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**FOR IMMEDIATE RELEASE**

**ITC^DeltaCom Announces Amendment to its Equity Refinancing Commitments**

Huntsville, Ala. — (July 16, 2007) — ITC^DeltaCom, Inc. (OTCBB: ITCD.OB), a leading provider of integrated communications services to customers in the southeastern United States, today announced that it has amended a component of the new equity financing that it previously announced on June 11, 2007.

The Company has entered into a definitive agreement to sell to existing institutional shareholders, including H Partners LP, Joshua Tree Capital Partners, LP, and Trace Partners, LP (collectively, the "Backstop Group"), \$41.2 million of a new series of convertible redeemable preferred stock at a purchase price of \$100 per share in connection with the closing of the Company's previously announced refinancing transactions. The sale of the new series of preferred stock will serve as bridge financing until the Company consummates a registered rights offering for the benefit of minority shareholders in which the Company will offer to holders of each share of its common stock on the date of record non-transferable rights to purchase approximately 1.18 shares (subject to adjustment) of its common stock at a purchase price of \$3.03 per share. Certain common shareholders, including those affiliated with Welsh, Carson, Anderson & Stowe and Tennenbaum Capital Partners, LLC, will not participate in the rights offering.

Proceeds of the rights offering will be used to redeem in whole or in part the new issue of preferred stock, and each share of the new issue of preferred stock held by the Backstop Group which is not redeemed from the proceeds of the rights offering will mandatorily and automatically convert into 33 shares of the Company's common stock. If there is full subscription by eligible shareholders, the new issue of preferred stock would be redeemed in full, and minority shareholders would increase their ownership in the Company from approximately 20.8% to approximately 23.5% on a fully diluted basis. As a result of the foregoing agreement, Credit Suisse's previously announced commitment to purchase \$29 million of common stock in connection with the recapitalization transactions will be terminated. Upon the completion of the recapitalization transactions and the rights offering, the Company will have approximately 85 million shares of common stock outstanding on a fully diluted basis.

The new agreement, like the previously announced transactions, was approved by a committee of independent directors with the assistance of independent legal and investment advisors.

The closing of the purchase of the new issue of preferred stock, as well as the registration of the rights offering, is conditioned on the completion of the other transactions which were previously announced and other customary financing conditions. It is also a condition to the sale of the new issue of preferred stock that the Company redeem half of its outstanding Series A preferred stock for approximately \$11 million and convert the balance of the Series A preferred stock into approximately 1.7 million shares of common stock. Subject to the satisfaction of these conditions, the Company currently expects it will close the purchase of the new issue of preferred stock and the refinancing transactions early in the third quarter of 2007.

Additional information about the foregoing financing transactions will be contained in ITC^DeltaCom's current report on Form 8-K to be filed with the Securities and Exchange Commission.

This press release shall not constitute an offer to sell or a solicitation of any offer to buy these securities, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities law of any such state or jurisdiction.

#### 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.*