

CINCINNATI BELL INC
Form S-4/A
July 17, 2003

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As filed with the Securities and Exchange Commission on July 17, 2003

Registration No. 333-104557

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 2 TO FORM S-4

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Cincinnati Bell Inc.

(Exact name of registrant as specified in its charter)

Ohio
(State or Other Jurisdiction of
Incorporation or Organization)

4813
(Primary Standard Industrial
Classification Code Number)

31-1056105
(I.R.S. Employer
Identification Number)

**201 East Fourth Street
Cincinnati, Ohio 45202
(513) 397-9900**

(Address, including zip code, and telephone number, including
area code, of registrant's principal executive offices)

**Jeffrey C. Smith, Esq.
Chief Human Resources Officer,
General Counsel and Corporate Secretary
Cincinnati Bell Inc.
201 East Fourth Street
Cincinnati, Ohio 45202
(513) 397-9900**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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Approximate date of commencement of proposed sale to the public:
As soon as practicable after this Registration Statement is declared effective and the conditions to the consummation of the offer described herein have
been satisfied or, to the extent permitted, waived.

If any of the securities being registered on this Form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Prospectus and Solicitation Statement Subject to completion dated , 2003

Information contained in this prospectus and solicitation statement is not complete and may be changed. We may not complete the exchange offer and issue these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus and solicitation statement is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

**[Cincinnati Bell Inc. logo]
OFFER TO EXCHANGE
14,148,518 Shares of Cincinnati Bell Inc. Common Stock
for all the outstanding shares of
BRCOM Inc. Exchangeable Preferred Stock
and
CONSENT SOLICITATION**

We are offering to exchange 14,148,518 shares of our common stock for all of the outstanding shares of 12¹/₂% Series B Junior Exchangeable Preferred Stock of our BRCOM Inc. (f/k/a Broadwing Communications Inc.), or BRCOM, subsidiary, or 35.8 shares of Cincinnati Bell Common Stock for each outstanding share of BRCOM Preferred Stock, upon the terms and subject to the conditions specified in this prospectus and solicitation statement and the related consent and letter of transmittal.

Concurrently with the exchange offer, we are also soliciting consents from holders of BRCOM Preferred Stock to amend the certificate of designation under which the shares were issued to eliminate all voting rights and restrictive covenants. The exchange offer and consent solicitation will expire on , 2003 at 5:00 p.m., New York City time, unless extended.

The exchange offer and consent solicitation are conditioned upon, among other conditions, our receipt of valid tenders and consents from holders of not less than 66²/₃% of the outstanding BRCOM Preferred Stock. Holders of shares representing approximately 67.4% of BRCOM Preferred Stock have already agreed with us to tender their shares and give their consents. As a result, the minimum tender condition will be satisfied upon the tender of the shares held by these holders.

If the exchange offer and consent solicitation are completed, in connection therewith we will effect a merger of a newly-formed wholly owned subsidiary of Cincinnati Bell with and into BRCOM, in which any remaining shares of BRCOM Preferred Stock not tendered by you will be converted into the same number of shares of Cincinnati Bell Common Stock that you would have received if you had tendered your shares in the exchange offer, unless you properly perfect appraisal rights under Delaware law.

Shares of BRCOM Preferred Stock are listed on the New York Stock Exchange under the symbol "IXK-NA-09," and the last reported trading price as of July 15, 2003 was \$216.25. Shares of Cincinnati Bell Common Stock are listed on the NYSE under the symbol "CBB," and the last reported trading price on July 15, 2003 was \$6.93. Based upon this \$6.93 trading price, the value of the shares of Cincinnati Bell Common Stock that would be received in exchange for each share of BRCOM Preferred Stock validly tendered and not properly withdrawn in the exchange offer would be \$248.09.

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SEE "RISK FACTORS" BEGINNING ON PAGE 12 FOR A DISCUSSION OF ISSUES
THAT YOU SHOULD CONSIDER WITH RESPECT TO THE
EXCHANGE OFFER AND CONSENT SOLICITATION.

Neither the Securities and Exchange Commission nor any state securities commission has approved
or disapproved of these securities or this transaction, passed upon the merits or fairness of this transaction,
or passed upon the adequacy or accuracy of this prospectus and solicitation statement.
Any representation to the contrary is a criminal offense.

LEHMAN BROTHERS

Dealer Manager and Solicitation Agent

, 2003

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**QUESTIONS AND ANSWERS ABOUT
THE EXCHANGE OFFER, CONSENT SOLICITATION AND MERGER**

The following are some questions regarding the exchange offer, consent solicitation and merger that you may have as a holder of BRCOM Preferred Stock and the answers to those questions. We urge you to read carefully the remainder of this prospectus and solicitation statement and the related consent and letter of transmittal because the information in this section is not complete. Additional important information is contained in the remainder of this prospectus and solicitation statement and the consent and letter of transmittal.

Q:

What will I receive in exchange for my shares of BRCOM Preferred Stock?

A:

We are offering to exchange 35.8 shares of Cincinnati Bell Common Stock for each outstanding share of BRCOM Preferred Stock validly tendered and not properly withdrawn in the exchange offer.

Q:

If I tender my shares of BRCOM Preferred Stock, when will I receive my shares of Cincinnati Bell Common Stock?

A:

Holders of BRCOM Preferred Stock that tender their shares in the exchange offer will receive shares of Cincinnati Bell Common Stock promptly after the closing of the exchange offer.

Q:

When does Cincinnati Bell expect to complete the exchange offer and consent solicitation?

A:

We hope to complete the exchange offer and consent solicitation in the third quarter of 2003. The exchange offer and consent solicitation are currently scheduled to expire on _____, 2003; however, we may extend the exchange offer and consent solicitation from time to time as necessary until all the conditions to the exchange offer and consent solicitation have been satisfied or, where permissible, waived.

Q:

If I decide not to tender, how will the exchange offer and consent solicitation affect my shares of BRCOM Preferred Stock?

A:

If you decide not to tender your shares of BRCOM Preferred Stock in the exchange offer and we complete the exchange offer, consent solicitation and the merger, you will receive in the merger the same number of shares of Cincinnati Bell Common Stock that you would have received if you had tendered your shares of BRCOM Preferred Stock in the exchange offer, unless you properly perfect appraisal rights under Delaware law. In the unlikely event that the exchange offer and consent solicitation are completed but the merger is not consummated, holders of untendered shares of BRCOM Preferred Stock will not have the benefit of voting rights or the restrictive covenants currently applicable, and the liquidity and trading price of the remaining shares of BRCOM Preferred Stock will likely be adversely affected.

Q:

Will I receive accumulated, undeclared and unpaid dividends with respect to shares of BRCOM Preferred Stock accepted for exchange?

No. You will not be paid any accumulated, undeclared and unpaid dividends if you exchange your shares of BRCOM Preferred Stock pursuant to the exchange offer.

Q:

How do I participate in the exchange offer and consent solicitation?

A:

If you hold your shares in your own name, complete and sign the enclosed consent and letter of transmittal and return it with your share certificates to The Bank of New York, the exchange agent for the exchange offer, at the appropriate address specified on the back cover of this prospectus and solicitation statement before the expiration date of the exchange offer and consent solicitation.

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If you hold your shares through a broker or other nominee, instruct such broker or nominee to tender your shares and consent to the proposed amendments before the expiration date of the exchange offer and consent solicitation.

Q:

Will I have to pay any fees or commissions for tendering into the exchange offer?

A:

If you are the record owner of your shares and you tender your shares directly to the exchange agent, you will not have to pay any fees or commissions. If you hold your shares through a broker, bank or other nominee, and your broker tenders the shares on your behalf, your broker may charge you a fee for doing so. You should consult your broker or nominee to determine whether any charges will apply.

Q:

What do I do if I want to withdraw my shares from the exchange offer and revoke the related consents to the proposed amendments?

A:

To withdraw your shares from the exchange offer and revoke the related consents to the proposed amendments, send a written or facsimile transmission notice of withdrawal to the exchange agent at the appropriate address specified on the back cover of this prospectus and solicitation statement prior to the expiration date. Your notice of withdrawal must comply as to form with the requirements set forth in this prospectus and solicitation statement.

