PRESS RELEASE

For Immediate Release

Aastra Reports Record Annual Net Income

TORONTO, ONTARIO (Marketwire - February 16, 2010) -- Aastra Technologies Limited - (TSX: "AAH") today reported its unaudited financial results for the three months and year ended December 31, 2009. The Company is pleased to report a significant improvement in net earnings in the fourth quarter resulting in a record net income for the year ended December 31, 2009. In addition, the Company is also pleased to announce an increase to its quarterly dividend to $0.20 per share for this quarter, payable on March 24, 2010 to all shareholders of record on March 3, 2010.

Net revenue for the three months ended December 31, 2009 was $217.8 million compared to $261.8 million for the same quarter in 2008, a decrease of 16.8% from the previous year. While sales were down from the record level experienced in the fourth quarter last year, sales for the quarter were up 9.6% sequentially from sales of $198.7 million in the third quarter of 2009.

Sales for the year ended December 31, 2009 were up slightly at $832.9 million compared to $832.1 million for 2008. The results for 2008 include only 8 months of sales of the former Ericsson Enterprise product lines acquired on April 30, 2008. Excluding the impact of the Ericsson Enterprise acquisition, sales would have decreased by approximately 8% from 2008 as a result of the weaker global economy in 2009 and its impact on the IT spending by our enterprise end customers across many of our markets.

Gross margin decreased slightly to 45.0% of sales in the fourth quarter of 2009 compared to 47.0% of sales in the same period in 2008. Gross margin for the year ended December 31, 2009 was 45.9% compared to 44.9% for the year in 2008.

Research and development expenses in the fourth quarter of 2009 were $19.2 million or 8.8% of sales, compared to $27.7 million or 10.6% of sales in the final quarter of 2008. Research and development expenses for the year ended December 31, 2009 decreased to $81.8 million or 9.8% of sales from $98.0 million or 11.8% of sales in 2008. The Company actively worked in 2009 to create efficiencies across its research and development centers.

Selling, general and administrative expenses were $51.6 million or 23.7% of sales in the fourth quarter of 2009 compared to $67.9 million or 25.9% of sales in the fourth quarter of 2008. Selling, general and administrative expenses for the year ended December 31, 2009 were down slightly to $217.4 million or 26.1% of sales compared to $218.1 million or 26.2% of sales for the year in 2008.

Amortization expense recorded in operating expenses was $5.3 million in the fourth quarter of 2009 compared to $9.6 million in the fourth quarter of 2008. For the year, amortization expenses recorded in operating expenses were $23.0 million compared to $26.4 million for the year in 2008. Amortization expenses decreased as certain intangible assets became fully amortized at the end of 2008. In the fourth quarter of 2008 the Company recorded a non-cash charge on the impairment of certain long-lived assets and goodwill of $14.1 million which had a significant negative impact on earnings in that quarter.

Losses from the impact of foreign exchange were $2.2 million in the fourth quarter of 2009, comparable to foreign exchange losses of $2.1 million incurred in the same period of 2008. Foreign exchange losses were $3.6 million for the year in 2009 compared to $3.1 million for 2008 as a result of the general strengthening of the Canadian dollar over these periods.

Interest income was down to $0.7 million in the fourth quarter of 2009 from $1.0 million in the final quarter of 2008. For the year, investment income was $2.8 million compared to $3.6 million in 2008. The decrease in both periods is primarily the result of lower average rates of return in 2009 when compared to 2008. Interest expense decreased to $1.2 million for the year in 2009 compared to $2.4 million in 2008 as a result of a decrease in the loan balance outstanding as well as lower rates of interest on the balance outstanding.

As a result of the above, net earnings for the three months ended December 31, 2009 improved sharply to $15.3 million or $1.09 diluted earnings per share compared to $1.5 million or $0.10 diluted earnings per share in the same period in 2008. Net earnings for the year ended December 31, 2009 were $44.6 million or $3.20 diluted earnings per share compared to $11.5 million or $0.73 diluted earnings per share in 2008. Despite the depressed levels of sales due to the weak economic conditions, the Company was pleased with its ability to manage its cost base and generate strong profitability resulting in a record net earnings for 2009.

Cash and short-term investments totaled $116.9 million at the end of 2009 compared to a balance of $98.2 million at the end of 2008. During the fourth quarter of 2009, the Company generated $11.3 million in cash flow from operations, net of working capital increases. For the year, the Company generated $68.1 million from operations, net of working capital increases. In addition, the Company repurchased $17.7 million of its own shares and repaid $22.8 million of long term debt during 2009.

