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FIRST COMMUNICATIONS, INC.  
("First Communications" or the "Company")

### **Acquisition of FirstEnergy Telecom Services Inc. Assets from FirstEnergy Corp. and \$90 million Debt Fundraising**

**Akron, OH— 10 March 2008:** First Communications (AIM: FCOM), the US based integrated telecommunications company, today announces that it has acquired substantially all of the assets of FirstEnergy Telecom Services Inc. ("FE Telecom") (the "Acquisition"), a fiber and wireless infrastructure provider, for a total consideration of US\$45 million, payable in cash, together with the assumption of certain liabilities relating to the assets acquired. FE Telecom is a subsidiary of FirstEnergy Corp. ("FirstEnergy"), a diversified energy company based in the Akron, Ohio (NYSE: FE) which is also a shareholder in First Communications.

Concurrently, First Communications also announces the closing of a \$90 million credit facility, syndicated by JP Morgan Securities Inc. as Sole Lead Arranger and Sole Bookrunner and JP Morgan Chase Bank, NA as Administrative Agent, which was oversubscribed. The financing facility includes a \$70 million term loan and a \$20 million undrawn revolver. The proceeds of the debt raise will be used to pay for the Acquisition, the pro rata redemption of \$25 million of First Communications' existing preferred equity, pursuant to First Communications' redemption option over its preferred equity as set out in First Communications admission document, and for general working capital purposes. The term facility is five years with pricing starting at 375 basis points over US\$ LIBOR (53% of which is fixed for 3 years at 3.03% and 22% of which is fixed for 5 years at 3.56%), decreasing to 250 basis points over US\$ LIBOR (or the fixed rate) based on decreasing leverage metrics. The facility also includes the ability to extend the facility by an additional \$25 million under an accordion feature to be utilized by First Communications for the continued execution of its growth plans.

#### **FE Telecom Acquisition Highlights:**

- The FE Telecom assets being acquired provide fiber and wireless infrastructure services to blue chip US clients including MCI, AT&T, T-Mobile and Sprint.
- The FE Telecom assets being acquired produced full year to December 2007 Revenues of \$19.6 million (un-audited basis).
- The FE Telecom assets being acquired produced full year to December 2007 EBITDA of \$8.1 million (un-audited basis).

- Sustainable business supported by both long term carrier contracts for fiber services and regular annual lease contracts for wireless infrastructure/towers.
- Following the acquisition, First Communication is expected to benefit from:
  - An expanded network footprint with 64 collocation sites and enlarged On-Net offering
  - An enhanced ability to deliver higher margin products and services, in particular to the fast growing wireless and data market
  - Additional experienced fiber and wireless engineering staff.

### **Acquisition of the assets of FirstEnergy Telecom Services Inc**

FE Telecom is a facilities-based provider of both fiber and wireless communications services to local exchange providers, internet service providers, wireless communications companies, large enterprises, schools and governments throughout seven states in the Mid-Western/North-Eastern US including Ohio, Pennsylvania and New Jersey. Its customer base includes blue chip carriers including MCI, AT&T, T-Mobile and Sprint, most of which have long term contracts between 5 and 20 years. FE Telecom owns 3,500 route miles and over 200,000 fiber miles of fiber optic network, together with 40 collocation sites and 191 wireless structures in service.

FE Telecom's revenues derive from long term contracts for the use of its owned fiber network as well as annual lease contracts with wireless service providers, for the placement of wireless equipment on FE Telecom's owned or leased wireless structures.

The acquisition will include FE Telecom's fiber network, wireless structures and associated equipment, fiber and wireless customer contracts and any third-party contracts necessary for the operation of the business, representing substantially all of the assets of FE Telecom, excluding certain minor assets retained for use by FirstEnergy. The vertical and real estate assets available to FE Telecom provide Tier one wireless carriers with the ability to supplement their wireless networks and enable First Communications to offer additional services to the wireless and data market.

As of December 31 2007, the FE Telecom assets being acquired provided service to 64 fiber customers, 11 collocation customers and 384 wireless tenants. During the 12 months ended December 31 2007, (on an un-audited basis) the FE Telecom assets being acquired generated US\$19.6 million in revenue, US\$8.1 million in EBITDA and US\$5.3 million in income before tax and had a net book value of US\$14.4 million.

### **Ray Hexamer, Chief Executive Officer of First Communications said:**

"We have a long standing and successful history with FirstEnergy Telecom and this acquisition is a very good strategic fit with our existing business and is consistent with our expansion plan in the Midwest and Northeast.

It strengthens our existing network infrastructure by expanding our operating footprint and enhances our ability to deliver higher margin products and services while expanding our customer base. It provides us a fiber rich network and provides wireless tower and other vertical infrastructures to take advantage of the high growth cellular and wireless market.

We already have a successful acquisition track record and the assets and customer base that come with this transaction position First Communications to continue our focus on acquiring new business customers in our core geographic markets.

We are also extremely pleased with the very positive response to our debt offering. Despite the challenging credit markets, our offering was oversubscribed, clearly validating our business model, management team and success in the market. Furthermore, we completed the acquisition without needing to raise additional equity, while refinancing over 60% of the preferred shares outstanding. We have locked in rates at very attractive terms and feel the additional credit facility will put us in a favourable position as we continue to exercise our growth plan.”

### **Related party transaction**

Pursuant to the AIM rules for Companies (the “AIM Rules”), in view of the beneficial interests in First Communications held by FirstEnergy, making it a substantial shareholder, the Acquisition is deemed to be a related party transaction pursuant to Rule 13 of the AIM Rules. Accordingly, the decision to enter into the Acquisition has therefore been made and its terms approved by the independent directors of First Communications, namely Theodore V. Boyd, H. Arthur Bellows, Jr., Ray Hexamer, Joseph Morris, Scott Michael Honour, Mark Ronald Stone and Roderick Sherwood (the "Independent Directors"). The Independent Directors consider, having consulted with the Company's Nominated Adviser, Collins Stewart Europe Limited, that the terms of the transaction are fair and reasonable insofar as First Communications’ shareholders are concerned.

### **About First Communications**

First Communications was established in 1998 by a number of investors, including FirstEnergy. First Communications was admitted to trading on AIM on July 2 2007, with the goal to become a leading mid-sized provider of integrated telecommunication services. The addition of FE Telecom’s fiber solutions and wireless towers expands First Communications’ sales focus to include carrier customers and large enterprises that require metro and long haul products as well as wireless carriers that are looking for collocation facilities for their network upgrades and expansions. FirstEnergy retains a 15.60% stake in First Communications.

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