Q:

Where can I find more information about Cincinnati Bell and BRCOM?

A:

You can find more information about Cincinnati Bell and BRCOM from various sources described under "Where You Can Find More Information."

Q:

Who do I call if I have any questions on how to tender my shares of BRCOM Preferred Stock or any other questions relating to the exchange offer and consent solicitation?

A:

Questions and requests for assistance may be directed to The Bank of New York, the exchange agent, or to Lehman Brothers Inc., the dealer manager and solicitation agent, at their respective addresses and telephone numbers set forth on the back cover of this prospectus and solicitation statement. Requests for additional copies of this prospectus and solicitation statement and the consent and letter of transmittal may be directed to the exchange agent or the dealer manager and solicitation agent of the exchange offer and consent solicitation.

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SUMMARY

This summary highlights selected information from this prospectus and solicitation statement and may not contain all of the information that is important to you. To better understand the proposed exchange offer and consent solicitation, we urge you to read this entire document carefully, as well as those additional documents to which we refer you. See "Where You Can Find More Information."

Background of the Exchange Offer, Consent Solicitation and Merger

Beginning with our acquisition of all of the common stock of BRCOM in November 1999, we have pursued a strategy of building an integrated high capacity communications network by using our financial resources to leverage BRCOM's strategic assets. From the acquisition of BRCOM to March 31, 2003, we used approximately \$2.3 billion of cash flow from our other businesses and borrowings under our credit facilities to finance the buildout and increase the capacity of BRCOM's national optical network, as well as to meet BRCOM's other cash needs.

In 2001, the business environment for BRCOM and the broader telecommunications industry deteriorated rapidly and significantly and currently remains weak. Factors contributing to this weakness include a generally weak U.S. economy, overcapacity in the broadband industry and financial difficulties at companies in related industries, including many of BRCOM's telecommunications carrier customers.

BRCOM generated revenue of approximately \$1.1 billion, or 50% of our consolidated revenue in 2002; however, BRCOM generated an operating loss of approximately \$2.4 billion over the same period. In general, BRCOM has incurred substantial operating and net losses. From the acquisition of BRCOM through the end of 2002, BRCOM incurred approximately \$3.2 billion in operating losses and approximately \$5.4 billion in cumulative net losses. To finance BRCOM's capital expenditure and operating activities, as well as its preferred stock dividends and repayments of long-term debt, from the acquisition of BRCOM to March 31, 2003, we made capital contributions of approximately \$829 million and intercompany loans of approximately \$1.5 billion. As a result of those contributions and loans and the effects of a weak U.S. economy and telecommunications industry, we have incurred a substantial amount of debt.

The Restructuring Plan and Recent Developments

In response to BRCOM's deteriorating financial results and concerns over our liquidity, in October 2002 we announced a five-point restructuring plan. The restructuring plan is intended to strengthen our financial position, maintain the strength and stability of our local telephone business, reduce the cash expenditures at BRCOM, facilitate the evaluation of strategic alternatives and reduce our debt balances over time. We have made substantial progress in implementing the restructuring plan including the following:

On March 26, 2003, we received \$350 million of gross cash proceeds from the issuance of 16% Senior Subordinated Discount Notes due 2009, referred to herein as the 16% Notes, and warrants as part of the Goldman mezzanine financing (as described in "Description of Cincinnati Bell and BRCOM Indebtedness Cincinnati Bell 16% Senior Subordinated Discount Notes due 2009").

On March 26, 2003, we permanently prepaid \$220 million in borrowings under our term and revolving credit facilities and made a \$90 million payment under our revolving credit facility with the net cash proceeds from the Goldman mezzanine financing and amended the terms of our credit facilities to provide us with greater liquidity for our operations.

On March 26, 2003, we executed a supplemental indenture in respect of the indenture governing the 6³/₄% Convertible Subordinated Notes due 2009, referred to herein as Convertible Subordinated Notes (as described in "Background of the Exchange Offer, Consent Solicitation and Merger The Restructuring Plan and Recent Developments Convertible

Subordinated Notes Supplemental Indenture").

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On June 13, 2003, we consummated the first (and most significant) stage closing of the sale of our broadband business, in which we transferred substantially all of our broadband assets except for those for which state regulatory approval for transfer was still pending. In connection with the first stage closing, the buyers paid the cash purchase price of \$91.5 million, of which \$29.3 million was placed into escrow to support certain potential purchase price adjustments and the portion of the purchase price payable upon the consummation of the second and third stage closings, and issued to us a \$17.2 million preliminary promissory note in connection with a purchase price working capital adjustment. In addition, the buyers have agreed to assume approximately \$418.5 million in current and

long-term liabilities and approximately \$291.2 million of operating contractual commitments. See "Background of the Exchange Offer, Consent Solicitation and Merger The Restructuring Plan and Recent Developments Sale of our broadband business." Our business after the consummation of the broadband sale will primarily consist of our local and wireless telephone businesses and the only remaining BRCOM subsidiaries with operating assets will be Cincinnati Bell Technology Solutions Inc., an information technology consulting subsidiary, and Cincinnati Bell Any Distance Inc., a subsidiary whose assets service Cincinnati Bell's long distance business. Upon the recording of the sale of our broadband business, we expect our pretax U.S. federal net operating loss carryforwards to increase to approximately \$2.1 billion, or \$735 million tax effected, with little or no expected impact on the total net deferred tax asset and valuation allowance.

On June 16, 2003, we permanently retired BRCOM's remaining \$0.8 million outstanding 12¹/₂% Senior Notes due 2005 (as described in "Background of the Exchange Offer, Consent Solicitation and Merger The Restructuring Plan and Recent Developments Retirement of BRCOM 12¹/₂% Notes").

On July 8, 2003, we consummated the second stage closing of the sale of our broadband business and \$10.3 million of the \$29.3 million placed into escrow at the first stage closing was paid to us in cash. After the first and second stage closings, the BRCOM selling subsidiaries have transferred assets in states representing approximately 87.5% of our 2002 broadband revenue to the buyers.

On July 11, 2003, we issued \$500 million aggregate principal amount of 7¹/₄% Senior Notes due 2013, referred to herein as the 7¹/₄% Senior Notes (as described in "Description of Cincinnati Bell and BRCOM Indebtedness Cincinnati Bell's 7¹/₄% Senior Notes due 2013"). The net proceeds from that offering totaled \$488.3 million and were used to repay borrowings and permanently reduce commitments under our term loan credit facilities and our revolving credit facility.

Concurrent with the exchange offer and consent solicitation, we are also offering to exchange 11,076,707 shares of Cincinnati Bell Common Stock for approximately \$46 million aggregate principal amount of BRCOM's 9% Senior Subordinated Notes due 2008, referred to herein as 9% Notes (as described in "Description of Cincinnati Bell and BRCOM Indebtedness BRCOM 9% Senior Subordinated Notes due 2008") outstanding, which is equal to 241.06 shares of Cincinnati Bell Common Stock for each \$1,000 aggregate principal amount of 9% Notes. Holders of the 9% Notes representing \$42.375 million in principal amount, or approximately 92.2% of the aggregate principal amount outstanding, have already agreed to tender their notes and give their consents.

Consequences for BRCOM

BRCOM conducts substantially all of its operations through its subsidiaries and is dependent upon dividends or other intercompany transfers of funds from its subsidiaries in order to meet its obligations. Following the completion of the remaining portion of the sale of our broadband business, the only remaining BRCOM subsidiaries with operating assets will be Cincinnati Bell Technology Solutions Inc., an information technology consulting subsidiary, and Cincinnati Bell Any Distance Inc., a subsidiary whose assets service Cincinnati Bell's long distance business. See "Unaudited Pro Forma Condensed

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Consolidated Financial Information BRCOM Inc." for BRCOM's pro forma results of operations and balance sheet after giving effect to the sale of our broadband business. However, BRCOM retains substantial liabilities. The carrying value of the current and long-term liabilities to be retained totaled \$1,654.8 million and \$301.7 million, respectively, as of March 31, 2003. There can be no assurances that BRCOM will be able

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to generate sufficient cash from its remaining operations, restructure its obligations or obtain additional sources of financing, in light of the funding constraints described under "Description of Cincinnati Bell and BRCOM Indebtedness Cincinnati Bell 16% Senior Subordinated Discount Notes due 2009." As a result, BRCOM may not be able to service the substantial liabilities remaining after the sale of our broadband business or to fund its other liquidity needs.

