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FOR IMMEDIATE RELEASE

ITC^DELTA COM REPORTS FOURTH QUARTER AND YEAR ENDED DECEMBER 31, 2006 RESULTS

\$15.8 Million in Fourth Quarter EBITDA* and Improved Liquidity Position at Year End Highlights Results

Huntsville, Ala.—(March 29, 2007)—ITC^DeltaCom, Inc. (OTC: ITCD.OB), a leading provider of integrated communications services to customers in the southeastern United States, today reported its operating and financial results for the quarter and the year ended December 31, 2006.

For the quarter ended December 31, 2006, ITC^DeltaCom reported total operating revenues of \$119.8 million, a net loss of \$15.0 million, and net earnings before interest, taxes, depreciation and amortization (EBITDA)* of \$15.8 million. For the year ended December 31, 2006, ITC^DeltaCom reported total operating revenues of \$487.6 million, a net loss of \$53.5 million, and net earnings before interest, taxes, depreciation and amortization (EBITDA)* of \$61.3 million.

Among its operating highlights for the fourth quarter and the year, ITC^DeltaCom:

- Increased business local revenues for the third consecutive quarter;
- Increased billable retail business voice lines in service for the fifth consecutive quarter, ending the year with 394,842 lines;
- Grew its core, facilities-based retail business voice lines in service (UNE-T and UNE) for the year by approximately 45,800 net lines, representing an 18% growth rate, and increased those lines as a percentage of total retail business lines in service from 68% to 75%;
- Managed customer attrition levels in its facilities-based retail business voice lines to an average of 1.2% per month during the fourth quarter of 2006;

* *EBITDA is not a measurement of financial performance under accounting principles generally accepted in the United States. For a quantitative reconciliation of the differences between EBITDA and net loss, as net loss is calculated in accordance with generally accepted accounting principles, see the accompanying table captioned "EBITDA Reconciliation."*

- Demonstrated strong growth in its equipment sales and related services business, with revenues of \$5.8 million during the fourth quarter of 2006, representing a 32% increase over the fourth quarter of 2005;
- Reported strong improvement in gross margin, which increased from 43.7% in the fourth quarter of 2005 to 50.5% in the third quarter of 2006 and 52.6% in the fourth quarter of 2006; and
- Improved its liquidity position through the issuance of \$21 million in additional first lien, senior secured notes during the fourth quarter of 2006, and reported cash balances totaling \$67.6 million as of December 31, 2006.

“We’re pleased to report significant year over year increases in both quarterly gross margin and EBITDA, reflecting strong growth in services to our core facilities-based customers and increased network efficiencies” said Randall E. Curran, ITC^DeltaCom’s Chief Executive Officer. “In 2007, we will continue to focus on improving our operating performance and developing new products and solutions, including enhancements to our groundbreaking Simpli-Business offering, which provides a full suite of office products integrated with voice and data services.”

Additional information about ITC^DeltaCom’s business and operating results is contained in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2006 filed with the Securities and Exchange Commission.

ABOUT ITC^DELTACOM, INC.

ITC^DeltaCom, Inc. (“ITC^DeltaCom”) headquartered in Huntsville, Alabama, provides, through its operating subsidiaries, integrated telecommunications and technology services to businesses and consumers in the southeastern United States. ITC^DeltaCom has a fiber optic network spanning approximately 14,500 route miles, including more than 11,000 route miles of owned fiber, and offers a comprehensive suite of voice and data communications services, including local, long distance, broadband data communications, Internet connectivity, and customer premise equipment to end-user customers. ITC^DeltaCom is one of the largest competitive telecommunications providers in its primary eight-state region. ITC^DeltaCom has interconnection agreements with BellSouth, Verizon, SBC, CenturyTel and Sprint for resale and access to unbundled network elements and is a certified competitive local exchange carrier (CLEC) in Arkansas, Texas, Virginia and all nine BellSouth states. For more information about ITC^DeltaCom, visit ITC^DeltaCom’s Web site at <http://www.deltacom.com>.

