

PRESS RELEASE

For Immediate Release

Aastra Reports First Quarter Financial Results

TORONTO, ONTARIO (April 25, 2006) -- Aastra Technologies Limited - (TSX: "AAH") today announced its unaudited financial results for the first quarter ended March 31, 2006. Sales for the three months ended March 31, 2006 were \$150.9 million compared to net sales of \$80.9 million for the same period last year, an increase of approximately 86%. The results for the first quarter this year include three months of operations from the Matra and Intecom Enterprise Telephony groups acquired from EADS in February 2005 as well as the DeTeWe Telecommunications Systems business acquired from Röchling in July 2005. In comparison, the results for the first quarter last year include only one month of operations from the Matra and Intecom groups acquired from EADS.

Gross margin was 42% of sales for the three months ended March 31, 2006, a decrease from a gross margin of 48% in the first quarter last year. While the gross margin on our existing product lines decreased slightly compared to last year, this decline was primarily due to lower gross margins experienced on the product lines acquired from EADS and Röchling.

Research and development expenses in the first quarter of 2006 were \$15.9 million or 10.5% of sales, compared to \$7.9 million or 9.7% of sales in the same quarter of 2005. Selling, general and administrative expenses were \$34.4 million or 22.8% of sales in the quarter compared to \$20.6 million or 25.5% of sales in the first quarter of 2005.

Earnings before income taxes, amortization and investment income for the quarter were \$15.7 million or 10.4% of sales compared to \$11.6 million or 14.3% of sales in the same period of 2004. Amortization of capital and intangible assets, excluding tooling, was \$4.6 million for the first quarter compared to \$3.3 million in the same period last year.

The Company recorded investment income of \$0.6 million in the first quarter compared to \$0.5 million for the first quarter last year as a result of higher average rates of return on its excess cash this quarter. Income tax expense was \$1.9 million in the first quarter or 20.1% of pre-tax profits compared to \$1.4 million or 17.1% of pre-tax profits in the first quarter last year.

As a result, net earnings for the three months ended March 31, 2006 were \$7.6 million or \$0.42 diluted earnings per share compared to \$6.5 million or \$0.37 diluted earnings per share in the same period last year. The Company is pleased to announce that during the first quarter it completed its labour restructuring in France. In addition, the Company recently agreed to terms with its workers' council in Germany and expects that its restructuring efforts in the DeTeWe business will be completed later this year.

While we are pleased with the significant efforts that have been made in restructuring the Matra and DeTeWe groups, these businesses did not produce meaningful financial returns in the first quarter. As a result, excluding the impact of these acquired businesses,

net earnings would have been approximately \$8.3 million or \$0.46 diluted earnings per share in the first quarter of 2006.

At the end of the first quarter, Aastra had cash, cash equivalent and short-term investment balances of \$104 million compared to \$102 million at the end of December last year. Cash flow from operations was \$7.7 million in the first quarter compared to \$4.1 million in the first quarter of 2005. While cash flow from operations continued to be very strong, consistent with last year, accounts payable and accrued liabilities decreased sharply in the first quarter as a result of a normal quarterly decrease in payroll related liabilities.

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 broadcasters in North America and Europe. For more information on Aastra, visit our Web site at <http://www.aastra.com>.

This press release contains 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 the Aastra's restructuring and integration plans for the EADS Enterprise Telephony business acquired on February 28, 2005 as well as the DeTeWe Telecommunications Systems 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 acquisitions of EADS' enterprise telephony business and 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 businesses); 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 EADS Enterprise Telephony business and the DeTeWe Telecommunications Systems business; that the DeTeWe's workers' council will not prevent Aastra from implementing its restructuring plans without any material amendments; and that, after the implementation of the restructuring and integration plans, no further changes will be required in order to return the EADS Enterprise Telephony business and the DeTeWe Telecommunications, respectively, to profitability based upon expected revenues for each.

