

PRESS RELEASE

For Immediate Release

Aastra Reports Fourth Quarter Financial Results

TORONTO, ONTARIO (February 20, 2008) -- Aastra Technologies Limited - (TSX: "AAH") today announced its unaudited financial results for the fourth quarter and year ended December 31, 2007. Net earnings for the three months ended December 31, 2007 were \$12.3 million or \$0.75 diluted earnings per share compared to \$12.5 million or \$0.74 diluted earnings per share in the same period in 2006.

Net earnings for the year ended December 31, 2007 were \$35.8 million or \$2.17 diluted earnings per share compared to \$42.0 million or \$2.38 diluted earnings per share in 2006.

Sales for the three months ended December 31, 2007 were \$155.2 million compared to \$160.8 million for the same quarter in 2006, a decrease of 3.5%. Sales in European Enterprise Communication increased from \$134.6 million in the fourth quarter of 2006 to \$135.0 in the same quarter of 2007, an increase of 0.3%. Excluding the impact of foreign exchange, the increase in sales of European Enterprise Communication would have been 3.6%.

Sales in North American Enterprise Communication decreased by \$6.0 million from \$26.2 million in the fourth quarter of 2006 to \$20.2 million in the same quarter of 2007, a decrease of 23.0%. Excluding the impact of foreign exchange, the decrease in sales of North American Enterprise Communication would have been 13.8%.

Sales for the year ended December 31, 2007 were \$606.6 million compared to \$600.5 million for 2006, an increase of approximately 1.0%. Excluding the impact of foreign exchange, sales would have decreased by 0.6% from 2006. While sales increased by 3.4% in European Enterprise Communication from \$497.8 million in 2006 to \$514.8 million in 2007, this was offset by a sales decline in North American Enterprise Communication from \$102.7 million in 2006 to \$91.8 million.

Gross margin was 42.8% of sales in the fourth quarter of 2007 compared to 42.5% of sales in the same period in 2006. Gross margin for the year ended December 31, 2007 was 42.5% compared to 41.9% in 2006. The modest gross margin improvements in the quarter and year over year represent the decrease in cost of product through consolidation of our vendors.

Research and development expenses in the fourth quarter of 2007 were \$13.0 million or 8.4% of sales, compared to \$16.0 million or 9.9% of sales in the same quarter of 2006. Research and development expenses for the year ended December 31, 2007 decreased to \$54.6 million or 9.0% of sales from \$59.6 million or 9.9% of sales in 2006. Cost reductions were obtained through the realignment of our research and development groups in various countries in Europe and North America into centers of excellence.

Selling, general and administrative expenses were \$35.0 million or 22.5% of sales in the fourth quarter of 2007 compared to \$38.0 million or 23.6% of sales in the fourth quarter of 2006. Selling, general and administrative expenses for the year ended December 31, 2007 were stable at \$145.2 million or 23.9% of sales compared to \$144.3 million or 24.0% of sales in 2006.

Cash and short-term investments totaled \$133.2 million at the end of 2007 compared to a balance of \$115.7 million at the end of 2006. During 2007, the Company continued to generate strong cash flow from operations of approximately \$46.8 million.

In July 2007, Aastra purchased an asset-backed commercial paper from the issuer Structured Investment Trust III (the "SIT ABCP"). This asset is part of the restructuring currently being coordinated by the Pan-Canadian Investors Committee ("Investors Committee"). As this investment is no longer being actively traded on quoted stock markets, the Company performed a detailed valuation to determine the fair value of the SIT ABCP at December 31, 2007 using information gained from the press releases of the Investors Committee. The Company recorded a fair value adjustment loss on this investment of \$1.6 million during the fourth quarter of 2007. The SIT ABCP has been classified as a long-term investment and has not been included in cash and short-term investments as at December 31, 2007.

As previously announced on February 18, 2008, the Company entered into an agreement with Telefonaktiebolaget LM Ericsson ("Ericsson") to acquire Ericsson's Enterprise Communication Business for consideration of \$103.0 million (Swedish krone 650 million) for intangible assets. The Company expects that this business will require an additional \$57 million of working capital for a total investment of \$160 million. The acquisition is scheduled to close in April 2007 and the Company expects to finance the acquisition through existing excess cash, short-term investments, and credit facilities.

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 networking products, including terminals, systems, and applications. For additional information on Aastra, visit our website at <http://www.aastra.com>.

From time to time, we make written or oral forward-looking statements within the meaning of applicable Canadian securities legislation. We may make such statements in this press release, in other filings with Canadian regulators in reports to shareholders or in other communications. These forward-looking statements include, among others, statements with respect to our medium-term and 2007 objectives, and strategies to achieve our objectives, as well as statements with respect to our beliefs, outlooks, plans, objectives, expectations, anticipations, estimates and intentions. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and words and expressions of similar import are intended to identify forward-looking statements. 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 predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements.

