



GLOBAL TELECOM & TECHNOLOGY

Global Telecom & Technology Reports Second Quarter 2008 Results

Revenue Grows 25 Percent to \$17.3 Million

Fourth Consecutive Quarter of Positive Adjusted EBITDA

MCLEAN, VA., August 6, 2008 - Global Telecom & Technology, Inc. ("GTT"), (OTCBB: GTLT), a leading global Multi-Network Operator, today announced results for the second quarter ended June 30, 2008.

- Revenue grew to \$17.3 million, a 25.0 percent increase compared to \$13.8 million in the second quarter of 2007.
- Gross margin of 30.1 percent increased compared to 29.0 percent in the first quarter of 2008.
- As a percentage of revenue, selling, general and administrative ("SG&A") expenses, excluding non-cash compensation, decreased to 27.7 percent in the second quarter of 2008, compared to 31.6 percent a year ago.
- Adjusted Earnings Before Interest Taxes Depreciation and Amortization ("EBITDA") increased to \$424 thousand, nearly three times the Adjusted EBITDA reported in the first quarter 2008, and up from a \$(52) thousand loss in the second quarter of 2007.

"Our strong second quarter financial results highlight our continuing positive business trends," said Richard D. Calder, Jr., president and chief executive officer. "We achieved 25 percent year-over-year revenue growth while increasing our positive Adjusted EBITDA. This growth is driven by new and existing customers across the U.S., Europe, and around the world.

"As a Multi-Network Operator, we provide our customers integrated network solutions with greater flexibility than any single facilities-based carrier can. By combining the best network elements from multiple carriers, GTT can offer our customers, particularly those with complex or global telecommunications requirements, highly customized, cost-efficient network solutions. Our performance during a slowing economic cycle, demonstrates the strength of the Multi-Network Operator market approach.

“Moving forward, we expect to continue to achieve revenue growth, maintain gross margins, reduce SG&A expenses as a percentage of overall revenue and increase positive Adjusted EBITDA throughout the year.”

Financial Highlights

Financial highlights and historical comparisons for the quarter ended June 30, 2008 include (in millions except per share amounts):

	<u>Q2 2008</u>	<u>Q1 2008</u>	<u>Q4 2007</u>	<u>Q3 2007</u>	<u>Q2 2007</u>
Revenue	\$17.3	\$16.3	\$15.5	\$14.7	\$13.8
Adjusted EBITDA(a)	\$0.42	\$0.15	\$0.23	\$0.16	\$(0.05)
Operating loss	\$(0.4)	\$(0.7)	\$(0.6)	\$(0.6)	\$(2.3)
Net (loss) income	\$(0.5)	\$(0.6)	\$1.5	\$(0.5)	\$(2.3)
Net (loss) income per share	\$(0.03)	\$(0.04)	\$0.11	\$(0.04)	\$(0.19)

(a) See “Annex A: Non-GAAP Financial Information—Adjusted EBITDA” for more information regarding the computation of Adjusted EBITDA.

Revenue for the second quarter of 2008 was \$17.3 million, representing a 25.0 percent increase over the second quarter of 2007. For the first half of 2008, revenue of \$33.6 million increased 22.5 percent over the first six months of 2007. Approximately 28 percent of sales in the first six months of 2008 came from new customer accounts.

In the second quarter of 2008, SG&A expenses, excluding non-cash compensation, of \$4.8 million, or 27.7 percent of revenue, included over \$300 thousand in costs related to employee severance and the move of GTT’s London office following the consolidation of GTT’s financial operations into the U.S.

“We took additional steps this quarter to continue our Adjusted EBITDA margin expansion. By moving our London office to more appropriate sized space and further streamlining our organization, we expect to operate more efficiently while continuing our growth plan,” stated Kevin J. Welch, chief financial officer. “We have achieved positive Adjusted EBITDA performance for the fourth straight quarter, producing nearly \$1 million in trailing-twelve-month Adjusted EBITDA.”