The uncertainty of future cash flows of BRCOM combined with the funding constraints discussed above have prompted PricewaterhouseCoopers LLP, BRCOM's independent accountants, to include a going concern explanatory paragraph in their report filed in connection with the stand-alone financial statements of BRCOM. The going concern explanatory paragraph means that, in the opinion of PricewaterhouseCoopers, there exists substantial doubt about BRCOM's ability to continue as a going concern and its ability to realize its assets and discharge its liabilities in the normal course of business.

If BRCOM is unable to finance its operations or meet its remaining commitments going forward, it may be forced to seek protection from its creditors under Chapter 11 whether or not the exchange offer is consummated, in which case the shares of BRCOM Preferred Stock would likely be extinguished for no consideration. We do not believe that a bankruptcy filing by BRCOM would have an impact on, or increase, the likelihood that Cincinnati Bell would be forced to file for bankruptcy under Chapter 11. Cincinnati Bell does not face the same uncertainty of future cash flow or the funding constraints that BRCOM does. Cincinnati Bell recently issued \$350 million of 16% Notes and \$500 million of 7¹/₄% Senior Notes. With the net proceeds from those issuances, we have permanently repaid approximately \$796.3 million under our term and revolving credit facilities. In addition, following our recent amendments to our Convertible Subordinated Notes indenture and the terms of our credit facilities, the bankruptcy of BRCOM or its subsidiaries will not constitute an event of default under either the Convertible Subordinated Notes indenture, the terms of our credit facilities or any other document governing indebtedness of Cincinnati Bell or any of its subsidiaries.

See "Background of the Exchange Offer, Consent Solicitation and Merger Consequences for BRCOM" for a more detailed discussion of the restructuring plan.

Reasons for the Exchange Offer, Consent Solicitation and Merger

The exchange offer and consent solicitation are an integral part of the restructuring plan. The restructuring plan and the sale of our broadband business were undertaken to simplify our capital structure and focus on our remaining operations. The exchange offer and consent solicitation will improve our financial position and reduce remaining cash expenditures at BRCOM. The consent solicitation will eliminate all voting rights and restrictive covenants in the certificate of designation governing the BRCOM Preferred Stock, thereby providing us with increased operational and financial flexibility in dealing with the remainder of BRCOM's assets and liabilities following the sale of our broadband business. In addition, pursuant to the terms of the agreement for the sale of our broadband business, we have agreed to use our best efforts to retire the BRCOM Preferred Stock.

See "The Exchange Offer, Consent Solicitation and Merger Reasons for and Purpose of the Exchange Offer, Consent Solicitation and Merger."

The Exchange Offer and Consent Solicitation

We are offering to exchange 35.8 shares of Cincinnati Bell Common Stock for each outstanding share of BRCOM Preferred Stock validly tendered and not properly withdrawn prior to the expiration date. Because the number of shares of Cincinnati Bell Common Stock you will receive for each share of BRCOM Preferred Stock is fixed, the value of the shares of Cincinnati Bell Common Stock at the time you receive them could be less than their value at the time you tender your shares of BRCOM

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Preferred Stock. For a summary of the material differences between the current rights and features of the BRCOM Preferred Stock and the Cincinnati Bell Common Stock, see "Comparison of BRCOM Preferred Stock and Cincinnati Bell Common Stock."

The following table reflects the value of the shares of Cincinnati Bell Common Stock to be received by holders for each share of BRCOM Preferred Stock across an assumed range of Cincinnati Bell Common Stock share prices:

Cincinnati Bell Common Stock Per Share Price

\$5.00	\$5.50	\$6.00	\$6.50	\$7.00	\$7.50	\$8.00	\$8.50	\$9.00
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Cincinnati Bell Common Stock Per Share Price

Value of 35.8 shares of
Cincinnati Bell Common

Stock	\$ 179.00	\$ 196.90	\$ 214.80	\$ 232.70	\$ 250.60	\$ 268.50	\$ 286.40	\$ 304.30	\$ 322.20
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Assuming the exchange offer, consent solicitation and merger are completed, and the entire aggregate principal amount of the 9% Notes outstanding are tendered and accepted for exchange pursuant to the BRCOM debt exchange offer, and giving effect to the exercise of the 17.5 million warrants issued as part of the Goldman mezzanine financing, there would be 261,678,129 shares of Cincinnati Bell Common Stock outstanding on March 31, 2003. Based on this information, the former holders of BRCOM Preferred Stock would hold approximately 5.4% of the outstanding shares of Cincinnati Bell Common Stock.

We will retain all the shares of BRCOM Preferred Stock we receive in the exchange offer. You will not be paid any accumulated, undeclared and unpaid dividends if you exchange your shares of BRCOM Preferred Stock pursuant to the exchange offer. At March 31, 2003, accumulated, undeclared and unpaid dividends on the BRCOM Preferred Stock totaled approximately \$43.2 million or \$109.31 per share. Also, you will not receive any fractional shares. Instead, the exchange agent for the exchange offer, acting as your agent, will aggregate any fractional shares issuable and sell them for your account. The proceeds realized by the exchange agent on the sale of fractional shares will be distributed to you and the other tendering holders of BRCOM Preferred Stock on a pro rata basis, net of commissions.

Concurrently with the exchange offer, we are also soliciting consents from holders of BRCOM Preferred Stock to amend the certificate of designation under which the shares were issued to eliminate all voting rights and restrictive covenants. You may not deliver consents without tendering your shares of BRCOM Preferred Stock in the exchange offer. Your completion, execution and delivery of a consent and letter of transmittal will be deemed to constitute your consent to the proposed amendments with respect to the shares of BRCOM Preferred Stock tendered thereby unless such shares are properly withdrawn in the manner and during the periods described herein.

The term "expiration date" means 5:00 p.m., New York City time, on _____, 2003, unless we extend the period of time for which the exchange offer and consent solicitation are open, in which case the term "expiration date" means the latest time and date on which the exchange offer and consent solicitation, as so extended, expire.

If the exchange offer and consent solicitation are completed, in connection therewith we will effect a merger of a newly-formed wholly owned subsidiary of Cincinnati Bell with and into BRCOM, in which any remaining shares of BRCOM Preferred Stock not tendered by you will be converted into the same number of shares of Cincinnati Bell Common Stock that you would have received if you had tendered your shares in the exchange offer, unless you properly perfect appraisal rights under Delaware law. See "The Exchange Offer, Consent Solicitation and Merger The Merger" and "The Exchange Offer, Consent Solicitation and Merger Appraisal Rights."

As of March 31, 2003, 395,210 shares of BRCOM Preferred Stock were outstanding and holders of 266,514 shares representing approximately 67.4% of BRCOM Preferred Stock have agreed with us to tender their shares and give their consents. See "The Exchange Offer, Consent Solicitation and Merger Exchange and Voting Agreement." As a result, the minimum tender condition will be satisfied

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upon the tender of the shares held by these holders. In addition, if the amendment to the certificate of designation governing the BRCOM Preferred Stock is effected and the exchange offer and consent solicitation are successfully completed, we will be able to effect the merger without the approval of any other holder of BRCOM Preferred Stock.

If the exchange offer and consent solicitation are not completed, we will evaluate our strategic alternatives regarding BRCOM. These may include the filing by BRCOM for protection under Chapter 11. If we choose to reorganize BRCOM under Chapter 11, it is likely that the BRCOM Preferred Stock will be extinguished for no consideration. It is also possible we may choose to reorganize BRCOM under Chapter 11 following the consummation of the exchange offer and consent solicitation.

