PRESS RELEASE

For Immediate Release

Aastra Reports Strong Year End Financial Results

TORONTO, ONTARIO (March 3, 2005) -- Aastra Technologies Limited - (TSX: "AAH") today announced its unaudited financial results for the fourth quarter and year ended December 31, 2004. Net earnings for the three months ended December 31, 2004 were $10.2 million or $0.58 diluted earnings per share compared to $7.1 million or $0.41 diluted earnings per share in the same period last year.

The fourth quarter results in 2004 included a foreign exchange gain of approximately $1.6 million as a result of the decision by management to repatriate the profits of certain foreign operations. Excluding this gain, the net earnings in the fourth quarter would have been $8.6 million or $0.49 diluted earnings per share. The remainder of the improvement in the fourth quarter 2004 profits was a result of the strong operating results of the PBX product line as the full effect of previous restructuring efforts was realized during the quarter. Net earnings for the year ended December 31, 2004 were $24.2 million or $1.38 diluted earnings per share compared to $21.0 million or $1.20 diluted earnings per share for 2003.

Net sales for the three months ended December 31, 2004 were $66.7 million compared to net sales of $73.5 million for the same period last year, a decrease of approximately 9%. Net sales from the Enterprise Communications segment, formerly referred to as the Communication Access Terminals segment, were $58.2 million in the fourth quarter compared to $61.5 million for the three months ended December 31, 2003. Sales in this segment included approximately $42.0 million in sales of PBX communication systems compared to $40.0 million in sales of this product line in the same period last year.

Net sales from the Network Communication Products segment were $8.5 million in the fourth quarter compared to $12.0 million in the same period last year. Net sales for the year ended December 31, 2004 were $256 million compared to net sales of $192 million for the year ended December 31, 2003, an increase of approximately 33%.

Gross profit margin was 51% of sales for the three months ended December 31, 2004 compared to gross margin of 44% of sales for the same period last year. This increase was a result of higher gross margins in most product lines across the Enterprise Communications segment but primarily the PBX product line. Research and development expenses in the fourth quarter of 2004 were $4.9 million or 7% of sales, compared to $7.0 million or 9% of sales in the comparable quarter of 2003. Selling, general and administrative expenses were $16.8 million or 25% of sales in the fourth quarter of 2004 compared to $16.3 million or 22% in the fourth quarter of 2003.

The Company recorded a net foreign exchange gain of $1.4 million in the fourth quarter. This includes the gain of $1.6 million previously mentioned, as funds from certain self sustaining foreign operations were repatriated back to Canada in order to assist in funding the EADS Enterprise Telephony acquisition. If these foreign profits were not repatriated, this foreign exchange gain would have been recorded as a Cumulative Translation Adjustment in the equity section of the Balance Sheet similar to the accounting treatment in previous quarters and would not have had an impact on the Income Statement.

Earnings before income taxes, amortization and interest for the fourth quarter ended December 31, 2004 were $14 million or 21% of sales compared to $10.0 million or 14% of sales in the same period of 2003. Amortization of capital and intangible assets, excluding tooling, was $2.7 million for the fourth quarter of 2004 compared to $3.2 million in the same period last year as certain assets become fully amortized and not replaced. Investment income was $0.6 million during the fourth quarter compared to $1.1 million in 2003 as the Company made the decision during 2004 to significantly reduce the average holding period of its investments in preparation for the EADS Enterprise Telephony acquisition.

Income tax expense increased to $1.7 million or 15% of pre-tax income compared to $0.8 million or 10% of pre-tax income in the fourth quarter of 2003. While income tax rates have continued to be impacted by profits in lower tax jurisdictions, there was a shift in the source of the Company's taxable income during the fourth quarter towards higher taxation countries in Europe. For the year, income tax expense was $3.2 million or 12% of pre-tax income compared to $3.3 million or 14% in 2003.

As a result of its continued profitability, Aastra experienced an increase in cash, cash equivalents and short-term investments to approximately $129 million at the end of 2004 from approximately $119 million at the end of September 2004 and $82 million at the end of 2003. During the fourth quarter, the Company generated $10 million of positive cash flow from operations. For the year, the cash generated from operations was an impressive $54 million in 2004 compared to $24 million in 2003 as a result of continued profitability and strong working capital management.

Finally, as previously announced earlier this week, the Company is pleased to report that it is has closed its acquisition of the EADS Enterprise Telephony business effective February 28, 2005. This business includes a unit in Western Europe, with a significant presence in France, that is focused on VoIP enabled communication systems for medium to large enterprises as well as a separate unit focused on communications solutions for the very large call center and campus market in the United States.

This acquisition included a cash payment of approximately Euro 63.4 million or $104 million on closing and includes potential deferred payments of up to Euro 5 million or $8 million. In addition, the acquisition price is subject to certain price adjustments which could decrease the purchase price based on the final value of the net assets transferred to Aastra on closing.

About Aastra Technologies Limited

Aastra Technologies Limited (TSX: "AAH"), headquartered in Concord, Ontario, Canada, develops and markets products and systems for accessing communication networks. Aastra's products include a full range of residential and business telephone terminals, Enterprise Private Branch Exchanges (PBX), network access servers and high quality digital video gateways. Aastra serves the majority of telephone companies and certain cable operators and broadcasters in North America and Europe, with a growing presence in South America and Asia. For more information on Aastra, visit our Web site at http://www.aastra.com.

