

**First Communications, Inc. Announces Interim Results for
Six Months Ended June 30, 2008**

AKRON, OH, October 1, 2008 -- First Communications, Inc. (AIM: FCOM)(the "Company") a leading Midwest competitive local exchange carrier and owner of wireless telecommunications towers, announces its interim results for the six months ended June 30, 2008.

Highlights for June 2008 Interim Results

- Proforma revenue growth of 3% for 1H08 to \$77.4 million (1H07: \$75.4 million)
- Strong proforma EBITDA growth of 32% in 1H08 to \$11.6 million (1H07: \$8.8 million)
- Proforma net income decrease from \$4.9 million (1H07) to \$3.1 million (1H08) due to tax expense and increased depreciation and amortization expense.

The results for this period include full 6 month contributions from First Communications, LLC, and Xtension Services, Inc. ("Xtension") and a almost 4 month contribution from FE Telecom. The selected financial information and management analysis shown below ('MD&A') shows a proforma view including a full 6 months contribution from FirstEnergy Telecom Services Inc. ("FE Telecom") acquired on 10 March 2008.

Selected Financial Information

FIRST COMMUNICATONS INC
SELECTED PROFORMA FINANCIAL INFORMATION
For the Six Months Ended June 30, 2008 and 2007

(US \$ 000's)

	Six Months Ended June 30,		
	2008 (1)	2007 (2)	Variance
Revenues, net	\$ 77,441	\$ 75,406	\$ 2,035
EBITDA	\$ 11,596	\$ 8,791	\$ 2,805
EBITDA margin	15.0%	11.7%	
Net Income	\$ 3,087	\$ 4,918	\$ (1,831)
Net Income margin	4.0%	6.5%	

Note (1): The above financials for the six months ended 30 June 2008 reflect proforma results, including a full 6 months contribution from FE Telecom, acquired on 10 March 2008. (2): The six months ended June 30, 2007 are based on restated audited numbers.

For further information:

First Communications, Inc.
Joe Morris

Tel: (330) 835-2472

Financial Dynamics

Harriet Keen / Haya Chelhot
Sherrie Weldon

Tel: +44 (207) 831-3113
Tel: (212) 850-5658

Collins Stewart Europe Limited - Nominated Adviser and Broker

Seema Paterson / Stewart Wallace Tel: +44 (207) 523-8350

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Operational Highlights

Ray Hexamer, CEO of First Communications commented:

"The first half of 2008 has been another period of significant growth and progress for the Company. Below are a number of highlights:

- Opened up Detroit, Grand Rapids, Youngstown and Dayton commercial markets and added 25 new sales personnel;
- Launched Achieve Product Line (expanding our bundled product mix for small to medium sized business);
- Purchased fiber and tower assets of FE Telecom on 10 March 2008;
- Hired Rick Buyens as President of the Company to expand sales and operations into new markets. Rick previously held the position of Executive V.P. of Sales and Marketing at McCleodUSA;
- Signed definitive agreement to purchase GlobalCom, expected to complete on 1 October 2008;
- Raised \$120m of senior debt for acquisitions and refinanced out \$25m of Preferred Stock; and
- Launched material operational improvement initiatives to increase EBITDA margins.

We are very pleased with the progress we have made these past six months in executing on our business plan. We have added substantial assets with attractive financing while improving the key financial metrics of gross margin and EBITDA in the core business. We look forward to utilizing the newly acquired FE Telecom assets in continued EBITDA margin improvement and revenue growth."

Management's Discussion and Analysis of Financial Condition and Results of Operations*Revenues*

First Communications, Inc. reported revenues of \$77.4 million for the six months ended June 30, 2008, an increase of 3% from \$75.4 million reported for the six months ended June 30, 2007. The growth in revenue has resulted from the inclusion of 6 months of financial results from FE Telecom (renamed First Telecom Services) offset by declines in legacy residential and non-dedicated voice services, compared with 1H07. The Company's strategy has been to increasingly focus on the small and medium sized businesses market in key geographical areas, and the

supply of higher margin services including dedicated T1 integrated voice and data On-Net services, while de-emphasizing some of its legacy voice services.

Cost of Facilities and Gross Profit

The Company's gross margins increased from 32% in the first half of 2007 to 38% in the first half of 2008 due to the successful increase in the percentage of revenue serviced on our owned network ("On-Net") and selling higher margin dedicated T1 products while de-emphasizing legacy voice services. In the last 3 months of the half year period, over 75% of new revenue was sold via T1 integrated voice and data on-net services.

Sales, General and Administrative Expenses

As a percentage of revenues, First Communications selling, general and administrative expenses for the six months ended June 30, 2008 increased to 22.9% compared to 21.4% for the six months ended June 30, 2007. The increase in expenses came from the expansion of our sales force, opening of new sales offices and adding a number of key management personnel in order to expand sales to the Company's core Midwest markets and drive new On-Net higher margin business.