FORWARD-LOOKING STATEMENTS

Except for the historical and present factual information contained herein, this release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. When used in this release, the words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “plan” and similar expressions as they relate to ITC^DeltaCom, Inc. or its management are intended to identify these forward-looking statements. All statements by the Company regarding its expected financial position, revenues, liquidity, cash flow and other operating results, balance sheet improvement, business strategy, financing plans, forecasted trends related to the markets in which it operates, legal proceedings and similar matters are forward-looking statements. The Company’s actual results could be materially different from its expectations because of various risks. These risks, some of which are discussed under the caption “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2006, and in the Company’s subsequent SEC reports, include the Company’s dependence on new product development, rapid technological and market change, the Company’s dependence upon rights of way and other third-party agreements, debt service and other cash requirements, liquidity constraints and risks related to future growth and rapid expansion. Other important risk factors that could cause actual events or results to differ from those contained or implied in the forward-looking statements include, without limitation, customer attrition, delays or difficulties in deployment and implementation of collocation arrangements and facilities, appeals of or failures by third parties to comply with rulings of governmental entities, inability to meet installation schedules, general economic and business conditions, failure to maintain underlying service/vendor arrangements, competition, adverse changes in the regulatory or legislative environment, and various other factors beyond the Company’s control. ITC^DeltaCom disclaims any responsibility to update these forward-looking statements.

ITC^DeltaCom, Inc.
Financial Highlights

	Year Ended December 31,	
	2006	2005
OPERATING REVENUES:		
Integrated communications services	\$ 381,766	\$ 414,969
Wholesale services	81,785	85,232
Equipment sales and related services	24,089	20,200
TOTAL OPERATING REVENUES	487,640	520,401
COSTS AND EXPENSES:		
Cost of services and equipment, excluding depreciation and amortization	244,278	268,123
Selling, operations and administration	182,873	195,496
Depreciation and amortization	59,832	53,187
Merger-related expenses	—	135
Asset impairment loss	—	13,373
Total operating expenses	486,983	530,314
OPERATING INCOME (LOSS)	657	(9,913)
OTHER (EXPENSE) INCOME:		
Interest expense	(57,625)	(40,508)
Interest income	2,678	1,057
Debt issuance cost write-off	—	(3,948)
Other income	831	2,463
Total other expense, net	(54,116)	(40,936)
LOSS BEFORE INCOME TAXES	(53,459)	(50,849)
INCOME TAXES	—	—
NET LOSS	(53,459)	(50,849)
PREFERRED STOCK DIVIDENDS AND ACCRETION	(7,445)	(6,957)
NET LOSS APPLICABLE TO COMMON STOCKHOLDERS	\$ (60,904)	\$ (57,806)
BASIC AND DILUTED NET LOSS PER SHARE APPLICABLE TO COMMON STOCKHOLDERS	\$ (3.25)	\$ (3.11)
BASIC AND DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	18,751,067	18,598,549

ITC^DeltaCom, Inc.
Quarterly Highlights
(In thousands)

	December 31, 2006	September 3 0, 2006	June 30, 2006	March 31, 2006	December 31, 2005
			(Unaudited)		
Integrated communications services revenues:					
Long distance	\$14,284	\$15,844	\$16,844	\$17,696	\$18,028
Business local, data and internet	80,567	80,659	79,197	76,675	76,734
Residential local	—	—	—	—	575
Total integrated communications services revenues	94,851	96,503	96,041	94,371	95,337
Equipment sales and related services revenues	5,827	6,826	6,860	4,576	4,403
Wholesale services revenues:					
Broadband transport	14,318	15,040	14,947	14,975	15,094
Local interconnection	1,507	1,945	1,982	2,139	2,099
Directory assistance and operator services	2,677	2,633	2,604	2,634	2,512
Other	593	1,171	1,377	1,243	1,052
Total wholesale services revenues	19,095	20,789	20,910	20,991	20,757
Total operating revenues	119,773	124,118	123,811	119,938	120,497
COSTS AND EXPENSES:					
Cost of services and equipment, excluding depreciation and amortization	56,722	61,492	63,748	62,316	67,846
Selling, operations and administration	47,376	45,102	44,219	45,675	45,408
Depreciation and amortization	16,448	15,345	14,404	13,635	13,707
Restructuring expenses	22	242	147	90	—
Asset impairment loss	—	—	—	—	12,773
Total operating expenses	120,568	122,181	122,518	121,716	139,734
OPERATING INCOME (LOSS)	\$(795)	\$1,937	\$1,293	\$(1,778)	\$(19,237)