The proposed amendments to the certificate of designation pursuant to which the BRCOM Preferred Stock was issued will eliminate all voting rights and restrictive covenants, including:

the right of holders of BRCOM Preferred Stock to cast one-tenth of one vote per share on all matters, voting together with the common stock of BRCOM as a single class and the accompanying consents;

the right of holders of BRCOM Preferred Stock to elect two additional members of the board of directors if dividends on the BRCOM Preferred Stock are in arrears and undeclared for six or more quarters (whether or not consecutive) or in the event of a violation of a covenant;

the mandatory redemption feature;

the limitation on indebtedness;

the limitation on restricted payments;

the limitation on restrictions on distributions from restricted subsidiaries;

the limitation on affiliate transactions;

the limitation on asset sales and mergers;

the obligation to offer to repurchase or to reset the dividend rate on the BRCOM Preferred Stock upon a change of control; and

the obligation to file annual, quarterly and other reports with the SEC.

See "Annex A Form of Amended Certificate of Designation."

The BRCOM board of directors has voted to recommend the exchange offer and consent solicitation to the holders of BRCOM Preferred Stock. None of the Cincinnati Bell board of directors, the dealer manager and solicitation agent, or the exchange agent expresses any opinion, and each is remaining neutral to you as to whether or not to tender your shares of BRCOM Preferred Stock in the exchange offer and give your consent pursuant to the consent solicitation because the risks and benefits of the exchange offer to you will depend on your particular situation or status. Our board of directors has not made any determination that the exchange ratio represents a fair valuation of the BRCOM Preferred Stock or the Cincinnati Bell Common Stock, and we have not obtained a fairness opinion from any financial advisor about the fairness of the exchange ratio to us or to you. In addition, we have not authorized anyone to make a recommendation regarding the exchange offer. You must make your own investment decision whether to tender your shares of BRCOM Preferred Stock in the exchange offer based upon your own assessment of the market value of the BRCOM Preferred Stock, the likely value of the Cincinnati Bell Common Stock, your liquidity needs and your investment objectives.

Conditions to the Completion of the Exchange Offer and Consent Solicitation

Our obligation to complete the exchange offer and consent solicitation is subject to the following conditions described under "The Exchange Offer, Consent Solicitation and Merger Conditions of the Exchange Offer, Consent Solicitation and Merger":

the tender of at least 66²/₃% of the outstanding shares of BRCOM Preferred Stock and the accompanying consents;

the registration statement, of which this prospectus and solicitation statement is a part, having been declared effective by the SEC;

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the absence of any threatened or pending litigation or other legal action relating to the exchange offer, consent solicitation or merger;

the absence of any unsolicited offer or expression of bona fide interest from a third party with respect to a potential merger, acquisition, business combination or other strategic combination involving BRCOM or Cincinnati Bell, that if the board of directors of BRCOM or Cincinnati Bell determines it to be in the best interests of BRCOM or Cincinnati Bell to accept, would

alter the terms of the exchange offer and consent solicitation in a manner not permitted by the exchange and voting agreement (as described in "The Exchange Offer, Consent Solicitation and Merger Exchange and Voting Agreement"); and

the absence of any governmental approvals required in order to complete the exchange offer, consent solicitation or merger.

Exchange and Voting Agreement

On March 24, 2003, we entered into an exchange and voting agreement with Alliance Capital Management L.P., Fidelity Management & Research Co., GMT Capital Corp., Gryphon Partners L.P., Morgan Stanley Investment Management, OZ Management, LLC and OZF Management L.P. pursuant to which each of these holders of BRCOM Preferred Stock agreed to tender all of their BRCOM Preferred Stock and to consent to the amendments to the certificate of designation governing the BRCOM Preferred Stock. In addition, each party to the exchange and voting agreement has agreed to use commercially reasonable efforts to complete the exchange offer and consent solicitation. In the aggregate, these holders own shares representing approximately 67.4% of the outstanding shares of BRCOM Preferred Stock. As a result, the minimum tender condition will be satisfied upon the tender of the shares held by these holders or their transferees. In addition, upon the tender of the shares subject to the exchange and voting agreement, the amendment to the certificate of designation governing the BRCOM Preferred Stock and completion of the exchange offer, we will be able to effect the merger without the approval of any other holder of BRCOM Preferred Stock. See "The Exchange Offer, Consent Solicitation and Merger Exchange and Voting Agreement."

Waiver and Release

Each holder of BRCOM Preferred Stock by tendering and accepting Cincinnati Bell Common Stock pursuant to the exchange offer waives and releases Cincinnati Bell, BRCOM and their affiliates, and the respective directors, officers and employees of Cincinnati Bell, BRCOM and their affiliates from certain liabilities and claims against Cincinnati Bell, BRCOM or their affiliates, or against any of their respective officers, directors, employees and stockholders. See "The Exchange Offer, Consent Solicitation and Merger Waiver and Release."

Certain Risk Factors

Investment in the Cincinnati Bell Common Stock issuable in the exchange offer involves a high degree of risk. In deciding whether to tender your shares pursuant to the exchange offer and deliver related consents pursuant to the consent solicitation, you should carefully read this prospectus and solicitation statement, including the risk factors, as well as the documents incorporated by reference

into this prospectus and solicitation statement. See "Risk Factors" for a more complete discussion of these and other factors to consider in connection with the exchange offer and consent solicitation.

Trading Price Information

The BRCOM Preferred Stock is quoted on the NYSE under the symbol "IXK-NA-09." The trading market for shares of BRCOM Preferred Stock is limited and sporadic, and prices may fluctuate significantly depending on the volume of trading in the shares and the balance between buy and sell orders for the shares. The last traded price for the BRCOM Preferred Stock as reported on Advantage Data, an automated electronic system, as of July 15, 2003 was \$216.25 per share. Cincinnati Bell Common Stock is quoted on the NYSE under the symbol "CBB," and the last traded price for Cincinnati Bell Common Stock on the NYSE on July 15, 2003 was \$6.93 per share. You are urged to obtain current market quotations.

Timing of the Exchange Offer and Consent Solicitation

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We hope to complete the exchange offer and consent solicitation by the end of the third quarter of 2003. The exchange offer and consent solicitation are currently scheduled to expire on _____, 2003; however, we may extend the exchange offer and consent solicitation from time to time as necessary until all the conditions to the exchange offer and consent solicitation have been satisfied or, where permissible, waived. See "The Exchange Offer, Consent Solicitation and Merger Extension, Termination and Amendment."

Exchange of BRCOM Preferred Stock

Upon the terms and subject to the conditions of the exchange offer, we will accept for exchange, and will exchange, shares of BRCOM Preferred Stock validly tendered and not properly withdrawn as promptly as practicable after the expiration date. We will retain all the shares of BRCOM Preferred Stock we receive in the exchange offer.

Procedures For Tendering Shares and Delivering Consents

To validly tender your BRCOM Preferred Stock pursuant to the exchange offer and consent to the proposed amendments pursuant to the consent solicitation, you must:

- (1) complete, execute and transmit a consent and letter of transmittal, along with any required signature guarantees and any other required documents, to the exchange agent at the address set forth on the back cover of this prospectus and solicitation statement and certificates for tendered BRCOM Preferred Stock must be received by the exchange agent at such address, or those shares of BRCOM Preferred Stock must be tendered pursuant to the procedures for book-entry tender set forth in "The Exchange Offer, Consent Solicitation and Merger" (and a confirmation of receipt of such tender received), in each case before the expiration date; or
- (2) comply with the guaranteed delivery procedures set forth in "The Exchange Offer, Consent Solicitation and Merger Guaranteed Delivery."

Holders of shares of BRCOM Preferred Stock tendered via book entry or guaranteed delivery procedures will still be required to complete and execute the consent and letter of transmittal.

Withdrawal of Tenders and Revocation of Consents

To withdraw your shares from the exchange offer and to revoke related consents from the consent solicitation, send a written or facsimile transmission notice of withdrawal to the exchange agent at the appropriate address specified on the back cover of this prospectus and solicitation statement prior to the expiration date. Your notice of withdrawal must comply as to form with the requirements set forth in this prospectus and solicitation statement. See "The Exchange Offer, Consent Solicitation and Merger Withdrawal of Tenders and Revocation of Consents."