Depreciation and Amortization

Depreciation and amortization charges increased from \$2.9 million in the six months ended June 30, 2007 (restated) to \$5.6 million for the six months ended June 30, 2008 based on the post acquisition fair market valuation of goodwill and customer lists along with the fair market valuations for FE Telecom. The depreciation and amortization increase from stated v. restated financials for the June 30, 2007 period was a result of purchase price accounting being applied to the Acceris II acquisition and a true-up of the estimated fair market values compared to the actual appraisal completed in February of 2008.

EBITDA, Income from Operations and Cash Flow from Operations

The Company's EBITDA increased 32% from \$8.8 million for the six months ended June 30, 2007 to \$11.6 million for the six months ended June 30, 2008, representing an EBITDA margin increase from 12% to 15%. The Company's income from operations increased from \$5.4 million for the six months ended June 30, 2007 to \$6.1 million for the six months ended June 30, 2008. As a percentage of revenue, income from operations increased from 7% in the first half of 2007 to 8% in the first half of 2008, primarily a result of higher gross margins offset by an increase in depreciation and amortization expense. Cash flow from operations increased from \$2.5 million at the six months ended December 31, 2007 to \$4.3 million at June 30, 2008.

Net Income

The Company reported \$3.1 million of net income for the six months ended June 30, 2008 compared to \$4.9 million for the second half of 2007. The decrease in net income was the result of an increase in depreciation and amortization expenses and the addition of tax expenses for the June 30, 2008 period, making it difficult to make a comparison year on year. In 1H07 the operating companies of First Communications, Inc. did not incur income tax expenses as they were treated as partnerships. For the six month period ended June 30, 2008 the Company incurred tax expenses of an estimated 38% of pre tax income.

Cash

Cash balances amounted to \$9.3 million as at 31 December 2007 compared to \$1.3 million at June 30, 2008. The decrease in the Company's cash position came from the payment of federal income taxes, payments of deferred financing costs and payment of principle payments on the new credit facility. This analysis relates to the aggregated statements of cash flow set out below.

Capital Expenditures

Capital expenditures for the year six months ended June 30, 2008 were \$2.1 million for the expansion of our network, network and system upgrades, instillation costs and capitalized labor.

About First Communications

First Communications is a leading competitive local exchange carrier in the Midwestern United States. Founded in 1998, First Communications has built a highly scalable telecommunications platform, infrastructure and support system, which represents a combination of world-class technology, and cutting-edge product offerings. First Communications has over 214,000 customers, owns 3,500 miles of fiber and owns and manages 327 wireless towers leased to 391 tenants, with contractual rights and significant opportunity to increase the number of towers. First Communications is led by a strong management team that has operated telecom companies throughout all cycles of the telecommunications market.

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FINANCIAL STATEMENTS**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2008****FIRST COMMUNICATIONS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)**

	<u>June 30, 2008</u> (Reviewed)	<u>December 31, 2007</u> (restated)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,267	\$ 9,300
Accounts receivable - trade, less allowance for doubtful accounts of \$607 at June 30, 2008 and \$661 at December 31, 2007, respectively	14,614	13,793
Accounts receivable - related party	910	945
Federal income tax refund receivable	1,242	-
Inventory	2,860	136
Prepaid expenses	3,966	823
TOTAL CURRENT ASSETS	24,859	24,997
PROPERTY AND EQUIPMENT, NET	49,324	7,223
OTHER ASSETS		
Goodwill	88,079	88,079
Other intangible assets, net	78,298	63,280
Deposits and other assets	6,321	1,357
TOTAL OTHER ASSETS	172,698	152,716
TOTAL ASSETS	<u>\$ 246,881</u>	<u>\$ 184,936</u>

FIRST COMMUNICATIONS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	<u>June 30, 2008</u>	<u>December 31, 2007</u>
	(reviewed)	(restated)
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current portion of long-term debt	\$ 7,000	\$ -
Line of credit	-	625
Accounts payable - trade	10,584	13,220
Federal income tax payable	-	362
Accrued expenses	2,865	2,600
Deferred tax liability, net - current	213	213
Deferred revenue - current	6,764	3,244
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TOTAL CURRENT LIABILITIES	27,426	20,264
NON-CURRENT LIABILITIES		
Long-term debt, net of current maturities	61,250	-
Deferred tax liability, net - long term	5,105	4,064
Deferred revenue - long term	15,273	170
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TOTAL NON-CURRENT LIABILITIES	81,628	4,234
TOTAL LIABILITIES	109,054	24,498
 Redeemable Preferred Stock, \$0.001 par value; 10,000,000 shares authorized, 15,000 and 40,000 shares issued and outstanding at June 30, 2008 and December 31, 2007, respectively (liquidation preference \$1,000 per share)		
	15,000	40,000
 SHAREHOLDERS' EQUITY		
Series A Common Stock, \$0.001 par value; 59,165,000 shares authorized, 26,067,000 shares issued and outstanding		
	26	26
Series B Non-Voting Common Stock, \$0.001 par value; 835,000 shares authorized, 835,000 shares issued and outstanding		
	1	1
Additional paid in capital	119,482	119,482
Retained earnings	3,318	929
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TOTAL SHAREHOLDERS' EQUITY	122,827	120,438
 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	 \$ 246,881	 \$ 184,936