Certain information discussed in this press release is forward-looking and is subject to important risks and uncertainties. Forward-looking statements include statements of plans, objectives, strategies and expectations. The words "anticipate", "believe", "estimate", and "expect" and similar expressions are intended to identify forward looking statements. The results or events predicted in these statements may differ materially from actual results or events. Please refer to reports filed by Aastra with securities regulatory authorities in Canada, including the "Risk Factors" section of Aastra's Prospectus dated December 2, 2002, for an identification of factors which could cause results or events to differ from current expectations. Aastra disclaims any

intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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AASTRA TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)

Stated in thousands of Canadian dollars except per share data

	YEAR-TO-DATE Year-ended ended December 31st		4th QUARTER Three months ended December 31st	
	2004	2003	**2004**	2003
Sales	$ **256,119**	$ 191,662	$ **66,717**	$ 73,466
Cost of goods sold	**130,894**	105,670	**32,422**	41,018
	$ **125,225**	$ 85,992	$ **34,295**	$ 32,448
Selling, general and administrative	**66,526**	34,231	**16,823**	16,294
Research and development	**23,599**	20,599	**4,945**	6,979
Amortization	**11,320**	9,551	**2,698**	3,189
Foreign exchange loss (gain)	**(1,229)**	928	**(1,431)**	(823)
Investment Income	**(2,364)**	(3,560)	**(616)**	(1,081)
Earnings before income taxes	$ **27,373**	$ 24,243	$ **11,876**	$ 7,890
Income taxes	**3,175**	3,287	**1,724**	767
Net earnings for the period	$ **24,198**	$ 20,956	$ **10,152**	$ 7,123
Basic earnings per share for the period *(note 4)*	$ **1.42**	$ 1.24	$ **0.59**	$ 0.42
Diluted earnings per share for the period *(note 4)*	$ **1.38**	$ 1.20	$ **0.58**	$ 0.41

* *Actual common shares outstanding as at December 31, 2004 – 17,206,634 (2003 – 17,032,109)*

** *YTD Weighted average common shares outstanding as at December 31, 2004 –17,093,740 (2003 – 16,941,316)*

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

Stated in thousands of Canadian dollars

	YEAR-TO-DATE Year-ended ended December 31st		4th QUARTER Three months ended December 31st	
	2004	2003	**2004**	2003
Cash and cash equivalents provided by (used for) operations:				
Net earnings for the period	$ **24,198**	$ 20,956	$ **10,152**	$ 7,123
Amortization of capital assets	**9,856**	8,037	**1,702**	3,454
Amortization of intangible assets	**6,206**	4,149	**1,326**	1,730
Future income taxes	**1,611**	2,081	**279**	665
Stock compensation expense	**248**	85	**124**	85
Pension asset amortization	**93**	163	**(17)**	163
Unrealized net foreign exchange gains	**(141)**	-	**506**	-
Net change in non-cash working capital	**12,406**	(11,917)	**(4,048)**	4,618
	54,477	23,554	**10,024**	17,838
Cash and cash equivalents provided by (used in) financing activities:				
Issuance of common shares	**1,708**	1,455	**970**	672
Bank indebtedness	**(6,610)**	(2,904)	**(16)**	(2,538)
	(4,902)	(1,449)	**954**	(1,866)
Cash and cash equivalents provided by (used for) investing activities:				
Maturity of short-term investments	**70,280**	49,660	**26,421**	2,692
Purchase of short-term investments	**(78,821)**	(93,843)	**(29,932)**	(31,214)
Net purchase of capital assets	**(2,242)**	(3,919)	**(830)**	(3,753)
Business acquisition	**-**	(26,225)	**-**	8,110
	(10,783)	(74,327)	**(4,341)**	(24,165)
Foreign exchange on cash held in foreign currency	**(490)**	(86)	**(48)**	1,488
Increase (decrease) in cash and cash equivalents	**38,302**	(52,308)	**6,589**	(6,705)
Cash and cash equivalents, beginning of period	**25,879**	78,187	**57,592**	32,584
Cash and cash equivalents, end of period	$ **64,181**	$ 25,879	$ **64,181**	$ 25,879

AASTRA TECHNOLOGIES LIMITED

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

Stated in thousands of Canadian dollars

		DECEMBER 31st 2004		DECEMBER 31st 2003
Assets				
Current assets:				
Cash and cash equivalents	$	64,181	$	25,879
Short-term investments		64,853		56,312
Accounts receivable		50,149		69,084
Income taxes receivable		2,039		539
Net investment in leases		756		336
Inventories		47,229		52,783
Deposits and prepaid expenses		2,193		1,785
Future income taxes		1,326		4,801
	$	232,726	$	211,519
Future income taxes		9,690		4,491
Net investment in leases		1,793		740
Capital assets, net		16,974		24,588
Accrued pension asset		1,046		1,139
Goodwill		6,353		6,353
Intangible assets		13,875		23,417
	$	282,457	$	272,247
Liabilities and Shareholders' Equity				
Current liabilities:				
Indebtedness		-		6,610
Accounts payable and accrued liabilities		44,901		55,194
Income taxes payable		8,972		5,483
Deferred revenue		2,339		4,039
	$	56,212	$	71,326
Contingent consideration payable		6,300		6,240
		62,512		77,566
Shareholders' equity:				
Share capital		102,407		100,699
Contributed surplus		333		85
Cumulative foreign currency translation adjustment		211		1,101
Retained earnings		116,994		92,796
		219,945		194,681
	$	282,457	$	272,247

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS (UNAUDITED)

		YEAR-TO-DATE Year-ended ended December 31st **2004**		2003		4th QUARTER Three months ended December 31st **2004**		2003
Retained earnings, beginning of period	$	**92,796**	$	71,840	$	**106,842**	$	85,673
Net earnings		**24,198**		20,956		**10,152**		7,123
Retained earnings, end of period	$	**116,994**	$	92,796	$	**116,994**	$	92,796