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The Merger

If the amendment to the certificate of designation governing the BRCOM Preferred Stock and the exchange offer and consent solicitation are completed, in connection therewith we will effect a merger of a newly-formed wholly owned subsidiary of Cincinnati Bell with and into BRCOM in which any remaining shares of BRCOM Preferred Stock not tendered by you will be converted into the same number of shares of Cincinnati Bell Common Stock that you would have received if you had tendered your shares in the exchange offer, unless you properly perfect appraisal rights under Delaware law. See "The Exchange Offer, Consent Solicitation and Merger The Merger" and "The Exchange Offer, Consent Solicitation and Merger Appraisal Rights."

Appraisal Rights

Under Delaware law, you do not have appraisal rights in connection with the exchange offer and consent solicitation. In connection with the merger, you have the right under Delaware law to exercise appraisal rights and to receive payment in cash for the fair value of your shares of BRCOM Preferred Stock as determined by the Delaware Chancery Court. The fair value of shares of BRCOM Preferred Stock as determined by the Delaware Chancery Court may be more, less than or the same as the value of the Cincinnati Bell Common Stock to be issued to stockholders who do not exercise their appraisal rights. To exercise your appraisal rights, you must precisely follow specific procedures, or your appraisal rights may be lost. These procedures are described in "The Exchange Offer, Consent Solicitation and Merger Appraisal Rights," and the relevant

provisions of Delaware law are attached as Annex C.

However, in light of the restrictions placed on our ability to fund BRCOM by the terms of our credit facilities and the 16% Notes indenture, there can be no assurances that BRCOM will be able to generate sufficient cash from its remaining operations or that additional sources of funding will be available to it to enable it to pay cash in connection with the appraisal rights. See also, "Risk Factors Risk Factors Related to BRCOM The servicing of BRCOM's indebtedness will require a significant amount of cash, and BRCOM's ability to generate cash depends on many factors beyond its control; Cincinnati Bell's ability to finance BRCOM's operations is restricted" and "If the final two stages of the sale of our broadband business is completed, substantially all of the operating assets of certain of BRCOM's subsidiaries will have been sold and BRCOM will have retained substantial liabilities and contingent liabilities."

Exchange Agent and Dealer Manager and Solicitation Agent

Questions and requests for assistance may be directed to The Bank of New York, the exchange agent, or to Lehman Brothers, the dealer manager and solicitation agent, at their respective addresses and telephone numbers set forth on the back cover of this prospectus and solicitation statement. Requests for additional copies of this prospectus and solicitation statement and the consent and letter of transmittal may be directed to The Bank of New York or Lehman Brothers.

Accounting Treatment

Our acquisition of the BRCOM Preferred Stock through the exchange offer and the merger will be accounted for as a capital stock transaction. As such, there would be no income statement impact to either us or BRCOM, except for fees incurred to consummate the exchange offer, consent solicitation and merger.

BRCOM will eliminate the BRCOM Preferred Stock from its capital structure and record an increase to additional paid-in capital to the extent the \$413.7 million book value, as of March 31, 2003, of the BRCOM Preferred Stock exceeds the fair value of Cincinnati Bell Common Stock issued in the exchange offer. The fair value of the Cincinnati Bell Common Stock issued in the exchange offer will be reflected as a payable to Cincinnati Bell on BRCOM's financial statements. We will record a receivable from BRCOM in the amount of the fair value of Cincinnati Bell Common Stock issued in

the exchange offer. We will also record an increase in additional paid-in capital to the extent the fair value of Cincinnati Bell Common Stock issued in the exchange offer exceeds its par value.

On a consolidated basis, minority interest reflected in the balance sheet, as of March 31, 2003, of \$413.7 million will be eliminated and the amount of additional paid-in capital and par value of Cincinnati Bell Common Stock issued will increase by the same amount, allocated based on the number of shares of Cincinnati Bell Common Stock issued in the exchange offer.

Certain U.S. Federal Income Tax Considerations

The exchange of BRCOM Preferred Stock for Cincinnati Bell Common Stock will be a taxable exchange for U.S. Federal income tax purposes. You will recognize gain or loss on the exchange equal to the difference between the fair market value of the Cincinnati Bell Common Stock (including fractional shares) exchanged for your BRCOM Preferred Stock and your tax basis in the BRCOM Preferred Stock surrendered in the exchange.

If you receive cash for all your shares of BRCOM Preferred Stock pursuant to the exercise of your appraisal rights, you will recognize a gain or loss equal to the difference between the tax basis of the shares of BRCOM Preferred Stock surrendered and the amount of cash you received. For a further discussion of certain U.S. Federal income tax considerations relating to the exchange offer that might be applicable to you, see "Certain U.S. Federal Income Tax Considerations."

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In deciding whether to tender your shares pursuant to the exchange offer and deliver related consents pursuant to the consent solicitation, we urge you to read this prospectus and solicitation statement and the documents incorporated by reference into this prospectus and solicitation statement carefully. You should also consider the risk factors described below.

Risk Factors Related to the Exchange Offer and Consent Solicitation

Because the number of shares of Cincinnati Bell Common Stock that you receive in the exchange offer is fixed, the value of the shares of Cincinnati Bell Common Stock at the time you receive them could be less than their value at the time you tender your shares of BRCOM Preferred Stock.

In the exchange offer, each share of BRCOM Preferred Stock will be exchanged for 35.8 shares of Cincinnati Bell Common Stock. This is a fixed exchange ratio. The exchange offer does not provide for an adjustment in the exchange ratio even if there is an increase or a decrease in the trading price of the Cincinnati Bell Common Stock between the date of this prospectus and solicitation statement and the expiration date of the exchange offer and consent solicitation. The value of 35.8 shares of Cincinnati Bell Common Stock across a range of trading prices is provided in chart form in "Summary The Exchange Offer and Consent Solicitation." The trading price of the Cincinnati Bell Common Stock will likely be different on the date of the expiration of the exchange offer and consent solicitation than it is today because of ordinary trading fluctuations as well as changes in the business, operations or prospects of Cincinnati Bell, market reactions to the exchange offer and consent solicitation and the restructuring plan, possible other acquisitions or dispositions by us, general market and economic conditions and other factors. See "Comparative Stock Prices and Dividends."

The trading price of Cincinnati Bell Common Stock may be volatile and securities class actions resulting from such volatility may have a material impact on the financial condition and operating results of our business.

The trading price of Cincinnati Bell Common Stock may fluctuate substantially as a result of periodic variations in the actual or anticipated financial results of our businesses or of other companies in the telecommunications industry. In addition, the stock market has experienced price and volume fluctuations due to the general weakness in the U.S. economy and other factors that have affected the trading price of many telecommunications stocks. These fluctuations have sometimes been unrelated or disproportionate to the operating performance of these companies. Fluctuations such as these have affected and are likely to continue to affect the trading price of Cincinnati Bell Common Stock. For example, during the fifty-two week period ended July 15, 2003, the high and low closing sales prices per share of Cincinnati Bell Common Stock were \$7.25 and \$1.15, respectively.

Furthermore, securities class actions have often been instituted against companies following periods of volatility and decline in the trading prices of such companies' securities. In 2002 and 2003, a number of putative class action and derivative lawsuits were filed against us and our officers and directors. These lawsuits allege violations of, *inter alia*, the securities laws and the Employee Retirement Income Security Act of 1974, as amended. We intend to defend these actions vigorously. However, such litigation could result in substantial costs and have a material impact on the financial condition and operating results of our business. We could be required to pay substantial damages, including compensatory damages, attorneys' fees and other costs, if we were to lose any of these lawsuits.

The trading price of Cincinnati Bell Common Stock may decline due to future issuances of shares.

