241	-	-	241
Translation of self sustaining operations	-	-	-	(4,546)	-	(4,546)
Net earnings	-	-	-	-	9,183	9,183
Balance, December 31, 2005	17,473,784	$ 105,370	$ 1,110	$ (25,512)	$ 143,309	$ 224,277

The interim consolidated financial statements for the year and three months ended December 31, 2006 and 2005 have not been reviewed by an auditor.