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

	1 st QUARTER Three months ended March 31 st	
	2006	2005
Sales	\$ 150,897	\$ 80,927
Cost of goods sold	87,261	41,845
	\$ 63,636	\$ 39,082
Selling, general and administrative	34,413	20,614
Research and development	15,867	7,860
Amortization	4,595	3,287
Foreign exchange gain	(231)	(80)
Investment income	(554)	(491)
Earnings before income taxes	\$ 9,546	\$ 7,892
Income taxes	1,919	1,351
Net earnings for the period	\$ 7,627	\$ 6,541
Basic earnings per share for the period	\$ 0.44	\$ 0.38
Diluted earnings per share for the period	\$ 0.42	\$ 0.37

* Actual common shares outstanding as at March 31, 2006 – 17,586,209 (2005 – 17,247,834)

** Weighted average common shares outstanding for the three months ended March 31, 2006–17,531,246 (2005 – 17,227,692)

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

Stated in thousands of Canadian dollars

	1 st QUARTER Three months ended March 31 st	
	2006	2005
Cash and cash equivalents provided by (used for) operations:		
Net earnings for the period	\$ 7,627	\$ 6,541
Amortization of capital assets	3,939	2,500
Amortization of intangible assets	2,104	1,711
Future income taxes	2,261	(1,053)
Stock-based compensation expense	277	107
Other	193	25
Change in non-cash operating working capital	(8,683)	(5,778)
	7,718	4,053
Cash and cash equivalents provided by (used in) financing activities:		
Bank indebtedness	(2,734)	(163)
Issuance of common shares on exercise of options	1,152	391
	(1,582)	228
Cash and cash equivalents provided by (used for) investing activities:		
Maturity of short-term investments	29,631	57,581
Net purchase of capital assets	(3,408)	(876)
Business acquisitions	-	(87,535)
	26,223	(30,830)
Foreign exchange on cash held in foreign currency	(382)	(1,065)
Increase (decrease) in cash and cash equivalents	31,977	(27,614)
Cash and cash equivalents, beginning of period	54,140	64,181
Cash and cash equivalents, end of period	\$ 86,117	\$ 36,567

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

AASTRA TECHNOLOGIES LIMITED

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

Stated in thousands of Canadian dollars

	MARCH 31 ST 2006	DECEMBER 31 ST 2005	MARCH 31 ST 2005
Assets			
Current assets:			
Cash and cash equivalents	\$ 86,117	\$ 54,140	\$ 36,567
Short-term investments	18,254	47,885	7,272
Accounts receivable	147,055	144,480	119,158
Income taxes receivable	404	404	2,039
Inventories	63,695	59,941	68,219
Net investment in leases	1,617	2,071	1,160
Acquired lease receivables	11,016	18,789	-
Prepaid expenses and other assets	8,054	9,457	7,697
Future income tax assets	7,274	9,651	3,162
	\$ 343,486	\$ 346,818	\$ 245,274
Future income tax assets	6,091	5,932	9,983
Net investment in leases	2,464	2,793	2,752
Acquired lease receivables	23,201	24,031	-
Capital assets	38,847	39,378	35,480
Goodwill	18,723	18,147	6,353
Intangible assets	30,448	32,131	45,241
Other assets	694	787	982
	\$ 463,954	\$ 470,017	\$ 346,065
Liabilities and Shareholders' Equity			
Current liabilities:			
Indebtedness	3,005	5,640	1,118
Accounts payable and accrued liabilities	110,980	121,068	86,051
Restructuring accruals	16,129	16,973	-
Income taxes payable	10,852	11,426	11,473
Deferred revenue	18,679	13,960	8,703
Loan payable	10,829	18,789	-
Future income tax liabilities	269	262	-
	\$ 170,743	\$ 188,118	\$ 107,345
Contingent consideration payable	5,376	5,313	6,060
Pensions	17,188	16,506	4,361
Loan payable	23,201	24,031	-
Future income tax liabilities	8,659	8,623	1,075
Other long-term accruals	804	622	5,341
Restructuring accruals	2,489	2,527	-
	228,460	245,740	124,182
Shareholders' equity:			
Share capital	106,522	105,370	102,798
Contributed surplus	1,387	1,110	440
Cumulative foreign currency translation adjustment	(23,351)	(25,512)	(4,890)
Retained earnings	150,936	143,309	123,535
	235,494	224,277	221,883
	\$ 463,954	\$ 470,017	\$ 346,065

The interim consolidated financial statements for the three months ended March 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 except share information

	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	112,425	1,152	-	-	-	1,152
Stock option compensation	-	-	277	-	-	277
Translation of self sustaining operations	-	-	-	2,161	-	2,161
Net earnings	-	-	-	-	7,627	7,627
Balance, March 31, 2006	17,586,209	106,522	1,387	(23,351)	150,936	235,494
	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	41,200	391	-	-	-	391
Stock option compensation	-	-	107	-	-	107
Translation of self sustaining operations	-	-	-	(5,101)	-	(5,101)
Net earnings	-	-	-	-	6,541	6,541
Balance, March 31, 2005	17,247,834	\$ 102,798	\$ 440	\$ (4,890)	\$ 123,535	\$ 221,883