

PRESS RELEASE

For Immediate Release

Aastra Reports Strong Fourth Quarter Earnings

TORONTO, ONTARIO (Marketwire - February 15, 2012) -- Aastra Technologies Limited - (TSX: "AAH") today reported its unaudited financial results for the three months and year ended December 31, 2011. Note that certain 2010 numbers have been restated to comply with the new IFRS accounting rules for Canadian companies adopted by Aastra on January 1, 2011. The Company is pleased to report a significant rebound in net earnings and cash flow from operations in the fourth quarter ended December 31, 2011.

Sales for the three months ended December 31, 2011 were \$199.7 million compared to \$214.9 million for the same quarter in 2010, a decrease of 7.1%. Excluding the impact of changes in foreign exchange from the strengthening of the Canadian dollar, sales decreased by 8.3% over the same period last year. In addition, following seasonal trends in Europe, sales for the fourth quarter in 2011 increased 27.0% from sales in the third quarter of the year.

Sales for the year ended December 31, 2011 were \$693.0 million compared to \$716.9 million for 2010. Excluding the impact of foreign exchange, sales declined by 5.2% in the twelve months ended December 31, 2011 compared to the same period of 2010.

Gross margin decreased slightly to 43.2% of sales in the fourth quarter of 2011 compared to 44.4% of sales in the same period in 2010. Gross margin for the year ended December 31, 2011 decreased slightly to 42.3% compared to 43.4% for the year in 2010.

Research and development ("R&D") expenses in the fourth quarter of 2011 were \$14.8 million or 7.4% of sales, compared to \$18.0 million or 8.4% of sales in the final quarter of 2010. R&D expenses for the year ended December 31, 2011 decreased to \$63.2 million or 9.1% of sales from \$69.2 million or 9.7% of sales in 2010 as a result of efficiencies across its various development centers.

Selling, general and administrative ("SG&A") expenses were \$44.4 million or 22.2% of sales in the fourth quarter of 2011 compared to \$51.1 million or 23.8% of sales in the fourth quarter of 2010. SG&A expenses for the year ended December 31, 2011 decreased to \$178.5 million or 25.8% of sales compared to \$184.8 million or 25.8% of sales for the year in 2010. The Company continues to invest in customer focused activities while obtaining efficiencies in its administration processes.

Losses from the impact of foreign exchange were \$1.3 million in the fourth quarter of 2011, compared to foreign exchange losses of \$2.6 million incurred in the same period of 2010. Foreign exchange losses were \$3.5 million for the year in 2011 compared to \$10.0 million for 2010 mainly as a result of the general strengthening of the Swiss franc compared to the Euro over these periods.

The Company earned finance income of \$0.7 million in the fourth quarter of 2011, compared to \$1.6 million in the same period in 2010. Finance income for the year in 2011 was relatively stable at \$3.6 million compared to \$3.8 million for 2010. Other income for the year ended December 31, 2010 includes a gain of \$2.7 million realized on the sale of a product line earlier in the year.

As a result of the above, profit of the Company for the three months ended December 31, 2011 was \$18.2 million or \$1.30 diluted earnings per share compared to \$16.0 million or \$1.13 diluted earnings per share in the same period in 2010. Profit for the year ended December 31, 2011 was \$26.2 million or \$1.85 diluted earnings per share compared to \$25.4 million or \$1.80 diluted earnings per share in 2010.

Cash and short-term investments totaled \$134.1 million at the end of 2011 compared to a balance of \$94.9 million at the end of 2010. During the fourth quarter of 2011, the Company generated \$24.3 million of cash flow from operations. For the year, the Company generated \$70.4 million of cash flow from operations as a result of continued profitability as well as improvements in its inventory management. In addition, the Company repaid \$15.9 million of long term debt during 2011, paid \$11.3 million in dividends to its common shareholders and invested in \$5.9 million in property, plant and equipment and intangible assets during 2011.

The Company is also pleased to announce that it will pay a dividend to its shareholders of \$0.20 per share for this quarter, payable on March 22, 2012 to all shareholders of record on March 1, 2012. 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.

As the Company continues with its initiatives to improve its corporate governance practices, the Company announces that Mr. Hugues Scholaert has voluntarily elected not to stand for re-election for the Company's board of directors at the upcoming annual meeting of shareholders. As a result, the Company expects to have a majority of independent nominees stand for election to its board of directors at its upcoming annual meeting.