Notes:

December 31, 2007 results have been restated following completion of the Company's re-audit process.

FIRST COMMUNICATIONS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
For the Six Months Ended June 30, 2008
(in thousands, except per share data)

	<u>Six Months Ended June 30, 2008</u>	<u>Six Months Ended June 30, 2007</u>
REVENUES, NET		
Revenues, net	\$ 70,038	\$ 63,877
Revenues, net - related party	<u>3,736</u>	<u>3,275</u>
TOTAL REVENUES, NET	73,774	67,152
COST OF FACILITIES, exclusive of depreciation and amortization stated below	46,097	46,427
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	17,573	14,259
DEPRECIATION AND AMORTIZATION	<u>5,244</u>	<u>2,278</u>
OPERATING INCOME	4,860	4,188
OTHER INCOME (EXPENSE)		
Interest expense	(1,008)	(725)
Other	<u>(11)</u>	<u>333</u>
OTHER INCOME (EXPENSE), NET	<u>(1,019)</u>	<u>(392)</u>
INCOME BEFORE INCOME TAXES	3,841	3,796
PROVISION FOR INCOME TAXES	<u>1,452</u>	<u>-</u>
NET INCOME	<u>\$ 2,389</u>	<u>\$ 3,796</u>

Notes:

Actual, reviewed results for 1H08 represent full six months for the existing businesses and the performance of FE Telecom from the date of acquisition.

Proforma figures for 1H07 represent the combined audited financial statements of First Communications on a proforma basis (including First Communications, LLC and Xtension, with Acceris included from the date of acquisition) and do not represent accounting consolidated figures.

1H07 results have been restated following completion of the Company's re-audit process.

FIRST COMMUNICATIONS, INC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
For the Six Months Ended June 30, 2008 and 2007
(in thousands)

	<u>2008</u>	<u>Restated 2007</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Net income	\$ 2,389	\$ 3,796

Add: Depreciation & Amortization	5,244	2,278
Add: Bad Debts Expense	450	-
Add: Deferred Taxes	1,041	-
Changes in Operating Assets & Liabilities		
Account Receivable - trade, net	2,506	2,256
Inventory	45	12
Prepaid expenses	(2,695)	(15)
Deposits and other assets	(1,159)	(1,287)
Accounts payable	(123)	(3,250)
Federal tax payable	(1,557)	-
Accrued expenses	431	(2,334)
Deferred revenue	(2,296)	1,091
CASH FLOW FROM OPERATING ACTIVITIES	<u>4,276</u>	<u>2,547</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(2,123)	(758)
Acquisition of assets and assumption of liabilities, net of cash acquired	(45,877)	(16,456)
Investment in Joint Venture	(134)	-
Net change in accounts receivable - related party	35	356
CASH FLOW FROM INVESTING ACTIVITIES	<u>(48,099)</u>	<u>(16,858)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of long term loans	68,250	15,000
Reduction in preferred stock	(25,000)	-
Payment of deferred financing costs	(3,794)	-
Net borrowings and payments on line of credit	(625)	81
Change in Bank Overdraft	(3,041)	1,943
Payments on debt	-	(9)
Payments of transaction costs related to sale of Company	-	(2,959)
Cash Distributions to Owners	-	(2,037)
CASH FLOW FROM FINANCING ACTIVITIES	<u>35,790</u>	<u>12,019</u>
NET INCREASE (DECREASE) IN CASH	<u>\$ (8,033)</u>	<u>\$ (2,292)</u>
CASH, BEGINNING OF PERIOD	<u>\$ 9,300</u>	<u>\$ 2,785</u>
CASH, END OF PERIOD	<u>\$ 1,267</u>	<u>\$ 493</u>

Notes:

Actual, unaudited results for 1H08 represent full six months for the existing businesses and the performance of FE Telecom from the date of acquisition.

Proforma figures for 1H07 represent the combined audited financial statements of First Communications on a proforma basis (including First Communications, LLC and Xtension, with Acceris included from the date of acquisition) and do not represent accounting consolidated figures. 1H07 results have been restated following completion of the Company's re-audit process.