As described in detail under the heading "Risk Factors" in our 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: exchange rate fluctuation of the Canadian dollar against other currencies, particularly with respect to the Swiss franc, Euro and US dollar; product concentration and limited range of products; continued demand for our products; geographic market concentration in Europe; reliance on third party manufacturers and component suppliers; longer credit terms to customers; continued implementation of our enterprise resource planning system; potential fluctuations in quarterly financial results, particularly as a result of seasonality and geographic market concentration; risks associated with product returns and defects; consolidation, reorganization and rapid technological change in our market; competition and the risk of third party claims for infringement; and other risk factors that our business faces.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to us, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Additional information about these factors that may affect future results can be found under the "Risk Factors" section and in our 2006 Annual Information Form. We do not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by us or on our behalf.

For further information contact: Allan Brett, CFO, (905) 760-4160
investors@aastra.com

AASTRA TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)

Stated in thousands of Canadian dollars except per share data

	Twelve months ended December 31 st		4 th QUARTER Three months ended December 31 st	
	2007	2006	2007	2006
Sales	\$ 606,589	\$ 600,536	\$ 155,208	\$ 160,786
Cost of goods sold	349,051	348,906	88,786	92,493
	257,538	251,630	66,422	68,293
Expenses (income):				
Selling, general and administrative	145,229	144,334	34,993	37,997
Research and development	54,629	59,631	12,962	15,995
Amortization	13,422	16,834	3,144	4,547
Foreign exchange loss (gain)	400	(2,909)	644	(1,874)
Investment income	(3,535)	(4,361)	(1,045)	(1,473)
Fair value adjustment of long-term investment	1,619	-	1,619	-
Other charges (recovery)	(1,789)	11,356	(1,789)	(1,504)
Earnings from continuing operations before income taxes	47,563	26,745	15,894	14,605
Income taxes	11,655	3,168	3,635	3,046
Net earnings from continuing operations	35,908	23,577	12,259	11,559
Net (loss) earnings from discontinued operations	(141)	18,402	-	975
Net earnings for the period	\$ 35,767	\$ 41,979	\$ 12,259	\$ 12,534
Earnings per share from continuing operations:				
Basic	\$ 2.24	\$ 1.37	\$ 0.77	\$ 0.70
Diluted	\$ 2.18	\$ 1.34	\$ 0.75	\$ 0.68
Earnings per share:				
Basic	\$ 2.23	\$ 2.44	\$ 0.77	\$ 0.76
Diluted	\$ 2.17	\$ 2.38	\$ 0.75	\$ 0.74

* Actual common shares outstanding as at December 31, 2007 – 16,015,323 (2006 – 16,009,573)

** Weighted average common shares outstanding for the twelve months and three months ended December 31, 2007 – 16,012,866 and 16,013,790 (2006 – 17,222,380 and 16,479,898)

The interim consolidated financial statements for the twelve months and three months ended December 31, 2007 and 2006 have not been reviewed by an auditor.

AASTRA TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

Stated in thousands of Canadian dollars

	Twelve months ended December 31 st		4 th QUARTER Three months ended December 31 st	
	2007	2006	2007	2006
Cash and cash equivalents provided by (used in):				
Operations:				
Net earnings for the period	\$ 35,767	\$ 41,979	\$ 12,259	\$ 12,534
Net loss (earnings) from discontinued operations	141	(18,402)	-	(975)
Amortization of capital assets	11,207	12,839	3,096	2,551
Amortization of intangible assets	6,404	8,695	1,454	2,851
Future income taxes	2,818	995	2,710	(3,643)
Stock-based compensation expense	1,882	1,212	382	332
Loss on short-term investments	955	482	(89)	103
Loss on sale of capital assets	554	1,107	317	1,004
Fair value adjustment of long-term investment	1,619	-	1,619	-
Other charges (recovery)	(1,789)	11,356	(1,789)	(1,504)
Other	-	693	-	110
Change in non-cash operating working capital	(12,746)	(8,379)	307	(6,576)
	46,812	52,577	20,266	6,787
Discontinued operations	(141)	20,431	-	(14)
Financing:				
Increase in pension liabilities	849	1,989	232	2,093
Issuance of common shares on exercise of options	1,259	2,133	39	522
Repurchase of shares	(2,328)	(51,231)	-	(31,502)
Receipt of acquired lease receivables	10,775	21,710	3,156	4,604
Payment of loan payable to Seller	(10,995)	(21,710)	(3,376)	(5,349)
Bank indebtedness	(2,179)	(2,595)	250	988
Increase (decrease) in long-term credit facilities	440	(787)	440	(787)
Change in non-cash financing working capital	-	-	-	(2,137)
	(2,179)	(50,491)	741	(31,568)
Investments:				
Maturity of short-term investments	85,105	82,773	7,395	24,848
Purchase of short-term investments	(48,498)	(93,400)	-	(213)
Purchase of long-term investment	(8,514)	-	-	-
Proceeds on disposal of capital assets	222	378	50	-
Purchase of capital assets	(13,086)	(11,527)	(4,855)	(5,534)
Business acquisitions, net of cash acquired	(527)	(14)	-	(14)
Business disposition	-	(466)	-	(466)
Change in non-cash investing working capital	-	-	-	(466)
	14,702	(22,256)	2,590	18,155
Foreign exchange on cash held in foreign currency	(4,105)	3,312	(108)	3,157
Increase (decrease) in cash and cash equivalents	55,089	3,573	23,489	(3,483)
Cash and cash equivalents, beginning of period	57,713	54,140	89,313	61,196
Cash and cash equivalents, end of period	\$ 112,802	\$ 57,713	\$ 112,802	\$ 57,113

