



NEWS RELEASE

SANGOMA REPORTS FIRST QUARTER RESULTS FOR FISCAL 2012

**Solid Revenue Growth as Sales Increase by Almost 20% from Q1 Last Year
with Significantly Increased Profitability**

MARKHAM, ONTARIO, December 12, 2011 – 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 first quarter of fiscal 2012 ended September 30, 2011.

Sales for the first quarter of fiscal 2012 ended September 30, 2011 were an encouraging \$3.01 million, 20% higher than the quarter ended September 30, 2010.

“This is a very positive sign,” said Bill Wignall, President and CEO of Sangoma. “Delivering year over year growth of 20% is really excellent for our industry, especially during these extremely uncertain economic times. We believe that our new focus on growth, new corporate strategy, new product portfolio and new management team is beginning to bear fruit. The reaction of our customers, as well as our OEM and distribution partners around the world, to these changes is quite promising.”

David Moore, Sangoma’s Chief Financial Officer then continued, “We hope to see our underlying revenue grow throughout the year, from our first fiscal quarter through our fourth fiscal quarter, as we did in fiscal 2011. And then in most years we would anticipate a modest decline in sales from our fourth quarter to our first quarter in the following year due to summer seasonality especially in Europe. Typically we look for first quarter sales to be well above our revenue in the same period of the prior year. That is precisely what we’re seeing this quarter, with a solid performance of 20% growth versus our first quarter last year, and a slight decline from last quarter of about 7%.”

The following chart shows the key metrics tracked by the Company using the IFRS accounting standards.

	Q1 FY2012	Q1 FY2011	Change	Q4 FY2011	Change
Sales	\$3.01 m	\$2.51 m	20%	\$3.25 m	(7%)
Gross profit	\$2.19 m	\$1.83 m	20%	\$2.44 m	(10%)
Operating Expense	\$1.38 m	\$1.75 m	(21%)	\$2.08 m	(34%)
Operating Income ¹	\$0.81 m	\$0.08 m	912%	\$0.36 m	125%
Net income	\$0.47 m	\$0.04 m	1075%	(\$4.38) m	(111%)
Net earnings per share (fully diluted)	\$0.015	\$0.001		(\$0.145)	
EBITDA ¹	\$0.93 m	\$0.21 m	343%	\$0.49 m	90%

Following the transition to IFRS, all fiscal 2011 numbers have been updated to reflect the IFRS accounting conventions and will not match 2011 numbers previously reported under Canadian GAAP. Any such differences are more fully explained the interim financial statements and MD&A published today at www.sedar.com. ¹ Operating Income and EBITDA are financial metrics used by the company to monitor its performance and the definitions may be found in the accompanying MD&A published today at www.sedar.com

Gross margin for the quarter was \$2.19 million, an increase of about 20% from the same period in fiscal 2011, and was approximately 73% of revenue which is in line with that of the quarter ended September 30, 2010.

Operating expenses for the quarter ended September 30, 2011 were \$1.38 million, 21% lower than those of the quarter end September 30, 2010. This is due primarily to a large \$0.71 million swing in foreign exchange from a loss of \$0.15 million in the same quarter last year to a gain of \$0.56 million in the first quarter of this fiscal year. Expenses, excluding foreign exchange, increased by 22% reflecting the increased investment in sales and marketing as well as in R&D, together with the additional expense associated with the newly acquired Vega operations.

Operating Income (revenue less expenses before financing and one-time costs) was \$0.81 million for the fiscal first quarter, an increase of 125% compared to \$0.36 million in the immediately preceding quarter and of 912% compared to the \$0.08 million in the same quarter last year.

Net Income for the fiscal first quarter of 2012 was \$0.47 million (\$0.015 per share fully diluted) compared to Net Income of \$0.04 million (\$0.001 per share fully diluted) for the fiscal first quarter of 2011.

Earnings before interest, taxes, depreciation and amortization (“EBITDA”) for the quarter ended September 30, 2011 was \$0.93 million, up from the \$0.49 million last quarter, and \$0.21 million in same quarter one year ago.

During this first quarter of fiscal 2012, the Company acquired all the key assets of the VegaStream Group of Companies, a leading UK-based developer of VOIP gateway appliances. The business of the former VegaStream has been fully integrated into Sangoma operations and the acquired product line was already generating revenue in fiscal Q1. Sangoma is investing in new marketing, sales and product development initiatives, and this transaction is further evidence of such investments to drive ongoing growth. The acquisition of VegaStream helps Sangoma to achieve several of its strategic objectives including broadening its portfolio, adding to its distribution network,

delivering existing channel partners a more comprehensive set of products, affording Sangoma an EU office to enable better service to this critical part of the world in local time zones, expanding its customer base and customer segments (including more network operators), and further penetrating into developing regions, including significant upside in the key market of India with some excellent large clients. Under IFRS, the transaction cost and associated fees are recorded in the period in which they are incurred which is this first quarter of fiscal 2012, and have been shown as a separate expense line on the statement of comprehensive income.

President and CEO, Bill Wignall, and CFO, David Moore will host a conference call on Wednesday December 14, 2011 at 11am 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. Enterprises, SMBs and Carriers in over 150 countries rely on Sangoma's technology as part of their mission critical infrastructures. Through its worldwide network of Distribution Partners, Sangoma delivers the industry's best engineered, highest quality products, some of which carry the industry's first lifetime warranty. The product line includes data and telecom boards for media and signal processing, as well as gateway appliances and software.

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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