

**FIRST COMMUNICATIONS, INC. – INTERIM RESULTS FOR
PERIOD ENDED JUNE 30, 2007**

First Communications, Inc. (AIM: FCOM) (“First Communications” or the “Company”) an integrated telecommunications services company is pleased to announce its results for the first half ended June 30, 2007, its first set of public results since its IPO in July 2007.

Recent financial and operating highlights on a pro forma aggregated basis for First Communications, Inc.’s two operating companies, First Communications, LLC and Xtension Services, Inc. “Xtension” include the following:

- Strong revenue growth of 49% over the first half of 2006 to \$74.6 million (1H 2006 \$50 million)
- Net Income of \$6 million in the first half of 2007 compared to \$3 million in the first half of 2006
- Total EBITDA growth of circa 97% to \$8.8 million compared to \$4.5 million in the first half of 2006

Summary Financial Information

The following selected financial information has been derived from the Company’s accounts and the comparative results of its historical financial information for First Communications, LLC and Xtension. Proforma numbers have been disclosed as the Company acquired First Communications, LLC and Xtension after the financial period end, on July 2, 2007.

FIRST COMMUNICATIONS INC SELECTED FINANCIAL INFORMATION For the Six Months Ended June 30, 2007 and 2006 Unaudited						
(US\$ 000's)	June 30 2007			June 30 2006		
	FirstComm	Xtension	Proforma	FirstComm	Xtension	Proforma
Revenues, net	\$ 58,840	\$ 15,823	\$ 74,663	\$ 34,420	\$ 15,634	\$ 50,054
EBITDA	\$ 7,376 12.5%	\$ 1,393 8.8%	\$ 8,769 11.7%	\$ 2,300 6.7%	\$ 2,149 13.7%	\$ 4,449 8.9%
Income from operations	\$ 5,397 9.2%	\$ 1,326 8.4%	\$ 6,723 9.0%	\$ 1,123 3.3%	\$ 2,103 13.5%	\$ 3,226 6.4%
Net Income	\$ 4,659 7.9%	\$ 1,384 8.7%	\$ 6,043 8.1%	\$ 883 2.6%	\$ 2,134 13.6%	\$ 3,017 6.0%

Notes:

First Communications has historically elected to be taxed as a partnership and has not been a taxpaying entity for federal or state income tax purposes. Consequently, no federal or state income taxes are payable or provided for. Xtension is an electing S Corporation. Accordingly, the liability for income taxes has historically been the obligation of the individual stockholders. Proforma figures represent the aggregated financials of First Communications, LLC ((including six months (January and February Proforma) financials of Acceris)) and Xtension, and do not represent accounting consolidated figures. EBITDA is calculated by adding back to net income (i) depreciation and amortization and (ii) interest expense, net of interest income.

Ray Hexamer, CEO of First Communications commented:

“The first half of 2007 was a milestone period for First Communications, Inc. On February 28, 2007 First Communications, LLC closed on the purchase of the assets and customer base of Acceris II. The Company also finalized a capital raise through an initial public offering on the AIM (a market of the London Stock Exchange) on July 2, 2007. At the same time, First Communications has expanded its product offering through the introduction of a dynamic T1 offering to small to medium sized businesses. The Company believes it will grow revenues organically through expanding its sales force and product offerings for its customer base. The Company is also focused on growing gross margins through a focus of transitioning existing customers to its network facilities and increasing EBITDA margins and cash flow on a consolidated basis through the continued integration of its recent acquisitions.”

For further information:

First Communications

Joe Morris

Tel: +1 330 835 2472

Collins Stewart Europe Limited

Seema Paterson

Tel: +44 (0) 20 7523 8321

Stewart Wallace

Tel: +44 (0) 20 7523 8350

www.cstplc.com

About First Communications

First Communications, Inc. is the U.S.-based telecommunications holding company for First Communications, LLC and Xtension Services, Inc.. First Communications, LLC is an independent telecommunications carrier providing a broad suite of telecommunications services, including traditional and Internet Protocol ("IP") based communication services to both residential and commercial customers.

First Communications, LLC's voice and data solutions include local and long-distance voice, dedicated Internet access, virtual private networking, managed network services, fixed wireless, broadband over powerline solutions, conference calling, high-capacity private line services and other integrated voice and data services.

First Communications, Inc is headquartered in Akron, Ohio, and is located at 3340 West Market Street and on the web at www.firstcomm.com.

