



WorldGate Releases Third Quarter 2007 Results

Revenues in Third Quarter Increase 400% versus Second Quarter 2007

Treose, Pa., November 9, 2007 – WorldGate Communications, Inc. (OTCBB: WGAT.OB), a leading provider of personal video phones, today announced its financial results for the third quarter ended September 30, 2007.

Third Quarter Summary

The third quarter of 2007 was marked by the Company's focus on the Video Relay Services (VRS) market for its products, by completing the development work enabling Ojo to interoperate with other VRS video phones, by the commencement of product shipments to Snap!VRS customers, and by the receipt of initial network service fees earned through our financial arrangement with Snap!VRS.

During the third quarter the Company also announced the completion of a private placement of \$1 million of its common stock with Antonio Tomasello, a private investor and currently the largest non employee investor in WorldGate (Tomasello is the father of a member of our board of directors, David Tomasello.) The proceeds of the financing are expected to allow the Company to continue the launch and expansion of our Ojo offering to the deaf and hard of hearing with our partner, Snap!VRS, and to provide additional working capital.

Management Comments

During the past quarter the Company continued to expand its relationship with Snap!VRS, shipping over 3,000 Ojo's to Snap!VRS customers. Based upon current forecasts, we expect fourth quarter 2007 shipments to VRS customers to exceed the third quarter 2007 level, having already shipped over 3,000 units in the fourth quarter to date. The Company expects to continue to ship products well into next year to meet the current backlog of orders. Recurring network service fees associated with these shipments are expected to increase as the shipments increase and convert to usage over time.

The Company and Snap!VRS are also working in concert to develop additional Ojo features that will make the phone even more compelling for the deaf and hard-of-hearing community. In addition, the Company believes there is a natural customer base expansion and associated revenue opportunity through the offering of Ojo to the friends and families of the deaf and hard-of-hearing as well as to the businesses which serve and which employ the deaf and hard of hearing individuals. The Company and Snap are actively working together to build further awareness of Ojo in this community.

"The partnership with Snap!VRS has been a major cornerstone for achieving success for WorldGate. The continued shipments to VRS customers significantly contribute increased revenue and operating cash for the Company. With the added cash we plan to expand our focus in the traditional retail and service operator channels," said Hal Krisbergh, Chairman and CEO of the Company. "During the quarter we substantially reduced our operating costs. The added funding from Antonio Tomasello plus the reduction in operating costs that we have accomplished is vital to continue the rollout to Snap!VRS customers and to help demonstrate that the VRS business model can get us to profitability," continued Mr. Krisbergh.

Financial Summary:

Revenues for the three months ended September 30, 2007 were \$1.5 million. This represented an increase of \$1.2 million, or 402% versus the three months ended June 30, 2007 and an increase of \$0.6 million, or 59% versus the three months ended September 30, 2006. Revenue for the nine months ended September 30, 2007 was \$2.1 million compared to the \$1.7 million achieved for the nine month period ended September 30, 2006. The quarter results reflect the launch shipments to Snap!VRS as well as units shipped to Turkey, in addition to \$0.4 million from service revenue and development fees. Gross margin for the three months ended September 30, 2007 was \$341,000, or 22% of revenues compared to \$68,000, or 7% of revenues, for the three months ended September 30, 2006.

Operating expenses for the three months ended September 30, 2007 were \$2.6 million and were 36% lower than the \$4.1 million of expenses for the three months ended June 30, 2007 and 25% below the expenses of \$3.5 million recorded in the quarter ended September 30, 2006. The expenses in the third quarter of 2007 reflect only a partial quarter at the reduced expenditure level associated with staffing expenditure reductions effected in August 2007. It is anticipated that the fourth quarter expenditure levels will be well below that of the third quarter. The expenses in the third quarter of 2007 included non cash charges of \$192,000 of stock based compensation charges due to the fair value recognition provisions of "SFAS" No. 123 (Revised 2004), "Share-Based Payment," and \$164,000 of depreciation. For the three months ended September 30, 2006, non cash charges were \$201,000 of stock based compensation in accordance with SFAS No. 123(R) and \$185,000 for depreciation.

For the three months ended September 30, 2007, the net loss available to common stockholders was \$2.7 million compared to a net loss available to common stockholders of \$4.6 million for the three month period ended June 30, 2007 and a net loss available to common stockholders of \$3.6 million for the three month period ended September 30, 2006. The three months ended September 30, 2007 included a non-cash charge of \$0.9 million associated with amortization of the debt discount of our outstanding debentures offset by a \$0.5 million gain on the assignment of one of our trademarks.

Net loss per share available to common stockholders for the three months ended September 30, 2007 was \$0.06 compared to a net loss per share available to common stockholders of \$0.10 for the three months ended June 30, 2007 and a net loss per share available to common stockholders of \$0.09 for the three month period ended September 30, 2006.

Cash amounted to \$1.6 million as of September 30, 2007, compared to \$2.7 million at June 30, 2007 and \$8.1 million at September 30, 2006.