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 PROFIT (UNAUDITED)

Stated in thousands of Canadian dollars, except per share amounts

| | YEAR-TO-DATE Twelve months ended December 31 st | | 4 th QUARTER Three months ended December 31 st | |
|-------------------------------------|--|------------|--|------------|
| | 2011 | 2010 | 2011 | 2010 |
| Revenue | \$ 692,994 | \$ 716,936 | \$ 199,681 | \$ 214,870 |
| Cost of sales | 399,786 | 405,926 | 113,335 | 119,389 |
| | 293,208 | 311,010 | 86,346 | 95,481 |
| Expenses (income): | | | | |
| Selling, general and administrative | 178,476 | 184,806 | 44,369 | 51,108 |
| Research and development | 63,160 | 69,208 | 14,795 | 18,015 |
| Depreciation and amortization | 20,328 | 21,941 | 4,894 | 5,553 |
| Foreign exchange loss | 3,521 | 9,999 | 1,341 | 2,641 |
| Other income | - | (2,682) | - | - |
| Results from operating activities | 27,723 | 27,738 | 20,947 | 18,164 |
| Finance income | (3,600) | (3,750) | (747) | (1,575) |
| Finance expense | 344 | 589 | 54 | 120 |
| Profit before income taxes | 30,979 | 30,899 | 21,640 | 19,619 |
| Income taxes | 4,807 | 5,511 | 3,425 | 3,573 |
| Profit for the period | \$ 26,172 | \$ 25,388 | \$ 18,215 | \$ 16,046 |
| Earnings per share: | | | | |
| Basic | \$ 1.86 | \$ 1.81 | \$ 1.30 | \$ 1.14 |
| Diluted | \$ 1.85 | \$ 1.80 | \$ 1.30 | \$ 1.13 |

* Actual common shares outstanding as at December 31, 2011 – 14,031,485 (2010 – 14,054,385)

** Weighted average common shares outstanding for the twelve months and three months ended December 31, 2011 – 14,061,422 and 14,032,739 (2010 – 13,994,884 and 14,044,168)

*** Weighted average fully diluted common shares outstanding for the twelve months and three months ended December 31, 2011 – 14,155,347 and 14,032,739 (2010 – 14,128,941 and 14,159,870)

The interim consolidated financial statements for the twelve months and three months ended December 31, 2011 and 2010 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 31 st | | 4 th QUARTER Three months ended December 31 st | |
|---|--|------------------|--|------------------|
| | 2011 | 2010 | 2011 | 2010 |
| Cash and cash equivalents provided by (used in): | | | | |
| Operating activities: | | | | |
| Profit for the period | \$ 26,172 | \$ 25,388 | \$ 18,215 | \$ 16,046 |
| Depreciation of property, plant and equipment | 11,402 | 11,686 | 2,804 | 3,110 |
| Amortization of intangible assets | 13,400 | 14,546 | 3,140 | 3,640 |
| Share-based compensation expense | 1,394 | 1,754 | 234 | 530 |
| Loss on sale of property, plant and equipment | 1,130 | 726 | 640 | 279 |
| Other income | - | (2,682) | - | - |
| Finance income | (3,600) | (3,750) | (747) | (1,575) |
| Finance expenses | 344 | 589 | 54 | 120 |
| Income tax expense | 4,807 | 5,511 | 3,425 | 3,573 |
| Change in non-cash pension liabilities | (766) | 169 | (1,497) | (173) |
| Change in non-cash operating working capital | 22,569 | (39,601) | (468) | (11,351) |
| Income taxes (paid) received | (6,471) | (8,282) | (1,455) | 1,704 |
| | 70,381 | 6,054 | 24,345 | 15,903 |
| Investing activities: | | | | |
| Maturity of short-term investments | 4,092 | 3,199 | 4,092 | 131 |
| Purchase of short-term investments | (4,092) | (4,044) | (4,092) | (4,044) |
| Interest received | 3,523 | 2,866 | 1,064 | 801 |
| Proceeds on disposal of property, plant and equipment | 11 | 43 | 3 | 34 |
| Purchase of property, plant and equipment | (5,102) | (11,193) | (1,200) | (3,160) |
| Purchase of intangible assets | (821) | (1,413) | (381) | (356) |
| Disposition, net of cash | - | 3,649 | - | - |
| | (2,389) | (6,893) | (514) | (6,594) |
| Financing activities: | | | | |
| Dividends paid to shareholders | (11,258) | (11,197) | (2,814) | (2,810) |
| Proceeds from exercise of share options | 851 | 3,273 | 600 | 210 |
| Repurchase of shares | (1,359) | - | (1,359) | - |
| Receipt of acquired lease receivables | 740 | 1,505 | 162 | 349 |
| Payment of acquired loan payable | (740) | (1,505) | (162) | (349) |
| Increase in loans payable | 300 | - | - | - |
| Repayment of loans payable | (15,894) | (14,948) | (39) | (74) |
| Finance costs paid | (314) | (528) | (37) | (8) |
| | (27,674) | (23,400) | (3,649) | (2,682) |
| Foreign exchange on cash held in foreign currency | (1,089) | 1,347 | (4,519) | 2,105 |
| Increase (decrease) in cash and cash equivalents | 39,229 | (22,892) | 15,663 | 8,732 |
| Cash and cash equivalents, beginning of period | 90,704 | 113,596 | 114,270 | 81,972 |
| Cash and cash equivalents, end of period | \$ 129,933 | \$ 90,704 | \$ 129,933 | \$ 90,704 |