As of March 31, 2003, there were approximately 218,952,904 million shares of Cincinnati Bell Common Stock outstanding. Each depositary share representing one-twentieth of a share of our 6³/₄%

Preferred Stock (as described in "Description of Cincinnati Bell Capital Stock") may be redeemed at any time at the option of the holders, for 1.44 shares of Cincinnati Bell Common Stock, or 4,477,410 total shares, and our Convertible Subordinated Notes may be redeemed at the option of the holders for shares of Cincinnati Bell Common Stock at an initial conversion price of \$29.89 per share, or 17,107,503 total shares, based on the accreted value of the Convertible Subordinated Notes as of March 31, 2003. In connection with the Goldman mezzanine financing, we issued 17,500,000 warrants, each to purchase one share of Cincinnati Bell Common Stock at \$3.00 per share. These warrants are exercisable at any time until March 26, 2013. If the exchange offer, consent solicitation and merger are completed, we will issue an additional 14,148,518 shares of Cincinnati Bell Common Stock. If the BRCOM debt exchange offer is completed and the entire outstanding aggregate principal amount of 9% Notes outstanding is tendered and accepted for exchange, we will issue an additional 11,076,707 shares of Cincinnati Bell Common Stock. In addition, our board of directors has approved the grant of options to purchase an aggregate of 50,000,000 shares to our employees, executives and directors and, as of March 31, 2003, options to purchase 36,487,000 of these shares had been issued and remain outstanding. The issuance or expected issuance of a large number of shares of Cincinnati Bell Common Stock (or unexercised warrants convertible into Cincinnati Bell Common Stock) at any time after the date of this prospectus and solicitation statement could negatively affect the trading price of Cincinnati

Bell Common Stock.

The sole director of BRCOM has potential conflicts of interest with respect to the exchange offer, consent solicitation, the amendment to the certificate of designation and merger; our board of directors has potential conflicts of interest with respect to the exchange offer, consent solicitation and merger.

You should be aware that certain significant conflicts of interest exist for the sole member of the BRCOM board of directors. Thomas L. Schilling, the sole member of the BRCOM board of directors, also serves as the Chief Financial Officer of Cincinnati Bell. Mr. Schilling's compensation is ultimately determined by the compensation committee of the Cincinnati Bell board of directors. In addition, on February 3, 2003, we entered into an amended employment agreement with Mr. Schilling, whereby Mr. Schilling was incentivized to sell our broadband business, amend the terms of the credit facilities and remain at Cincinnati Bell through the completion of our restructuring plan. Since these objectives have been achieved, Mr. Schilling is entitled to a success bonus equal to 50% of the sum of his annual base salary plus his bonus target. We do not expect that the exchange offer, consent solicitation, the amendment to the certificate of designation or merger will be evaluated by any independent directors of BRCOM. See "Relationship Between Cincinnati Bell and BRCOM Relationship of Directors and Executive Officers of BRCOM with Cincinnati Bell."

You should also be aware that Cincinnati Bell's directors and executive officers have interests in the restructuring plan that are different from, or in addition to, or that might conflict with, the interests of the holders of the BRCOM Preferred Stock. See "Relationship Between Cincinnati Bell and BRCOM Relationship of Directors and Executive Officers of BRCOM with Cincinnati Bell" for a description of potential conflicts of interest between Cincinnati Bell's directors and executive officers and the holders of the BRCOM Preferred Stock. Our board of directors were aware of these interests and conflicts when it determined to approve the exchange offer, consent solicitation and merger pursuant to the restructuring plan.

The proposed amendments to the certificate of designation will eliminate many protections intended for the holders of BRCOM Preferred Stock.

If the exchange offer and consent solicitation are completed, the proposed amendments to the certificate of designation pursuant to which the BRCOM Preferred Stock was issued will eliminate all voting rights and restrictive covenants. See "The Exchange Offer, Consent Solicitation and Merger

The Proposed Amendments" for a description of the proposed amendments to the certificate of designation for the BRCOM Preferred Stock.

If the proposed amendments are adopted, the amended terms of the BRCOM Preferred Stock will afford less protection to holders than that currently set forth in the certificate of designation. If the amendment to the certificate of designation and the exchange offer and consent solicitation are completed, each non-exchanging holder of BRCOM Preferred Stock will be bound by the proposed amendments even if such holder did not consent to the proposed amendments.

Consents with respect to BRCOM's common stock, which is 100% owned by Cincinnati Bell, and at least 66²/₃% of the outstanding shares of BRCOM Preferred Stock must be received in order to amend the certificate of designation under which the BRCOM Preferred Stock was issued. As of March 31, 2003, holders of shares representing approximately 67.4% of the outstanding shares of BRCOM Preferred Stock have agreed with Cincinnati Bell to tender their shares and give their consents. See "The Exchange Offer, Consent Solicitation and Merger Exchange and Voting Agreement." As a result, if the consent solicitation is completed, we will be able to amend the certificate of designation without the approval of any other holder of BRCOM Preferred Stock. Each non-exchanging holder of BRCOM Preferred Stock will be bound by such amended certificate of designation even if such holder did not give its consent.

If there is any delay or failure in the consummation of the merger, the liquidity of BRCOM Preferred Stock after the completion of the exchange offer and consent solicitation will be reduced.

As soon as practicable after the amendment to the certificate of designation governing the BRCOM Preferred Stock and the exchange offer and consent solicitation, we will effect a merger of a newly-formed wholly owned subsidiary of Cincinnati Bell with and into BRCOM, in which any remaining shares of BRCOM Preferred Stock not tendered by you will be converted into the same number of shares of Cincinnati Bell Common Stock that you would have received if you had tendered your shares in the exchange offer, unless you properly perfected appraisal rights under Delaware law. See "The Exchange Offer, Consent Solicitation and Merger The Merger" and "The Exchange Offer, Consent Solicitation and Merger Appraisal Rights."

However, if there is any delay or failure in the consummation of the merger, the trading market for BRCOM Preferred Stock outstanding immediately after the amendment to the certificate of designation governing the BRCOM Preferred Stock and the exchange offer and prior to the effectiveness of the merger could become limited or nonexistent due to the reduction in the amount of BRCOM Preferred Stock outstanding after completion of the exchange offer. If a market for the unexchanged BRCOM Preferred Stock exists after consummation of the exchange offer, the BRCOM Preferred Stock may trade at a discount to the price at which it would trade if the exchange offer had not been consummated, depending on prevailing interest rates, the market for similar securities and other factors. We cannot assure you that an active market in the unexchanged BRCOM Preferred Stock will exist or be maintained and cannot assure you as to the prices at which the unexchanged BRCOM Preferred Stock may trade.

Upon the amendment to the certificate of designation governing the BRCOM Preferred Stock and the consummation of the exchange offer and consent solicitation and the BRCOM debt exchange offer, BRCOM will no longer be required to file reports with the SEC pursuant to the Exchange Act; BRCOM will also delist the BRCOM Preferred Stock from the NYSE.

Pursuant to the terms of the certificate of designation governing the BRCOM Preferred Stock and the indenture governing the 9% Notes, BRCOM is required to file periodic reports with the SEC as specified in Sections 13 and 15(d) of the Exchange Act. In connection with the BRCOM debt exchange

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offer, we are also currently soliciting consents to amend the 9% Notes indenture to eliminate BRCOM's periodic reporting requirements. Holders of notes representing a majority of the aggregate amount outstanding of the 9% Notes must consent to an amendment of the 9% Notes indenture, and as of March 31, 2003 holders of notes representing approximately 92.2% of the aggregate principal amount outstanding of the 9% Notes have already agreed to give their consents. Upon the effectiveness of the proposed amendments, the certificate of designation governing the BRCOM Preferred Stock will no longer require BRCOM to file reports with the SEC.

BRCOM's status as a non-filing company would limit the amount of information about BRCOM that it would be required to make publicly available under the Exchange Act and could have a negative impact on the trading market of any shares of BRCOM Preferred Stock outstanding after the completion of the exchange offer and consent solicitation.

In addition, because the BRCOM Preferred Stock will no longer meet the listing requirements of the NYSE, after the completion of the exchange offer, BRCOM will delist the BRCOM Preferred Stock from the NYSE. This may adversely affect the liquidity and trading price of the remaining shares of BRCOM Preferred Stock.

Anti-takeover provisions of Ohio General Corporation Law, our amended articles of incorporation and our rights agreement may affect the value of the Cincinnati Bell Common Stock.

Certain provisions of the Ohio General Corporation Law may discourage or prevent a third party from acquiring control of Cincinnati Bell. Such provisions may discourage bids for the Cincinnati Bell Common Stock at a premium over the trading price and may adversely affect the trading price and voting and other rights of the holders of Cincinnati Bell Common Stock.

