

PRESS RELEASE

FOR INTEGRA TELECOM



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Integra Telecom Successfully Completes Several Major Electric Lightwave Integration Milestones

Integra Reacts to Customer Demand with Expanded Product Set; Identifies Nearly \$20 Million in Annual Cost Reductions Due to Synergies

PORTLAND, Ore. - Feb. 21, 2007 - Integra Telecom, a facilities-based, integrated communications carrier announces the successful completion of several integration milestones just six months after acquiring the network assets and customers of Electric Lightwave (ELI). The company calculates the cost synergies gained from the integration to be nearly \$20 million per year. Integra Telecom's Aug. 1, 2006 acquisition of ELI made the combined company one of the largest competitive telecommunications carriers in the West, generating more than \$340 million in annual revenue.

Phase one of integration milestone achievements were completed ahead of schedule and include:

- **Local service model** - implementation of the Integra service model by decentralizing ELI's call center and customer operations to local Integra offices where former ELI customers now call local numbers and talk to a live person for customer support and operations.
- **Workforce consolidation and relocation** - successfully integrated the combined company workforce, including sales channels, customer service, provisioning, network operations, and corporate support functions on the day of closing the transaction. The majority of the Vancouver, Wash. employees were relocated to Portland, Ore. as of January 2007. Nearly 500 Integra employees are now located in Portland's City Center.
- **Single provider for all services** - in the overlay service areas where Integra and ELI have common networks, high-bandwidth data products and services are now offered to Integra customers while basic business line service and DSL are now available to former ELI customers.

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- **Common network monitoring systems** - monitoring of the combined company network via a single monitoring system controlled by a single Network Operations Center.
- **Carrier business unit** - established the Integra Telecom wholesale carrier business, branded Electric Lightwave, enhancing the successful carrier unit acquired with ELI.
- **Substantial direct cost reductions** - a substantial amount of direct costs are being eliminated as the company migrates traffic onto the acquired metropolitan area fiber networks from transport circuits previously leased by Integra.

"The early success of our phase one integration goals has allowed us to surpass our promise of providing a high-quality, user friendly experience to our current and future customers," said Dudley Slater, CEO of Integra Telecom. "Integra now offers the most complete set of business products available in the industry and delivers these products under our industry leading service model, providing a compelling value proposition to businesses of all sizes"

Phase two network and operating support systems (OSS) to be completed in the second quarter of 2007, include:

- **Single, enhanced OSS environment** - additional cost savings and operating efficiencies are predicted when the company converts to a single platform of back office systems.
- **Additional network integration** - further cost savings will be realized when the two legacy networks are fully integrated into a seamless single network.

"In addition to the product and service benefits the migration offers our customers, Integra's shareholders will receive added value from the cost reductions generated by the integration," said Slater. "We calculate the cost reductions due to synergies to be approximately \$20 million per year. We are excited about the benefits that the ELI acquisition will bring to our customers, and the increasing market demand we've identified for our unique, local service value proposition."

About Integra Telecom

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Integra Telecom, Inc. provides voice, data and Internet communications to thousands of business and carrier customers in eight Western states, including: Arizona, California, Idaho, Minnesota, North Dakota, Oregon, Utah and Washington. The company owns and operates a best-in-class fiber-optic network comprised of eight metropolitan access networks, a nationally acclaimed tier one Internet and data network and a 4,700-mile high-speed long haul network. The company enjoys some of the highest customer loyalty and customer satisfaction ratings in the telecommunications industry. Primary equity investors in the company include Bank of America Capital Investors, Boston Ventures and Nautic Equity Partners. Integra Telecom and Electric Lightwave are registered trademarks of Integra Telecom Inc. For more information, visit www.integratelecom.com.

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