Conference Call:

The Company has scheduled a conference call on Monday, November 12, 2007 at 8:30 AM Eastern time to discuss the status of its Ojo Video phone and third quarter and year to date financial results.

The conference call telephone number is 877-874-1565. The conference ID is 1911204. A replay of the conference call will be available for one week after the call on the WorldGate website at

www.wgate.com

Financial Tables:

	<u>Three Months Ended September 30,</u>	
	<u>(Unaudited)</u>	
	<u>2007</u>	<u>2006</u>
Total Net Revenues	\$ 1,532	\$ 962
Cost of Revenues	<u>1,191</u>	<u>894</u>
Gross Margins	<u>341</u>	<u>68</u>

Engineering and Development	926	1,507
Sales and Marketing	310	619
General and Administrative	1,248	1,205
Depreciation and Amortization	<u>164</u>	<u>185</u>
Total Operating Expenses	<u>2,648</u>	<u>3,516</u>
Loss from operations	(2,307)	(3,448)
Change in fair value of derivative warrants and conversion options	131	17
Gain on contract termination	0	(15)
Amortization of debt discount	(917)	(201)
Gain on Trademark assignment	500	0
Other (expense) income, net	<u>(89)</u>	<u>40</u>
Net Loss	(2,682)	(3,607)
Accretion on preferred stock, dividends and deemed dividends	<u>0</u>	<u>16</u>
Net Loss available to common stockholders	\$ (2,682)	\$ (3,591)
Net Loss per common share		
Basic and Fully Diluted	\$ (0.06)	\$ (0.09)
Net Loss available to common stockholders per common share		
Basic and Fully Diluted	\$ (0.06)	\$ (0.09)
Weighted average common shares outstanding		
Basic and Fully Diluted	46,428,769	39,982,137

Nine Months Ended September 30,
(Unaudited)

	<u>2007</u>	<u>2006</u>
Total Net Revenues	\$ 2,147	\$ 1,658
Cost of Revenues	<u>2,023</u>	<u>2,076</u>
Gross Margins	<u>124</u>	<u>(418)</u>
Engineering and Development	4,388	4,501
Sales and Marketing	2,299	1,820
General and Administrative	4,204	5,573
Depreciation and Amortization	<u>498</u>	<u>548</u>
Total Operating Expenses	<u>11,389</u>	<u>12,442</u>
Loss from operations	(11,265)	(12,860)
Change in fair value of derivative warrants and conversion options	2,541	(322)
Gain on contract termination	0	1,777
Amortization of debt discount	(3,385)	(201)
Gain on Trademark assignment	500	0
Other (expense) income, net	<u>(202)</u>	<u>273</u>
Net Loss	(11,811)	(11,333)
Accretion on preferred stock, dividends and deemed dividends	<u>(30)</u>	<u>(92)</u>
Net Loss available to common stockholders	\$ (11,841)	\$ (11,425)
Net Loss per common share		
Basic and Fully Diluted	\$ (0.27)	\$ (0.29)
Net Loss available to common stockholders per common share		
Basic and Fully Diluted	\$ (0.27)	\$ (0.29)
Weighted average common shares outstanding		
Basic and Fully Diluted	44,082,489	39,735,851

WorldGate Communications – Consolidated Balance Sheet Data
(in thousands)

	September 30, 2007 (Unaudited)	December 31, 2006
Cash and Cash Equivalents	\$ 1,584	\$ 10,067
Trade and Other Receivables	289	1,022
Inventory	1,104	1,600
Total Assets	4,659	14,566
Total Liabilities	4,339	12,423
Redeemable Preferred Stock	0	141
Total Stockholders' Equity	320	2,002

About WorldGate Communications Inc.

WorldGate Communications, Inc. designs, manufactures, and distributes the Ojo line of personal video phones. Ojo video phones offer high quality, real-time, two-way video communications with video messaging. The Ojo video phones are designed to conform to industry standard protocols and utilize enhancements to the latest technology for voice and video compression to achieve superior quality at data rates as low as 80 Kbps. WorldGate has been awarded patents for its distinctive design and technology and has other patents pending. This unique combination of functional design, advanced technology and use of broadband networks provides real-time video communication experiences that bring families and friends closer together, and for the first time provides consumers with a high-quality, affordable video phone. WorldGate is traded on the OTC Bulletin Board® under the symbol WGAT.OB WorldGate and Ojo are trademarks of WorldGate Service Inc. Any other trademarks used in this document are the property of their respective owners.

This press release may contain forward-looking statements that are made pursuant to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Expressions of future goals and similar expressions including, without limitation, expressions using the terminology "may," "plans," "expects," "anticipates," "forecasts," and expressions which otherwise reflect something other than historical fact are intended to identify forward-looking statements. These forward-looking statements involve a number of risks and uncertainties, including the factors described in the Company's filings with the Securities and Exchange Commission. The actual results may differ materially from any forward-looking statements due to such risks and uncertainties. No obligation is undertaken to revise or update any forward-looking statements in order to reflect events or circumstances that may arise after the date of this release.

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