Our amended articles of incorporation authorize our board of directors to issue Series A Preferred Stock in connection with our rights agreement. Under our rights agreement, rights attach to each share of Cincinnati Bell Common Stock outstanding and, when exercisable, entitle the registered holder to purchase from Cincinnati Bell one one-thousandth of a share of Cincinnati Bell Series A Preferred Stock. The issuance of Cincinnati Bell Series A Preferred Stock could make it more difficult for a third party to acquire us. We have no present plans to issue shares of Series A Preferred Stock. See "Description of Cincinnati Bell Capital Stock Preferred Stock" and "Description of Cincinnati Bell Capital Stock Anti-takeover Effects of Ohio Law" for a more complete description of our capitalization and the effects of the Ohio General Corporation Law on certain actions that we may take.

Risk Factors Related to the Business of Cincinnati Bell

We may experience a change in senior management.

As our restructuring plan is nearing completion, our board of directors has begun the process of determining the appropriate management structure and selecting the members of our senior management team going forward. As part of that process, the board has engaged an outside executive search firm to assist it in identifying candidates for chief executive officer. The board intends to consider both internal and external candidates for the chief executive officer position, including the current Chief Executive Officer and the Chief Operating Officer, together with the qualified outside candidates from telecommunications and related industries. In addition, the board recently amended the employment

agreement of our current Chief Executive Officer whereby he is entitled to a success fee earned as a result of the sale of our broadband business and the amendment of our credit facilities, and, until August 31, 2003, is further entitled to terminate his employment and receive the other payments provided for under his employment agreement. Similarly, in December 2003, our Chief Financial Officer, our General Counsel, and our Senior Vice President of Corporate Development will

also be entitled to similar success fees and termination rights. There can be no assurances that all or any of the current members of our senior management team will remain with Cincinnati Bell or in their positions in short term or long term, because the board may select different candidates for all or some of the positions, or current members of senior management may choose to terminate their employment with us.

Our financial condition could be adversely affected if we are unable to realize fully our deferred tax assets.

As of March 31, 2003, we had total deferred tax assets of \$1,179 million, including a deferred tax asset of \$270 million relating to \$771 million of U.S. Federal net operating loss carryforwards and a deferred tax asset of \$143 million relating to state and local net operating loss carryforwards. In addition, we had other deferred tax assets, principally related to the fourth quarter 2002 impairment charge related to our broadband business. As of March 31, 2003, a valuation allowance of \$1,175 million was recorded against our total deferred tax assets of \$1,179 million. Upon the recording of the sale of our broadband business, we expect our pretax U.S. federal net operating loss carryforwards to increase to approximately \$2.1 billion, or \$735 million tax effected, with little or no expected impact on the total net deferred tax asset and valuation allowance. For more information concerning our net operating loss carryforwards, deferred tax assets and valuation allowance, see Note 11 of Notes to Consolidated Financial Statements, included in our Annual Report on Form 10-K for the year ended December 31, 2002. If we are unable to fully realize our deferred tax assets, as a result of insufficient taxable income or otherwise, our business, financial condition and results of operations could be adversely affected.

Our substantial debt could limit our ability to fund operations, expose us to interest rate volatility, limit our ability to raise additional capital and have a material adverse effect on our ability to fulfill our obligations and on our business and prospects generally.

We have a substantial amount of debt and have significant debt service obligations. As of March 31, 2003, on a pro forma basis after giving effect to the transactions described in "Unaudited Pro Forma Condensed Consolidated Financial Information" and after eliminating intercompany activity, our aggregate outstanding indebtedness would have been \$2,512.1 million, and our total shareowners' deficit would have been \$1,510.7 million. In addition, we would have had the ability to borrow an additional \$257.2 million under our revolving credit facility, subject to compliance with certain conditions. On March 26, 2003, we completed an amendment to our credit facilities, which included the extension of the maturity of our revolving credit facility from 2004 to 2006, and the acceleration of a portion of our term loan facilities from 2004 to 2003.

Our substantial debt could have important consequences to you, including the following:

we will be required to use a substantial portion of our cash flow from operations to pay principal and interest on our debt, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, strategic acquisitions, investments and alliances and other general corporate requirements;

our interest expense could increase if interest rates in general increase because a substantial portion of our debt bears interest at floating rates;

our substantial debt will increase our vulnerability to general economic downturns and adverse competitive and industry conditions and could place us at a competitive disadvantage compared to those of our competitors that are less leveraged;

our debt service obligations could limit our flexibility to plan for, or react to, changes in our business and the industry in which we operate;

our level of debt may restrict us from raising additional financing on satisfactory terms to fund working capital, capital expenditures, strategic acquisitions, investments and joint ventures and other general corporate requirements; and

a potential failure to comply with the financial and other restrictive covenants in our debt instruments, which, among other things, require us to maintain specified financial ratios could, if not cured or waived, have a material adverse effect on our ability to fulfill our obligations and on our business and prospects generally.

The servicing of our indebtedness will require a significant amount of cash, and our ability to generate cash depends on many factors beyond our control.

Our ability to generate cash is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. We cannot assure you that our business will generate sufficient cash flow from operations, additional sources of debt financing will be available to us or that future borrowings will be available to us under the credit facilities, in each case, in amounts sufficient to enable us to service our indebtedness or to fund our other liquidity needs. If we cannot service our indebtedness, we will have to take actions such as reducing or delaying capital expenditures, strategic acquisitions, investments and joint ventures, selling assets, restructuring or refinancing indebtedness or seeking additional equity capital, which may adversely affect our customers and affect their willingness to remain customers. We cannot assure you that any of these remedies could, if necessary, be effected on commercially reasonable terms, or at all. In addition, the terms of existing or future debt instruments may restrict us from adopting any of these alternatives.

If we fail to successfully implement the restructuring plan, our business, financial condition and results of operations would be adversely affected.

There can be no assurances that the restructuring plan or any of the restructuring initiatives under the restructuring plan will be successful. The first stage closing of the sale of our broadband business was completed on June 13, 2003, and the second stage was completed on July 8, 2003. The final stage of the sale of our broadband business is expected to close by the end of the third quarter of 2003. There can be no assurance that the exchange offer and consent solicitation or the BRCOM debt exchange offer will be successfully completed. If we fail to successfully implement the restructuring plan, our business, financial condition and results of operations would be adversely affected. In addition, a failure to successfully implement the restructuring plan could result in BRCOM being forced to seek protection from its creditors under Chapter 11. A bankruptcy filing by BRCOM could have a material adverse effect on, among other things, Cincinnati Bell's reputation, ability to access the capital markets and customer relationships.

We depend upon our credit facilities to provide for our financing requirements in excess of amounts generated by operations.

We depend on the credit facilities to provide for financing requirements in excess of amounts generated by operations. As of March 31, 2003, on a pro forma basis after giving effect to the transactions described in "Unaudited Pro Forma Condensed Consolidated Financial Information," we had the ability to borrow an additional \$257.2 million under our credit facilities. However, the ability to borrow from the credit facilities is predicated on our and our subsidiaries' compliance with covenants that have been negotiated with the lenders. Failure to satisfy these covenants could severely constrain our ability to borrow under the credit facilities. As of March 31, 2003, we were in compliance with all of the covenants of our credit facilities.

Our credit facilities and other debt instruments contain covenants which impose significant operational and financial restrictions on us and the failure to comply with these covenants would result in an event of default under these instruments.

Our debt instruments impose, and the terms of any future debt may impose, operating and other restrictions. These restrictions will affect, and in many respects will limit or prohibit, among other things, our and our subsidiaries' ability to:

incur additional indebtedness;

create liens;

make investments;

enter into transactions with affiliates;

sell assets;

guarantee indebtedness;

declare or pay dividends or other distributions to shareholders;

repurchase equity interests;

redeem debt that is junior in right of payment to such indebtedness;

enter into agreements that restrict dividends or other payments from subsidiaries;

issue or sell capital stock of certain of its subsidiaries; and

consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis.