This is not an offer of securities for sale in the United States. The securities of the Company, including its common stock, have not been, and will not be, registered under the US Securities Act of 1933 (the "Securities Act") or under the securities laws of any state of the United States, and such securities may be offered, sold, pledged or otherwise transferred only (i) in the United States to a person whom the seller reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S under the Securities Act, (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 (if available), or (iv) pursuant to an effective registration statement under the Securities Act, in each of cases (i) through (iv) in accordance with any applicable securities laws of any state of the United States. Certain statements made herein may constitute "forward-looking statements" for the purposes of the Private Securities Litigation Reform Act 1995. Such statements are based upon current expectations and are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those described in the forward-looking statements. The Company assumes no obligation and expressly disclaims any duty to update the information contained herein except as required by law.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Revenues

First Communications reported proforma revenues of \$74.7 million for the first six months of 2007, an increase of 49% from the first half of 2006. The growth in revenue came from the successful transition of customers from Acceris Management and Acquisition, LLC ("Acceris") to First Communications, LLC leading to revenues of \$58.8 million (1H 2006: \$34.4 million) and a slight increase in Xtension's revenue to \$15.8 million (1H 2006: \$15.6 million). Revenue growth in the First Communications, LLC business stemmed from lower churn and higher new sales. This increase in revenue for the First Communications, LLC business was offset in part by a decline of the Xtension Services, Inc. business in the second quarter of 2007. This decrease in revenue in Xtension, from the first to the second quarter, was attributed to the decrease in voice services from certain customers. Management is seeking to address this fall by leveraging the enlarged group's resources.

Cost of Facilities and Gross Profit

Overall proforma gross margins increased from 30.5% in the first half of 2006 to 32.8% in the first half of 2007. First Communications, LLC margins increased from 31.4% to 36.1% due to the continued migration of customers to First Communications' higher margin On-Net services and the addition of higher margin customers from Acceris. This 5% increase in gross margins from First Communications, LLC was offset by the decrease of Xtension's gross margins from 28.3% (1H 2006) to 20.6% (1H 2007). This fall in Xtension's gross margins was attributed primarily to the removal of certain competitive price rates for some of Xtension's product offerings. Management are currently in discussions with carriers on securing alternative rates for the enlarged group.

The overall proforma improvement in gross margins was below management expectations because of the decrease in Xtension's margin and delayed cost synergies resulting from the combination of facility costs of First Communications, LLC and Xtension.

Sales, General and Administrative Expenses

As a percentage of revenues, selling, general and administrative expenses decreased from 21.8% in the first half of 2006 to 21.5% for the first half of 2007, reflecting a broadly flat cost structure over the period.

Depreciation and Amortization

Depreciation and amortization increased from \$1 million to \$1.7 million based on First Communications, LLC's acquisition and subsequent depreciation of the Acceris assets.

EBITDA, Income from Operations and Cash Flow from Operations

EBITDA increased 97% from \$4.3 million in the first half of 2006 to \$8.8 million for the first half of 2007, representing an EBITDA margin increase from 9% to 11.7%. Income from operations increased by 91% from \$3.5 million in the first half of 2006 to \$6.7 million in the first half of 2007. As a percentage of revenue, income from operations increased from 6.4% in the first half of 2006 to 9% in the first half of 2007 as a result of higher gross margins with no offsetting increase in SGA as a percentage of revenue. Cash flow from operations increased from \$2.7 million, in the first half of 2006 to \$5.4 million for the first half of 2007.

Net Income

First Communications reported \$6 million of net income for the first half of 2007 compared to \$3 million in the first half of 2006.

Cash

Cash amounted to \$0.5 million at the end of the first half of 2007 compared to \$2.3 million at the end of the first half of 2006. The decrease in cash was attributed to the pre-payment of IPO expenses and the pre-payment of account receivables in relation to the acquisition of Acceris. Reported cash does not include proceeds from the public offering, as that transaction was not completed until July 2, 2007. The Company's cash balance as of August 31, 2007 was \$12 million.

Capital Expenditures

Capital expenditures for the six months ending June 30, 2007 were \$0.5 million.

Outlook

As announced on August 20, 2007, the Company has achieved continued solid operating performance as a result of strong sales performance in its core operations, as well as integration cost reductions and additional sales results of the expanded customer footprint associated with its Acceris acquisition in February 2007.

Following the initial integration of Xtension as part of the Company's IPO in July 2007, it has become apparent that recent performance in the Xtension business, while still profitable, has been weaker than expected. While performance for Xtension in the first half of 2007 generated slight revenue growth year on year, margins were reduced, primarily due to the removal of certain competitive price rates. Weaker sales volume seen in the second quarter is expected to continue in the near term, due to a reduction in business from Xtension's largest customer combined with delays in the expected sale of new business.

