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InterCloud CEO Releases Open Letter to Shareholders

Open Letter to Shareholders Summarizing Continued Restructuring Efforts

NEW YORK, Dec. 08, 2017 (GLOBE NEWSWIRE) -- InterCloud Systems, Inc. (the "Company" or "InterCloud") (OTCQB:ICLD), a leading provider of cloud networking orchestration and automation solutions and services today released the following letter to Shareholders from the Company's Chief Executive Officer, Mark Munro.

Dear InterCloud Shareholders:

As we are nearing the completion of our restructuring, I would like to take this opportunity to reflect on the status of our efforts and our outlook moving forward. Management is cognizant of the losses in our share value suffered through these restructuring efforts. Nevertheless, as we have substantially reduced our debt and strengthened our balance sheet, we improved our prospects for the turnaround of the Company. We did this without taking advantage of bankruptcy protection laws, which we believe would have had a more devastating effect on the Company's shareholders, debt holders and operations going forward.

After a long, arduous three-year period, the Class Action lawsuit and Derivative Actions that burdened the Company since mid-2014 have finally been settled and terminated as of December 5th 2017. The Company spent a material amount of time and money throughout the process. This liquidity drain is finally over and we can now be more focused on building our businesses and continuing to restructure..

Our senior secured debt which was approximately \$9.4 million when we reported our December 31, 2016 numbers, is now less than \$3.5 million. We sold several non-core assets during the last year and are considering additional sales of non-core assets; we converted a substantial amount of debt to equity; we restructured subordinated debt and converted that into preferred equity and in the process created a substantial amount of shareholder equity on our balance sheet. We are making every attempt to totally eliminate all toxic paper on our books that have hurt our share price and market capitalization.

During the last year there has been substantial dilution to our Common Stock due to debt holders converting their aged notes into Common Stock and immediately selling those shares into the market. We have seen our authorized Common Stock twice exhausted during this process. The good news is that we have now reduced our existing convertible debt to the point where we believe the intended reverse split recently applied for should not result in the same rapid dilution as in the past.

A stronger balance sheet and the elimination of toxic debt will enable us to develop and market our cutting edge products we had previously announced. X-Barrier and NFVgrid are part of a suite of network management and automation products for Next-Gen Software Defined Networks (SDN) and traditional network environments. In 2018, we expect a restructured InterCloud will bring these new products to market with associated strong margins.

Sincerely,

Mark Munro

Chief Executive Officer

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