The interim consolidated financial statements for the twelve months and three months ended December 31, 2007 and 2006 have not been reviewed by an auditor.

AASTRA TECHNOLOGIES LIMITED

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

Stated in thousands of Canadian dollars

	DECEMBER 31 st 2007	DECEMBER 31 st 2006
Assets		
Current assets:		
Cash and cash equivalents	\$ 112,802	\$ 57,713
Short-term investments	20,365	58,030
Accounts receivable	123,010	145,350
Inventories	77,745	73,484
Net investment in leases	1,731	1,665
Acquired lease receivables	5,931	9,998
Prepaid expenses and other assets	4,201	4,401
Future income tax assets	8,935	11,671
	354,720	362,312
Long-term investment	6,996	-
Future income tax assets	2,853	3,879
Net investment in leases	3,532	3,017
Acquired lease receivables	6,992	15,053
Capital assets	35,703	37,182
Goodwill	10,802	11,547
Intangible assets	24,221	31,742
Other assets	651	815
	\$ 446,470	\$ 465,547
Liabilities and Shareholders' Equity		
Current liabilities:		
Indebtedness	\$ 286	\$ 2,586
Accounts payable and accrued liabilities	98,085	118,002
Restructuring accruals	751	3,668
Income taxes payable	24,833	20,999
Deferred revenue	11,900	14,546
Loan payable	5,714	9,998
Future income tax liabilities	1,015	364
	142,584	170,163
Contingent consideration payable	1,744	3,822
Pensions	19,784	20,195
Loan payable	6,992	15,053
Future income tax liabilities	7,633	10,380
Other long-term liabilities	2,686	2,672
Restructuring accruals	-	929
	181,423	223,214
Shareholders' equity:		
Share capital	98,442	97,513
Contributed surplus	4,029	2,244
Accumulated other comprehensive loss	(15,530)	(1,549)
Retained earnings	178,106	144,125
	265,047	242,333
	\$ 446,470	\$ 465,547

The interim consolidated financial statements for the twelve months and three months ended December 31, 2007 and 2006 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

	Common Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total	Comprehensive Income (Loss)
Balance, December 31, 2006	16,009,573	\$ 97,513	\$ 2,244	\$ (1,549)	\$ 144,125	\$ 242,333	\$ -
Cumulative impact of adjusting fair value of short-term investments on adoption of new standard, net of income taxes of \$65	-	-	-	-	115	115	-
Shares issued on exercise of options	72,750	1,220	-	-	-	1,220	-
Stock-based compensation	-	-	1,500	-	-	1,500	-
Shares repurchased for cancellation	(70,000)	(427)	-	-	(1,901)	(2,328)	-
Translation of self-sustaining operations	-	-	-	(16,355)	-	(16,355)	(16,355)
Net earnings	-	-	-	-	23,508	23,508	23,508
Balance, September 30, 2007	16,012,323	98,306	3,744	(17,904)	165,847	249,993	7,153
Shares issued on exercise of options	3,000	39	-	-	-	39	-
Stock-based compensation	-	-	382	-	-	382	-
Transfer from contributed surplus to share capital	-	97	(97)	-	-	-	-
Translation of self-sustaining operations	-	-	-	2,374	-	2,374	2,374
Net earnings	-	-	-	-	12,259	12,259	12,259
Balance, December 31, 2007	16,015,323	\$ 98,442	\$ 4,029	\$ (15,530)	\$ 178,106	\$ 265,047	\$ 21,786
	Common Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total	Comprehensive Income (Loss)
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-based 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	11,992
Net earnings	-	-	-	-	29,445	29,445	29,445
Balance, September 30, 2006	16,930,209	102,786	1,939	(13,520)	157,271	248,476	41,437
Shares issued on exercise of options	38,375	522	-	-	-	522	-
Stock-based 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	11,971
Net earnings	-	-	-	-	12,534	12,534	12,534
Balance, December 31, 2006	16,009,573	\$ 97,513	\$ 2,244	\$ (1,549)	\$ 144,125	\$ 242,333	\$ 65,942

The interim consolidated financial statements for the twelve months and three months ended December 31, 2007 and 2006 have not been reviewed by an auditor.