Management continues to pursue methods to improve the division's performance and believes there are several opportunities to achieve new business as a result of the accretive benefits of the integration process and the investment in new sales and marketing initiatives.

At a group level, opportunities remain to realize further synergies from the integration of Acceris, and management intends to focus on the expanded roll-out of its higher margin, On-Net services.

FINANCIAL STATEMENTS

FIRST COMMUNICATIONS INC
BALANCE SHEETS
June 30, 2007 and 2006
Unaudited

(US\$ 000's)	June 30, 2007			June 30, 2006		
	FirstComm	Xtension	Proforma	FirstComm	Xtension	Proforma
ASSETS						
CURRENT ASSETS						
Cash	\$ 33	\$ 461	\$ 494	\$ 487	\$ 1,839	\$ 2,326
Accounts receivable, net	13,883	1,503	15,386	9,780	1,671	11,451
Inventory	228	-	228	137	-	137
Prepays	1,741	20	1,761	146	21	167
TOTAL CURRENT ASSETS	15,885	1,984	17,869	10,550	3,531	14,081
PROPERTY AND EQUIPMENT						
Switches	2,430	-	2,430	1,910	-	1,910
Technical equipment	5,831	-	5,831	3,891	-	3,891
Leasehold improvements	152	-	152	85	-	85
Office equipment	1,244	151	1,395	1,088	143	1,231
Furniture and fixtures	246	-	246	246	-	246
Vehicles	71	-	71	71	-	71
	9,974	151	10,125	7,291	143	7,434
Less: Accumulated Depreciation	(4,444)	(117)	(4,561)	(2,937)	(89)	(3,026)
NET PROPERTY AND EQUIPMENT	5,530	34	5,564	4,354	54	4,408
OTHER ASSETS						
Goodwill	28,370	-	28,370	10,320	-	10,320
Other intangibles	1,684	-	1,684	3,141	-	3,141
Deposits and other assets	1,678	-	1,678	870	-	870
TOTAL OTHER ASSETS	31,732	-	31,732	14,331	-	14,331
TOTAL ASSETS	\$ 53,147	\$ 2,018	\$ 55,165	\$ 29,235	\$ 3,585	\$ 32,820
	June 30, 2007			June 30, 2006		

	FirstComm	Xtension	Proforma	FirstComm	Xtension	Proforma
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Line of credit	\$ 4,003	\$ -	\$ 4,003	\$ 1,798	\$ -	\$ 1,798
Current maturities of long-term debt	9,023	-	9,023	557	-	557
Accounts Payable	6,957	1,398	8,355	5,182	1,928	7,110
Accrued Expenses	2,042	424	2,466	1,548	441	1,989
Deferred Revenue	2,356	-	2,356	2,665	-	2,665
TOTAL CURRENT LIABILITIES	24,381	1,822	26,203	11,750	2,369	14,119
NON-CURRENT LIABILITIES						
Long-term debt, net of current maturities	16,171	-	16,171	7,925	-	7,925
Deferred revenue - long term	185	-	185	1,587	-	1,587
TOTAL NON-CURRENT LIABILITIES	16,356	-	16,356	9,512	-	9,512
TOTAL LIABILITIES	40,737	1,822	42,559	21,262	2,369	23,631
EQUITY						
Members / Shareholders Equity	8,882	1	8,883	8,882	1	8,883
Retained earnings	3,506	195	3,701	(907)	1,215	308
Accumulated other comprehensive gain (loss)	22	-	22	(2)	-	(2)
TOTAL EQUITY	12,410	196	12,606	7,973	1,216	9,189
TOTAL LIABILITIES AND EQUITY	\$ 53,147	\$ 2,018	\$ 55,165	\$ 29,235	\$ 3,585	\$ 32,820

FIRST COMMUNICATIONS INC
STATEMENTS OF INCOME
For the Six Months Ended June 30, 2007 and 2006
Unaudited

