



NEWS RELEASE

SANGOMA REPORTS RESULTS FOR SECOND QUARTER OF FISCAL 2014 Revenue grows by 32% Year-Over-Year and Sequentially

MARKHAM, ONTARIO, February 11, 2014 – Sangoma Technologies Corporation (TSX VENTURE:STC), a leading provider of hardware and software components that enable or enhance IP Communications Systems for both voice and data, today announced highlights of its unaudited consolidated interim financial statements under IFRS for the second quarter of fiscal 2014, ended December 31, 2013.

Sales for the second quarter of fiscal 2014 were \$3.63 million, up 32% from both the same quarter last year in fiscal 2013 and from the immediately preceding quarter this year.

“I’m most pleased to see solid revenue growth this quarter, especially with that growth all coming from new products, while sales of legacy products were quite stable as well”, said Bill Wignall, President and CEO of Sangoma. “I indicated last quarter that we typically experience greater variability in sales these days, depending on timing of significant orders, as we target larger customers with longer sales cycles”. This quarter’s result reflects Sangoma’s focus on growth and we believe that our strategy of developing new products, for sales to new customer segments in new geographies, is the way to deliver that growth. At the same time, we continue to carefully manage expense levels and can now see the benefits of the restructuring undertaken a few months ago. Revenue growth and controlled but targeted spending, logically leads to the healthy bottom line we see this quarter, which enabled modest increases in cash and working capital, maintaining our strong balance sheet.”

	Q2 FY2014	Q2 FY2013	Change	Q1 FY2014	Change
Sales	\$3.63 m	\$2.76 m	32%	\$2.74 m	32%
Gross profit	\$2.44 m	\$1.87 m	30%	\$1.83 m	33%
Operating Expense	\$2.13 m	\$2.20 m	(3%)	\$2.03 m	5%
Operating Income ¹	\$0.31 m	-\$0.33 m		-\$0.20 m	
Net income	\$0.22 m	-\$0.25 m		-\$0.16 m	
Net earnings per share (fully diluted)	\$0.008	(\$0.009)		(\$0.006)	
EBITDA ¹	\$0.43 m	-\$0.20 m		-\$0.09 m	

¹ Operating Income and EBITDA are metrics used by the Company to monitor its performance and the definitions may be found in the accompanying MD&A posted today at www.sedar.com.

Gross profit was \$2.44 million for the quarter or 67% of revenue, consistent with recent quarters, and in or around the levels the Company expected, depending upon product mix in any particular quarter.

Operating expense for the second quarter was \$2.13 million, down \$0.07 million (3%) from the \$2.20 million last year, due primarily to reduce spending in R&D and G&A, as well as a foreign exchange gain, which partially offset the increased investment in sales and marketing. The mix of spending has also been shifted more towards sales and marketing from R&D and G&A, both of which were helped by the modest restructuring undertaken previously.

Operating income was \$0.31 million for the quarter, reflecting the increase in sales and healthy gross profit.

Net Income for the quarter ended December 31, 2013 was \$0.22 million (\$0.008 per share fully diluted), compared to a net loss of \$0.25 million (-\$0.009 per share fully diluted) for the quarter ended December 31, 2012.

Sangoma continues to maintain a solid balance sheet with \$4.34 million in cash, up from \$4.0 million on June 30, 2013 and up slightly from \$4.33 million on September 30, 2013. Working capital was \$10.71 million as compared to \$10.62 million on June 30, 2013.

President and CEO, Bill Wignall, and CFO, David Moore will host a conference call on Thursday February 13, 2014 at 11.30am Eastern Standard Time to discuss the quarterly results. The dial-in number for the call is 1-800-319-4610 (International 1-604-638-5340). Investors are requested to dial in 5 to 10 minutes before the scheduled start time and ask to join the Sangoma call.

About Sangoma Technologies Corporation

Sangoma is a leading provider of hardware and software components that enable or enhance IP Communications Systems for both telecom and datacom applications. Sangoma's data boards, voice boards, gateways and connectivity software are used in leading PBX, IVR, contact center and data-communication applications worldwide. The product line includes both hardware and software components that offer a comprehensive toolset for deploying cost-effective, powerful, and flexible communication solutions.

Founded in 1984, Sangoma Technologies Corporation is publicly traded on the TSX Venture Exchange (TSX VENTURE: STC). Additional information on Sangoma can be found at: www.sangoma.com.

Cautionary Statement Regarding Forward Looking Statements

This press release contains forward-looking statements, including statements regarding the future success of our business, development strategies and future opportunities.

Forward-looking statements include, but are not limited to, statements concerning estimates of expected expenditures, statements relating to expected future production and cash flows, and other statements which are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions indicate forward-looking statements.

Although Sangoma believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Forward-looking statements are based on the opinions and estimates of management at the date that the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in forward-looking statements. Sangoma undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by law.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other events contemplated by the forward-looking statements will not occur. Although Sangoma believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct as these expectations are inherently subject to business, economic and competitive uncertainties and contingencies. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking statements contained in the management's discussion and analysis include, but are not limited to changes in exchange rate between the Canadian Dollar and other currencies, changes in technology, changes in the business climate, changes in the regulatory environment, the decline in the importance of the PSTN and new competitive pressures. The forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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