As announced previously, the Company has entered into an agreement with KEYMILE GmbH to sell its optical transmission and multiplexer product line, which is non-core to the Company's Enterprise Communication business and accounted for less than 2% of the Company's consolidated revenue for 2009. The sale is subject to customary closing conditions and is expected to close by the end of March 2010.

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 solutions, 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 and quarterly Management Discussion and Analyses 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 Twelve months ended December 31st		4th QUARTER Three months ended December 31st	
	2009	2008	**2009**	2008
Sales	**$ 832,897**	$ 832,070	**$ 217,804**	$ 261,778
Cost of goods sold	**451,012**	458,149	**119,813**	138,753
	381,885	373,921	**97,991**	123,025
Expenses (income):				
Selling, general and administrative	**217,425**	218,064	**51,597**	67,880
Research and development	**81,817**	97,984	**19,237**	27,731
Depreciation and amortization	**22,961**	26,434	**5,289**	9,606
Interest expense	**1,226**	2,405	**117**	903
Foreign exchange loss	**3,597**	3,113	**2,200**	2,112
Investment income	**(2,836)**	(3,645)	**(679)**	(1,040)
Impairment of goodwill	**-**	9,022	**-**	9,022
Other charges	**399**	4,712	**-**	3,577
Earnings before income taxes	**57,296**	15,832	**20,230**	3,234
Income taxes	**12,685**	4,355	**4,919**	1,733
Net earnings for the period	**$ 44,611**	$ 11,477	**$ 15,311**	$ 1,501
Earnings per share:				
Basic	**$ 3.26**	$ 0.74	**$ 1.11**	$ 0.10
Diluted	**$ 3.20**	$ 0.73	**$ 1.09**	$ 0.10

* *Actual common shares outstanding as at December 31, 2009 – 13,852,335 (2008 – 14,765,573)*

** *Weighted average common shares outstanding for the twelve months and three months ended December 31, 2009 – 13,705,274 and 13,920,085 (2008 – 15,427,900 and 15,161,497)*

The interim consolidated financial statements for the twelve months and three months ended December 31, 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 Twelve months ended December 31st		4th QUARTER Three months ended December 31st	
	2009	2008	**2009**	2008
Cash and cash equivalents provided by (used in):				
Operations:				
Net earnings for the period	**$ 44,611**	$ 11,477	**$ 15,311**	$ 1,501
Depreciation of property and equipment	**11,959**	11,266	**2,878**	3,392
Amortization of intangible assets	**15,982**	19,575	**3,728**	7,444
Future income taxes	**(1,942)**	(5,380)	**(176)**	(345)
Stock-based compensation expense	**2,350**	2,536	**557**	684
Loss on short-term investments	**-**	(147)	**-**	(147)
Loss on sale of property and equipment	**492**	432	**133**	149
Impairment of goodwill	**-**	9,022	**-**	9,022
Other charges	**399**	4,712	**-**	3,577
Change in non-cash pension liabilities	**1,309**	1,119	**736**	(353)
Change in non-cash operating working capital	**(7,037)**	(27,764)	**(11,844)**	(7,084)
	68,123	26,848	**11,323**	17,840
Financing:				
Dividends to shareholders	**(2,062)**	-	**(2,062)**	-
Issuance of common shares on exercise of options	**6,901**	193	**3,506**	-
Repurchase of shares	**(17,722)**	(20,564)	**-**	(7,818)
Receipt of acquired lease receivables	**3,606**	7,159	**743**	1,480
Payment of loan to Seller	**(3,606)**	(7,159)	**(743)**	(1,480)
Increase in loans payable	**-**	58,170	**-**	-
Payment of loans payable	**(22,821)**	(294)	**(79)**	(78)
Decrease in bank indebtedness	**-**	(16)	**-**	-
	(35,704)	37,489	**1,365**	(7,896)
Investments:				
Maturity of short-term investments	**-**	40,624	**-**	18,705
Purchase of short-term investments	**(3,038)**	(20,631)	**-**	-
Interest received from long-term investment	**493**	-	**76**	-
Proceeds on disposal of property and equipment	**28**	5	**(13)**	(11)
Purchase of property and equipment	**(11,914)**	(17,679)	**(4,059)**	(6,226)
Purchase of intangible assets	**(1,740)**	(1,106)	**(632)**	(270)
Business acquisitions, net of cash acquired	**2,663**	(92,918)	**-**	4,561
	(13,508)	(91,705)	**(4,628)**	16,759
Foreign exchange on cash held in foreign currency	**(2,952)**	12,203	**3,628**	7,777
Increase (decrease) in cash and cash equivalents	**15,959**	(15,165)	**11,688**	34,480
Cash and cash equivalents, beginning of period	**97,637**	112,802	**101,908**	63,157
Cash and cash equivalents, end of period	**$ 113,596**	$ 97,637	**$ 113,596**	$ 97,637

The interim consolidated financial statements for the twelve months and three months ended December 31, 2009 have not been reviewed by an auditor.