The interim consolidated financial statements for the twelve months and three months ended December 31, 2011 and 2010 have not been reviewed by an auditor.

AASTRA TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

Stated in thousands of Canadian dollars

| | DECEMBER 31 st 2011 | DECEMBER 31 st 2010 | JANUARY 1 st 2010 |
|-----------------------------------|--------------------------------|--------------------------------|------------------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 129,933 | \$ 90,704 | \$ 113,596 |
| Short-term investments | 4,202 | 4,153 | 3,309 |
| Trade and other receivables | 167,142 | 183,977 | 175,082 |
| Current tax assets | 7,348 | 5,225 | 5,986 |
| Inventories | 80,963 | 115,374 | 81,398 |
| Finance lease receivables | 21,336 | 17,426 | 11,831 |
| Acquired lease receivables | 462 | 714 | 1,544 |
| Prepaid expenses and other assets | 7,234 | 7,279 | 7,088 |
| | 418,620 | 424,852 | 399,834 |
| Long-term investment | 5,406 | 5,251 | 4,525 |
| Deferred tax assets | 15,810 | 14,015 | 13,230 |
| Finance lease receivables | 23,469 | 24,324 | 28,597 |
| Acquired lease receivables | 138 | 607 | 1,597 |
| Property, plant and equipment | 30,953 | 37,510 | 41,918 |
| Goodwill | 46,323 | 46,321 | 46,391 |
| Intangible assets | 26,290 | 38,489 | 53,965 |
| Other assets | 516 | 625 | 611 |
| | \$ 567,525 | \$ 591,994 | \$ 590,668 |
| LIABILITIES AND EQUITY | | | |
| Current liabilities: | | | |
| Trade and other payables | \$ 116,165 | \$ 143,043 | \$ 122,745 |
| Current tax liabilities | 30,394 | 29,467 | 33,294 |
| Deferred income | 36,222 | 33,524 | 31,741 |
| Current portion of loans payable | 512 | 15,740 | 16,490 |
| Current portion of provisions | 12,494 | 14,065 | 16,447 |
| | 195,787 | 235,839 | 220,717 |
| Pensions | 37,566 | 24,305 | 31,332 |
| Loans payable | 138 | 658 | 16,561 |
| Provisions | 2,965 | 2,970 | 3,512 |
| Deferred tax liabilities | 7,851 | 10,493 | 13,735 |
| Other liabilities | 995 | 1,154 | 1,481 |
| | 245,302 | 275,419 | 287,338 |
| Equity: | | | |
| Share capital | 94,917 | 94,653 | 90,488 |
| Contributed surplus | 10,247 | 8,892 | 8,030 |
| Translation reserves | (6,159) | (8,511) | - |
| Retained earnings | 223,218 | 221,541 | 204,812 |
| | 322,223 | 316,575 | 303,330 |
| | \$ 567,525 | \$ 591,994 | \$ 590,668 |

The interim consolidated financial statements for the twelve months and three months ended December 31, 2011 and 2010 have not been reviewed by an auditor.