(US\$ 000's)	June 30, 2007			June 30, 2006		
	FirstComm	Xtension	Proforma	FirstComm	Xtension	Proforma
Revenues, net	\$ 58,840	\$ 15,823	\$ 74,663	\$ 34,420	\$ 15,634	\$ 50,054
Cost of facilities, (exclusive of depreciation and amortization shown below)	37,603 63.9%	12,557 79.4%	50,160 67.2%	23,598 68.6%	11,214 71.7%	34,812 69.5%
Depreciation and amortization	1,712 2.9%	9 0.1%	1,721 2.3%	1,109 3.2%	15 0.1%	1,124 2.2%
Selling, general and administrative expenses	14,128 24.0%	1,931 12.2%	16,059 21.5%	8,590 25.0%	2,302 14.7%	10,892 21.8%
Income from operations	5,397 9.2%	1,326 8.4%	6,723 9.0%	1,123 3.3%	2,103 13.5%	3,226 6.4%
Other income (expenses)						
Interest	(1,005)	-	(1,005)	(308)	-	(308)
Other	267	58	325	68	31	99
Net Income (Loss)	\$ 4,659 7.9%	\$ 1,384 8.7%	\$ 6,043 8.1%	\$ 883 2.6%	\$ 2,134 13.6%	\$ 3,017 6.0%

Note:

Proforma figures represent the aggregated financials of First Communications ((including six months (January and February Proforma) financials of Acceris)) and Xtension, and do not represent accounting consolidated figures.

FIRST COMMUNICATIONS INC
STATEMENTS OF RETAINED EARNINGS
For the Six Months Ended June 30, 2007 and 2006
Unaudited

(US\$ 000's)	June 30, 2007			June 30, 2006		
	FirstComm	Xtension	Proforma	FirstComm	Xtension	Proforma
Beginning balance, January 1, 2007 and 2006	\$ (31)	\$ 847	\$ 816	\$ (1,364)	\$ 1,030	\$ (334)
Net income	4,659	1,384	6,043	883	2,134	3,017
Distributions	(1,122)	(2,036)	(3,158)	(426)	(1,949)	(2,375)

Ending balance, June 30, 2007 and 2006 \$ 3,506 \$ 195 \$ 3,701 \$ (907) \$ 1,215 \$ 308

Note:

Proforma figures represent the aggregated financials of First Communications ((including six months (January and February Proforma) financials of Acceris)) and Xtension, and do not represent accounting consolidated figures.

FIRST COMMUNICATIONS INC
STATEMENTS OF CASH FLOW
For the Six Months Ended June 30, 2007 and 2006
Unaudited

(US\$ 000's)	June 30, 2007			June 30, 2006		
	FirstComm	Xtension	Proforma	FirstComm	Xtension	Proforma
CASH FLOW FROM OPERATING ACTIVITIES						
Net Income	\$ 4,659	\$ 1,384	\$ 6,043	\$ 883	\$ 2,134	\$ 3,017
Add: Depreciation and amortization	1,712	9	1,721	1,109	15	1,124
Changes in operating assets and liabilities						
Accounts receivable, net	(3,378)	556	(2,822)	(384)	(262)	(646)
Inventory	12	-	12	84	-	84
Prepays	(318)	54	(264)	206	16	222
Accounts payable	2,183	(576)	1,607	(431)	209	(222)
Accrued expenses	480	(1,214)	(734)	(378)	17	(361)
Deferred revenue	(128)	-	(128)	(412)	-	(412)
CASH FLOW FROM OPERATING ACTIVITIES	5,222	213	5,435	677	2,129	2,806
CASH FLOW FROM INVESTING ACTIVITIES						
Payments for property and equipment	(488)	-	(488)	(432)	-	(432)
Deposits on property and equipment	(1,278)	-	(1,278)	(216)	-	(216)
Business acquisitions	(17,875)	-	(17,875)	-	-	-
CASH FLOW FROM INVESTING ACTIVITIES	(19,641)	-	(19,641)	(648)	-	(648)
CASH FLOW FROM FINANCING ACTIVITIES						
Net borrowings on credit line	81	-	81	1,798	-	1,798
Proceeds from issuance of long-term notes payable	15,000	-	15,000	-	-	-
Payments on notes payable	(9)	-	(9)	(278)	-	(278)
Distributions paid	(1,122)	(2,036)	(3,158)	(2,003)	(1,462)	(3,465)
CASH FLOW FROM FINANCING ACTIVITIES	13,950	(2,036)	11,914	(483)	(1,462)	(1,945)
NET INCREASE (DECREASE) IN CASH	(469)	(1,823)	(2,292)	(454)	667	213
CASH, BEGINNING OF PERIOD	502	2,284	2,786	941	1,172	2,113
CASH, END OF PERIOD	\$ 33	\$ 461	\$ 494	\$ 487	\$ 1,839	\$ 2,326

Note:

Proforma figures represent the aggregated financials of First Communications ((including six months (January and February Proforma) financials of Acceris)) and Xtension, and do not represent accounting consolidated figures.