AASTRA TECHNOLOGIES LIMITED

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

Stated in thousands of Canadian dollars

		DECEMBER 31st 2009		DECEMBER 31st 2008
ASSETS				
Current assets:				
Cash and cash equivalents	**$**	**113,596**	$	97,637
Short-term investments		**3,309**		519
Accounts receivable		**175,331**		234,021
Income taxes receivable		**5,986**		8,201
Inventories		**81,398**		108,000
Net investment in leases		**11,831**		7,389
Acquired lease receivables		**1,544**		3,729
Prepaid expenses and other assets		**7,088**		8,751
Future income tax assets		**6,395**		9,615
		406,478		477,862
Long-term investment		**4,525**		5,416
Future income tax assets		**3,901**		4,430
Net investment in leases		**28,597**		19,456
Acquired lease receivables		**1,597**		3,718
Property and equipment		**41,920**		47,592
Goodwill		**46,391**		50,269
Intangible assets		**51,460**		71,506
Other assets		**611**		441
	$	**585,480**	$	680,690
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Indebtedness	**$**	**-**	$	337
Accounts payable and accrued liabilities		**148,076**		218,933
Income taxes payable		**33,294**		28,509
Deferred revenue		**23,686**		22,898
Current portion of loans payable		**16,490**		27,276
Future income tax liabilities		**961**		1,121
		222,507		299,074
Pensions		**25,488**		27,556
Loans payable		**16,561**		35,537
Future income tax liabilities		**14,281**		21,645
Other long-term liabilities		**3,802**		3,071
		282,639		386,883
Shareholders' equity:				
Share capital		**90,488**		90,951
Contributed surplus		**7,465**		6,484
Accumulated other comprehensive income		**(5,456)**		19,588
Retained earnings		**210,344**		176,784
		302,841		293,807
	$	**585,480**	$	680,690

The interim consolidated financial statements for the twelve months and three months ended December 31, 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	-	-	1,792	-	-	1,792	-
Shares repurchased for cancellation	(1,417,738)	(8,733)	-	-	(8,989)	(17,722)	-
Translation of self-sustaining operations	-	-	-	(19,006)	-	(19,006)	(19,006)
Net earnings	-	-	-	-	29,300	29,300	29,300
Balance, September 30, 2009	13,674,710	$ 85,613	$ 8,276	$ 582	$ 197,095	$ 291,566	$ 10,294
Dividends	-	-	-	-	(2,062)	(2,062)	-
Shares issued on exercise of options	177,625	3,506	-	-	-	3,506	-
Stock-based compensation	-	-	558	-	-	558	-
Transfer from contributed surplus to share capital	-	1,369	(1,369)	-	-	-	-
Translation of self-sustaining operations	-	-	-	(6,038)	-	(6,038)	(6,038)
Net earnings	-	-	-	-	15,311	15,311	15,311
Balance, December 31, 2009	13,852,335	$ 90,488	$ 7,465	$ (5,456)	$ 210,344	$ 302,841	$ 19,567

	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	12,250	193	-	-	-	193	-
Stock-based compensation	-	-	1,852	-	-	1,852	-
Shares repurchased for cancellation	(487,000)	(2,996)	-	-	(9,750)	(12,746)	-
Translation of self-sustaining operations	-	-	-	5,045	-	5,045	5,045
Net earnings	-	-	-	-	9,976	9,976	9,976
Balance, September 30, 2008	15,540,573	$ 95,639	$ 5,881	$ (10,485)	$ 178,332	$ 269,367	$ 15,021
Stock-based compensation	-	-	684	-	-	684	-
Shares repurchased for cancellation	(775,000)	(4,769)	-	-	(3,049)	(7,818)	-
Transfer from contributed surplus to share capital		81	(81)	-	-	-	-
Translation of self-sustaining operations	-	-	-	30,073	-	30,073	30,073
Net earnings	-	-	-	-	1,501	1,501	1,501
Balance, December 31, 2008	14,765,573	$ 90,951	$ 6,484	$ 19,588	$ 176,784	$ 293,807	$ 46,595

The interim consolidated financial statements for the twelve months and three months ended December 31, 2009 have not been reviewed by an auditor.