



NEWS RELEASE

SANGOMA REPORTS Q4 AND ANNUAL RESULTS FOR FISCAL 2012

Quarterly and Annual Revenues both Hit Record Levels

MARKHAM, ONTARIO, October 10, 2012 – 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 audited consolidated financial statements under IFRS for the fourth quarter and full year of fiscal 2012, ended June 30, 2012 and the adoption of a shareholder rights plan.

Sales for the fourth quarter of fiscal 2012 were \$3.71 million, 14% higher than the same period last year and an all-time record for quarterly revenue at Sangoma. Annual revenue for fiscal 2012 was \$13.76 million, up 16% versus last year, and also an all-time record for Sangoma. For the second year in a row, sales have grown consistently from the first quarter through the fourth quarter.

“I am very pleased to have closed fiscal 2012 with such a strong revenue quarter and year, particularly against the backdrop of sales downturns amongst many of our competitors,” said Bill Wignall President and CEO of Sangoma. “We see our strategy continuing to bear fruit. The operational re-build is complete, we dramatically expanded our product portfolio with 10 new products using more focused R&D, we built a global sales and marketing presence with increased investment, we have won early successes in some key new carrier customers, and we completed the acquisition of the assets of VegaStream. It is most gratifying to see these strategic decisions reflected in growing sales during such turbulent times. I could not be more proud of our talented team of people and partners who work so hard every day, and I thank our customers for putting their faith in Sangoma.”

	Q4 FY2012	Q4 FY2011	Change	FY2012	FY2011	Change
Sales	\$3.71 m	\$3.25 m	14%	\$13.76 m	\$11.86 m	16%
Gross profit	\$2.36 m	\$2.44 m	(3%)	\$9.47 m	\$8.84 m	7%
Operating Expense	\$2.40 m	\$2.09 m	15%	\$8.41 m	\$7.61 m	11%
Operating Income ¹	-\$0.04 m	\$0.36 m	(111%)	\$1.05 m	\$1.23 m	(15%)
Net income	-\$0.31 m	-\$4.39 m		\$0.41 m	-\$3.76 m	
Net earnings per share (fully diluted)	(\$0.011)	(\$0.145)		\$0.014	(\$0.124)	
EBITDA ¹	\$0.09 m	\$0.49 m	(82%)	\$1.58 m	\$1.77 m	(11%)

Following the transition to IFRS effective July 1, 2010, all fiscal 2011 numbers have been restated to reflect IFRS accounting conventions and will not match 2011 numbers previously reported under Canadian GAAP, as explained in the Company’s Audited Financial Statements. 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 \$2.36 million for the quarter and \$9.47 million for the year, or 64% and 69% of revenue respectively. Gross margin as a percent of revenue is lower than prior periods due to Sangoma's expanded product portfolio, such that sales of this new product mix involve lower margins on some products than its traditional board business.

Operating expense for the fourth quarter was \$2.40 million and for the year was \$8.41 million before one-time business acquisition costs. Annual operating expenses were 11% higher than the \$7.61 million incurred in the prior fiscal year, reflecting the increased investment in product development and sales and marketing.

Operating Income was \$1.05 million for the fiscal year, or about 8% of annual revenue with a slight loss of \$0.04m being incurred in the fourth quarter.

"Delivering increased revenue, profitably, while maintaining a healthy balance sheet was a key objective for Sangoma in fiscal 2012 and 16% growth is really great in this environment," continued Wignall. "While our existing distribution partners continue to perform well, we are also seeking bigger orders with larger customers as we penetrate new geographic markets and customer segments."

Net Income for the year ending June 30, 2012 was \$0.41 million (\$0.014 per share fully diluted), compared to a net loss of \$3.76 million (-\$0.124 per share fully diluted) for the year ended June 30, 2011 which was impacted by two one-time non-cash charges.

Sangoma finished the year with a solid cash balance of \$5.02 million and had working capital of \$11.86 million on June 30, 2012 as compared to \$12.36 million on June 30, 2011.

The Board of Directors of Sangoma Technologies approved the adoption of a Shareholder Rights Plan and set the Record Time in respect of the Shareholders Rights Plan for the close of business on October 10, 2012. The full text of the plan agreement is available at www.sedar.com. The Company has received the conditional acceptance of the Shareholders Rights Plan from the TSX Venture Exchange. The Shareholders Rights Plan is subject to the approval of the shareholders of Sangoma at the upcoming annual and special shareholders meeting to be held on December 10, 2012.

President and CEO, Bill Wignall, and CFO, David Moore will host a conference call on October 12, 2012 at 11.30am Eastern Standard Time to discuss the quarterly and annual 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.

#

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.

Sangoma Technologies Corporation
David Moore
Chief Financial Officer
(905) 474-1990 Ext. 107
dsmoore@sangoma.com
www.sangoma.com