ITC^DeltaCom, Inc.
Quarterly Highlights (continued)
(Unaudited)

	December 31, 2006	September 3 0, 2006	June 30, 2006	March 31, 2006	December 31, 2005
Retail business lines in service:					
UNE-T and UNE lines ⁽¹⁾	295,995	284,415	274,083	262,224	250,242
Increase from previous quarter	4.1%	3.8%	4.5%	4.8%	3.8%
Resale and UNEP lines ⁽²⁾	98,847	101,999	108,198	112,681	116,978
(Decrease) from previous quarter	(3.1)%	(5.7)%	(4.0)%	(3.7)%	(6.6)%
Total	394,842	386,414	382,281	374,905	367,220
Wholesale lines in service ⁽³⁾	47,702	53,222	53,774	62,974	62,606
Increase (decrease) from previous quarter	(10.4)%	(1.0)%	(14.6)%	0.6%	(2.2)%
Total business lines in service ⁽⁴⁾	442,544	439,636	436,055	437,879	429,826
Lines in service/sold percentage					
Integrated communications services	96 %	96 %	96 %	97 %	97 %
Wholesale services ⁽³⁾	97%	98 %	98 %	99 %	98 %
Number of employees	1,975	1,976	1,917	1,925	1,950

(1) Facilities-based service offering in which ITC^DeltaCom provides local transport through its owned and operated switching facilities.

(2) Resale service offering in which ITC^DeltaCom provides local service through a leased switch port and loop from the local operating company.

(3) Represents primary rate interface circuits provided to dial-up Internet service providers as part of ITC^DeltaCom's local interconnection services.

(4) Reported net of lines disconnected or canceled. Excludes lines in connection with ITC^DeltaCom's residential Unbundled Network Element-Platform, or UNE-P, offering.

ITC^DeltaCom, Inc.
Balance Sheet and Other Financial Highlights
(In thousands)

Balance Sheet Data (at period end):	December 31,	
	2006	2005
Cash and cash equivalents (unrestricted)	\$ 67,643	\$ 69,360
Working capital	24,009	44,806
Total assets	435,582	456,758
Long-term liabilities	338,512	322,272
Convertible redeemable preferred stock	74,170	68,473
Stockholders' (deficit)	(91,039)	(31,654)
Total liabilities and stockholders' equity	435,582	456,758

Other Financial Data:	Year Ended December 31,	
	2006	2005
Capital expenditures	\$ 46,880	\$ 28,325
Cash flows provided by operating activities	28,676	28,449
Cash flows used in investing activities	46,913	6,423
Cash flows provided by financing activities	16,520	30,735
EBITDA ⁽¹⁾⁽²⁾⁽³⁾	61,320	41,789

	Three Months Ended				
	Dec. 31, 2006	Sept. 30, 2006	June 30, 2006	March 31, 2006	Dec. 31, 2005
			(Unaudited)		
EBITDA ⁽¹⁾⁽²⁾⁽³⁾	\$15,762	\$17,449	\$16,251	\$11,858	\$(5,489)

Notes:

- (1) EBITDA represents net income (loss) before interest, taxes, depreciation and amortization. EBITDA is not a measurement of financial performance under accounting principles generally accepted in the United States. For information about management's reasons for providing data with respect to EBITDA and the limitations associated with the use of EBITDA, and for a quantitative reconciliation of the differences between EBITDA and net loss, as net loss is calculated in accordance with generally accepted accounting principles, see the accompanying table captioned "EBITDA Reconciliation."