Conference Call Information

GTT will discuss its results on its quarterly conference call scheduled for Thursday, August 7, 2008, at 8:30 a.m. Eastern Time (5:30 a.m. PT). To hear the conference call live, interested

parties may dial 1.877.856.1969 or +1.719.325.4816 and enter passcode 7409621. A simultaneous live webcast of the call will be available over the Internet at www.gt-t.net, under the Investor Relations section of the site. A replay of the call will be available for one month. Interested parties can access the call replay by dialing 1.888.203.1112 or +1.719.457.0820 and using the passcode 7409621. In addition, a replay of the webcast will be available on GTT's website at www.gt-t.net.

About GTT

As a Multi-Network Operator, GTT combines multiple networks and technologies to design unique network solutions for its customers. By integrating components of multiple carrier networks, GTT can create the "best network" in a way that no single carrier can. GTT has taken the Multi-Network Operator strategy to a new level, through a combination of powerful network design tools, a global service footprint, a deep and broad set of strategic supplier relationships, and above all, an expert team committed to delivering outstanding end-to-end customer service.

Headquartered just outside Washington, D.C. in McLean, Virginia and with offices in London, Paris, and Dusseldorf, GTT has over 150 carrier partnerships and access to over 100,000 network Points of Presence around the world. GTT provides a global service footprint that supports more than 300 businesses in more than 70 countries, worldwide. For more information visit the GTT website: www.gt-t.net

Forward-Looking Statements

Some of the statements made by GTT in this press release, including without limitation statements regarding GTT's anticipated future growth, financial performance and transactional activity, are forward-looking in nature. GTT intends that any forward-looking statements, as defined in Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), shall be covered by the safe harbor provisions for such statements contained in Section 21E of the Exchange Act. Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "may," "will," "should," "expects," "anticipates," "intends," "plans," "believes," "estimates," "predicts," "potential," "continues" and similar expressions are forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties that may cause GTT's actual future results to differ materially from those projected or contemplated in the forward-looking statements. GTT believes that these risks include, but are not limited to: GTT's ability to develop and market new products and services that meet customer demands and generate acceptable margins; GTT's ability to execute with respect to growth plans and/or acquisition strategies; GTT's reliance on several large customers; the complexities of carrying on business on an international basis; GTT's ability to negotiate and enter into acceptable contract terms with its suppliers; GTT's ability to attract and retain qualified management and other personnel; continued development of GTT's information technology platforms; failure of the third-party communications networks on which GTT depends; and competition and other risks associated with the communications sector in general and the multi-network operator sector in particular. Additional information concerning these and other important factors can be found under the heading "Risk Factors" in GTT's annual and quarterly reports filed with the Securities and Exchange Commission including, but not limited to, its Annual Report on Form 10-K filed in March 2008. Statements in this release should be evaluated in light of these important factors.

GTT Media Contact:
JD Darby
+1.703.442.5530
jd.darby@gt-t.net

GTT Investor Contact:
Mike Bauer
+1.703.442.5503
mike.bauer@gt-t.net

Global Telecom & Technology, Inc.
Condensed Consolidated Balance Sheets
In thousands, except share and per share amounts

	June 30, 2008	December 31, 2007
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,354	\$ 3,333
Accounts receivable, net	7,993	6,236
Deferred contract costs	1,331	1,665
Prepaid expenses and other current assets	697	494
Total current assets	12,375	11,728
Property and equipment, net	1,159	841
Intangible assets, net	7,653	8,801
Other assets	855	798
Goodwill	60,920	60,920
Total assets	\$ 82,962	\$ 83,088
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 11,110	\$ 10,004
Accrued expenses and other current liabilities	5,199	6,110
Deferred revenue	3,732	3,205
Total current liabilities	20,041	19,319
Long-term debt	8,796	8,796
Deferred revenue and other long-term liabilities	647	312
Deferred tax liability, net	772	1,227
Total liabilities	30,256	29,654
Commitments and contingencies		
Stockholders' equity:		
Common stock, par value \$.0001 per share, 80,000,000 shares authorized, 14,961,707 and 14,479,678 shares issued and outstanding	1	1
Additional paid-in capital	57,104	56,771
Accumulated deficit	(4,687)	(3,579)
Accumulated other comprehensive income	288	241
Total stockholders' equity	52,706	53,434
Total liabilities and stockholders' equity	\$ 82,962	\$ 83,088

