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FIRST COMMUNICATIONS, INC.

("First Communications" or the "Company")

**First Communications Acquires GCI Globalcom Holdings, Inc. and Closes on \$50 Million Term Loan Commitment.**

**Akron, OH- July 21, 2008:** First Communications (AIM: FCOM), the US based integrated telecommunications company, today announced that it has signed a definitive agreement to acquire GCI Globalcom Holdings, Inc., the sole shareholder of Globalcom, Inc. ("Globalcom"), a Chicago-based corporation which offers a complete portfolio of voice and data services for business customers, for a total cash consideration of US\$58.5 million. Globalcom provides services to small and medium sized businesses in the Chicago market over its network of over 180 fiber route miles currently deployed in downtown Chicago and an additional 2,300 fiber route miles to be deployed during 2008 and 2009 in the suburban Chicago market.

Concurrently, the Company also announced the closing of \$50 million in incremental term loan commitments, syndicated by JP Morgan Securities Inc. as Sole Lead Arranger and Sole Bookrunner and JP Morgan Chase Bank, NA as Administrative Agent. The proceeds of the debt raise will be used to pay for the acquisition along with \$8.5 million under the existing \$20 million Revolving Credit Facility.

Following the acquisition of Globalcom, First Communications will have pro forma revenues of \$218.0 million and EBITDA of \$31.5 million, for the financial year ended December 31, 2007. The transaction is expected to be earnings enhancing immediately

upon the closing of the transaction and the anticipated annual cost synergies are expected to be in excess of \$8.0 million within 24 months from closing (1).

The transaction is expected to close in the fourth quarter of 2008 following the customary regulatory approvals and other closing conditions.

Note (1): This statement should not be interpreted to mean the future earnings of First Communications, following completion of the Acquisition, would necessarily match or exceed the historical earnings of First Communications.

### **Globalcom Acquisition Highlights**

- Diversified, highly profitable business customer base concentrated in the greater Chicago market
- 95% of all circuit revenues are provided "on-net"
- 140 employees
- Full Year 2007 Revenue of \$55.6 million
- Full Year 2007 EBITDA of \$5.0 million
- Gross Assets of \$21.4 million as of December 31, 2007
- Fiber rich asset is capable of expanding throughout the greater Chicago area and reaching into other Midwest markets

Following the acquisition, First Communications is expected to benefit from:

- a stronger existing network infrastructure and broader operational footprint;
- an enhanced ability to deliver higher margin products and services to an expanded customer base;
- further potential reductions in transport, LD and access costs; and
- Globalcom's specialization in the SME telephony services space, strengthening First Communications' positioning in this market

Ray Hexamer, Chief Executive Officer of First Communications said:

"From a strategic point of view, Globalcom is an ideal acquisition target for First Communications as it operates in an attractive geographic region. It also allows us to strengthen our footprint in the Midwest and it ties the Chicago to New York to Washington, DC core network footprint. Globalcom has just over 6,000 customers, and with a market opportunity of over 58,000 customers, the growth prospects for First Communications are very encouraging. We will combine our two organizations' expertise to ensure that we capture a fair share of the market."

"Since 1998 we have successfully transformed First Communications into the leading facilities-based communications company in the Midwest and over the past twelve months we have taken the additional necessary steps to accelerate our growth prospects. In addition to today's news, some of the other initiatives include our public listing on the

London AIM and the recently completed acquisition of FE Telecom fiber and wireless tower attachment assets."

"Furthermore, our operating and financial performance validates our strategy and is reflected in our ability to continually raise capital in this market environment; including \$230 million of capital raised in the last twelve month period. While our growth strategy includes further acquisitions, we will remain focused on those opportunities that extend our offering or expand our presence in our target markets."

John Shave, Chief Executive Officer of Globalcom said:

"Globalcom's talented employees, fiber network, high concentration of business customers coupled with our state of the art network facilities will create a regional telecom powerhouse. Our customers will benefit from this impressive combination of the strategic assets of Globalcom and First Communications. First Communications management team has had a successful track record of integrating a plethora of assets that bring value to shareholders and customers."

Q Advisors LLC acted as exclusive financial advisor to Globalcom.

### **About First Communications**

First Communications was established in 1998 by FirstEnergy and Boich Investments, along with a number of other investors. 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 Company focuses on small to medium sized business services and its infrastructure services division provides fiber solutions and wireless tower attachments to 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.

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