ITC^DeltaCom, Inc.
Balance Sheet and Other Financial Highlights
(In thousands)

Notes: (continued)

(2) For 2006 and 2005 years, EBITDA included the following:

	Year Ended December 31,	
	2006	2005
	(Unaudited)	
Asset impairment loss	\$ —	\$ 13,373
Executive severance	—	4,100
Special consulting fees for restructuring operations	—	3,124
Restructuring charges	501	209
Merger related expenses	—	135
Debt issuance cost write-off	—	3,948
Loss on fixed asset disposals	—	1,460
Stock based compensation	2,569	2,168
Hurricane Katrina impact	330	1,594
	\$ 3,400	\$ 30,111

(3) For 2006 and 2005 three-month periods, EBITDA included the following:

	Three Months Ended				
	Dec. 31, 2006	Sept. 30, 2006	June 30, 2006	March 31, 2006	Dec. 31, 2005
	(Unaudited)				
Asset impairment loss	\$ —	\$ —	\$ —	\$ —	\$ 12,773
Special consulting fees for restructuring operations	—	—	—	—	(76)
Restructuring expenses	22	242	147	90	111
Loss on fixed asset disposals	—	—	—	—	—
Stock-based compensation	684	569	570	746	507
Hurricane Katrina impact	—	—	—	330	—
	\$ 706	\$ 811	\$ 717	\$ 1,166	\$ 13,315

ITC^DELTA COM, INC.
EBITDA RECONCILIATION
(In thousands)

EBITDA represents net income (loss) before interest, taxes, depreciation and amortization. EBITDA is not a measurement of financial performance under accounting principles generally accepted in the United States. The following table presents EBITDA amounts for the years ended December 31, 2006 and 2005. The table also sets forth for these periods a quantitative reconciliation of the differences between EBITDA and net loss, as net loss is calculated in accordance with generally accepted accounting principles:

	Year Ended December 31,	
	2006	2005
Net loss	\$ (53,459)	\$ (50,849)
Add back non-EBITDA items included in net loss:		
Depreciation and amortization	59,832	53,187
Interest expense, net of interest income	54,947	39,451
EBITDA	\$ 61,320	\$ 41,789

	Three Months Ended				
	Dec. 31, 2006	Sept. 30, 2006	June 30, 2006	March 31, 2006	Dec. 31, 2005
	(Unaudited)				
Net loss	\$ (15,006)	\$ (11,911)	\$ (11,682)	\$ (14,860)	\$ (32,029)
Add back non-EBITDA items included in net loss:					
Depreciation and amortization	16,448	15,345	14,404	13,635	13,708
Interest expense, net of interest income	14,320	14,015	13,529	13,083	12,832
EBITDA	\$ 15,762	\$ 17,449	\$ 16,251	\$ 11,858	\$ (5,489)

ITC^DeltaCom has included data with respect to EBITDA because its management evaluates and projects the performance of ITC^DeltaCom's business using several measures, including EBITDA. Management considers EBITDA to be an important supplemental indicator of its operating performance, particularly as compared to the operating performance of its competitors, because this measure eliminates many differences among companies in financial, capitalization and tax structures, capital investment cycles and ages of related assets, as well as some recurring non-cash and non-operating supplemental information to investors regarding its operating performance and facilitates comparisons by investors between the operating performance of ITC^DeltaCom and the operating performance of ITC^DeltaCom's competitors. ITC^DeltaCom's management believes that consideration of EBITDA should be supplemental, because EBITDA has limitations as an analytical financial measure. These limitations include the following:

- EBITDA does not reflect ITC^DeltaCom's cash expenditures, or future requirements for capital expenditures, or contractual commitments;
- EBITDA does not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on ITC^DeltaCom's indebtedness;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements;
- EBITDA does not reflect the effect of earnings or charges resulting from matters ITC^DeltaCom's management considers not to be indicative of its ongoing operations; and
- not all of the companies in ITC^DeltaCom's industry may calculate EBITDA in the same manner in which it calculates EBITDA, which limits its usefulness as a comparative measure.

ITC^DeltaCom's management compensates for these limitations by relying primarily on its results under generally accepted accounting principles to evaluate its operating performance and by considering independently the economic effects of the foregoing items that are not reflected in EBITDA. As a result of these limitations, EBITDA should not be considered as an alternative to net income (loss), as calculated in accordance with generally accepted accounting principles, as a measure of operating performance, nor should it be considered as an alternative to cash flows, as calculated in accordance with generally accepted accounting principles, as a measure of liquidity.