Global Telecom & Technology, Inc.
Condensed Consolidated Statements of Operations
In thousands, except share and per share amounts
(Unaudited)

	Three Months Ended	
	June 30, 2008	June 30, 2007
Revenue	\$ 17,270	\$ 13,815
Operating expenses:		
Cost of revenue	12,065	9,507
Selling, general and administrative expense	4,944	4,448
Employee termination cost and non-recurring items	-	1,417
Depreciation and amortization	690	712
Total operating expenses	17,699	16,084
Operating loss	(429)	(2,269)
Other income (expense):		
Interest expense, net	(189)	(196)
Other income, net	(6)	6
Total other income (expense)	(195)	(190)
Loss before income taxes	(624)	(2,459)
Benefit from income taxes	(121)	(196)
Net loss	\$ (503)	\$ (2,263)
Net loss per share - basic and diluted	\$ (0.03)	\$ (0.19)
Weighted average shares - basic and diluted	14,930,388	11,792,898

Global Telecom & Technology, Inc.
Condensed Consolidated Statements of Operations
In thousands, except share and per share amounts
(Unaudited)

	<u>Six Months Ended</u>	
	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Revenue	<u>\$ 33,559</u>	<u>\$ 27,397</u>
Operating expenses:		
Cost of revenue	23,634	19,037
Selling, general and administrative expense	9,713	9,230
Employee termination cost and non-recurring items	-	3,155
Depreciation and amortization	<u>1,377</u>	<u>1,330</u>
Total operating expenses	<u>34,724</u>	<u>32,752</u>
Operating loss	<u>(1,165)</u>	<u>(5,355)</u>
Other income (expense):		
Interest expense, net	(399)	(282)
Other income, net	<u>1</u>	<u>10</u>
Total other income (expense)	<u>(398)</u>	<u>(272)</u>
Loss before income taxes	(1,563)	(5,627)
Benefit from income taxes	<u>(455)</u>	<u>(395)</u>
Net loss	<u>\$ (1,108)</u>	<u>\$ (5,232)</u>
Net loss per share - basic and diluted	<u>\$ (0.08)</u>	<u>\$ (0.44)</u>
Weighted average shares - basic and diluted	<u>14,772,295</u>	<u>11,878,370</u>

ANNEX A: Non-GAAP Financial Information

Adjusted EBITDA

Adjusted EBITDA represents operating income before depreciation and amortization on a non-GAAP (accounting principles generally accepted in the United States of America) combined basis for the periods presented, and adjusted to exclude certain one-time expenses including costs associated with employee terminations and other non-recurring items and non-cash compensation. GTT presents Adjusted EBITDA as a supplemental measure of GTT's performance. GTT also presents Adjusted EBITDA because GTT believes it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in its industry and in measuring the ability of issuers to meet debt service obligations.

In evaluating Adjusted EBITDA, you should be aware that in the future GTT may incur expenses similar to the adjustments in this presentation. GTT's presentation of Adjusted EBITDA should not be construed as an inference that GTT's future results will be unaffected by unusual or non-recurring items. Adjusted EBITDA is not a measurement of GTT's financial performance under GAAP and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with GAAP.

The following is a reconciliation of Adjusted EBITDA to operating loss (in thousands):

	<u>Q2 2008</u>	<u>Q1 2008</u>	<u>Q4 2007</u>	<u>Q3 2007</u>	<u>Q2 2007</u>
Operating loss	\$ (429)	\$ (736)	\$ (601)	\$ (641)	\$ (2,270)
Depreciation and amortization	690	687	679	727	712
Employee termination and non-recurring items including non-cash compensation	-	-	-	-	1,417
Non-cash compensation	<u>163</u>	<u>199</u>	<u>157</u>	<u>71</u>	<u>89</u>
Adjusted EBITDA	\$ 424	\$ 150	\$ 235	\$ 157	\$ (52)

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