In addition, our credit facilities include other and more restrictive covenants and materially limit our ability to prepay other debt and preferred stock while debt under the credit facilities is outstanding. The agreements governing the credit facilities also require us to achieve specified financial and operating results and maintain compliance with specified financial ratios. We have a substantial amount of debt and it is uncertain whether we will continue to remain in compliance with these agreements.

The restrictions contained in the terms of the credit facilities and our other debt instruments could:

limit our ability to plan for or react to market conditions or meet capital needs or otherwise restrict our activities or business plans; and

adversely affect our ability to finance our operations, strategic acquisitions, investments or alliances or other capital needs or to engage in other business activities that would be in our interest.

A breach of any of these restrictive covenants or our inability to comply with the required financial ratios could result in a default under the credit facilities. If a default occurs, the lenders under the credit facilities may elect to declare all outstanding borrowings, together with accrued interest and other fees, to be immediately due and payable. The lenders will also have the right in these circumstances to terminate any commitments they have to provide further borrowings. If we are unable to repay outstanding borrowings when due, the lenders under the credit facilities will also have the right to proceed against the collateral, including our available cash and our pledged assets and those of certain of our subsidiaries, granted to them to secure the indebtedness. If the indebtedness under the credit facilities were to be accelerated, we cannot assure you that our assets would be sufficient to repay in full that indebtedness and our other indebtedness. If not cured or waived, such default could have a material adverse effect on our business and our prospects.

We operate in a highly competitive industry and our customers may not continue to purchase our services, which could result in our having reduced revenues and loss of market share.

There is substantial competition in the telecommunications industry. Competition may intensify due to the efforts of existing competitors to address difficult market conditions through reduced pricing, bundled offerings or otherwise, as well as a result of the entrance of new competitors and the development of new technologies, products and services. If we cannot offer reliable, value-added services on a price competitive basis in any of our markets, we could be adversely impacted by competitive forces. In addition, if we do not keep pace with technological advances or fail to respond timely to changes in competitive factors in the industry, we could lose market share or experience a decline in our revenue and profit margins.

Cincinnati Bell Telephone faces competition from other local exchange carriers, wireless services providers, interexchange carriers, cable providers and Internet access providers. We believe Cincinnati Bell Telephone will face greater competition as more competitors emerge and focus resources on the Greater Cincinnati metropolitan area.

Cincinnati Bell Wireless is one of six active wireless service providers in the Cincinnati and Dayton, Ohio metropolitan market areas, including Cingular, Sprint PCS, T-Mobile, Verizon and Nextel, all of which are nationally known. We anticipate that competition will cause the market prices for wireless products and services to decline in the future. Cincinnati Bell Wireless's ability to compete will depend, in part, on its ability to anticipate and respond to various competitive factors affecting the telecommunications industry. Furthermore, there has been a trend in the wireless communications industry towards consolidation of wireless service providers through joint ventures, reorganizations and acquisitions. We expect this consolidation to lead to larger competitors who have greater resources or who offer more services than Cincinnati Bell Wireless.

Our other subsidiaries operate in a largely local or regional area, and each of these subsidiaries faces significant competition. Cincinnati Bell Any Distance's competitors include large national long-distance carriers such as AT&T Corp., WorldCom Inc. and Sprint Corporation. Cincinnati Bell Public Communications competes with several other public payphone providers, some of which are national in scope and offer lower prices for coin-based local calling services. Our payphone subsidiary, Cincinnati Bell Public Communications, has also continued to be adversely impacted by the growing popularity of wireless communications. Cincinnati Bell Technology Solutions competes against numerous other information technology consulting, web-hosting and computer system integration companies, many of which are larger, national in scope and better financed.

The effect of the foregoing competition could have a material adverse impact on our businesses, financial condition and results of operations. This could result in increased reliance on borrowed funds and could impact our ability to maintain our optical, wireline and wireless networks.

Maintaining our networks requires significant capital expenditures and our inability or failure to maintain our networks would have a material impact on our market share and ability to generate revenue.

As we approached completion of the buildout of BRCOM's national optical network, capital expenditures of \$844 million in 2000 decreased to \$649 million in 2001, and decreased again in 2002 to \$176 million. In the first quarter of 2003, capital expenditures totaled \$22 million compared to \$53 million in the first quarter of 2002. We may incur significant additional capital expenditures as a result of unanticipated expenses, regulatory changes and other events that impact our business. If we are unable or fail to adequately maintain our networks, there would be a material adverse impact on our market share and ability to generate revenue.

The regulation of our businesses by federal and state authorities may, among other things, place us at a competitive disadvantage, restrict our ability to price our products and services and threaten our operating licenses.

Several of our subsidiaries are subject to regulatory oversight of varying degrees at both the state and federal levels. A significant portion of Cincinnati Bell Telephone's revenue is derived from pricing plans that require regulatory oversight and approval. Different interpretations by regulatory bodies may result in adjustments to revenue in future periods. In recent years, these regulated pricing plans have resulted in decreasing or fixed rates for some services. In the future, regulatory initiatives that would put us at a competitive disadvantage or mandate lower rates for our services could result in lower profitability and cash flow for us.

At the federal level, Cincinnati Bell Telephone is subject to the Telecommunications Act of 1996, including the rules subsequently adopted by the FCC to implement the 1996 Act, which we expect to impact Cincinnati Bell Telephone's in-territory local exchange operations in the form of greater competition.

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At the state level, Cincinnati Bell Telephone conducts local exchange operations in portions of Ohio, Kentucky and Indiana and, consequently, is subject to regulation by the Public Utilities Commissions in those states. In Ohio, the Public Utility Commission has concluded a proceeding to establish permanent rates that Cincinnati Bell Telephone can charge to competitive local exchange carriers for unbundled network elements, although some elements will remain subject to interim rates indefinitely. The Kentucky commission recently initiated a similar case to establish rates for unbundled network elements in Kentucky. The establishment of these rates is intended to facilitate market entry by competitive local exchange carriers. Cincinnati Bell Telephone is also subject to an Alternative Regulation Plan in Ohio. The current plan gives Cincinnati Bell Telephone pricing flexibility in several competitive service categories in exchange for its commitment to freeze certain basic residential service rates during the term of the plan. The term of the current plan will expire on June 30, 2004. Failure to obtain approval of a new plan after the June 30, 2004 expiration date with similar pricing flexibility could have an adverse impact on its operations.

Cincinnati Bell Wireless' FCC licenses to provide wireless services are subject to renewal and revocation. Although the FCC has routinely renewed wireless licenses in the past, we cannot be assured that challenges will not be brought against those licenses in the future. Revocation or non-renewal of Cincinnati Bell Wireless' licenses would result in lower operating results and cash flow for Cincinnati Bell.

There are currently many regulatory actions under way and being contemplated by federal and state authorities regarding issues that could result in significant changes to the business conditions in the telecommunications industry. No assurance can be given that changes in current or future regulations adopted by the FCC or state regulators, or other legislative, administrative, or judicial initiatives relating to the telecommunications industry, would not have a material adverse effect on our business, financial condition and results of operations.

Our success in the telecommunications industry depends on the introduction of new products and services.

Our success depends, in part, on being able to anticipate the needs of current and future enterprise, carrier and residential customers. We seek to meet these needs through new product introductions, service quality and technological superiority. In 2003, we have begun to implement the Global System for Mobile Communications and General Packet Radio Service, or GSM/GPRS, technology. GSM/GPRS technology provides enhanced wireless data and voice communications. Several competitors as well as our wireless partner, AT&T Wireless, have announced plans to begin, or have begun, using GSM/GPRS or a comparable technology in their national networks. We are also investigating the implementation of the next generation of high-speed voice and data communications

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with very-high-speed digital subscriber lines, or VDSL. New products and services such as these and our ability to anticipate the future needs of our customers are critical to our success.

Continuing softness in the U.S. economy is having a disproportionate effect on the telecommunications industry.

In 2001, the business environment for the telecommunications industry deteriorated significantly and rapidly and remains weak. This was primarily due to: the general weakness in the U.S. economy, which was exacerbated by the events of September 11, 2001, and concerns regarding terrorism; pressure on prices for broadband services due to substantial excess fiber capacity in most markets; and forecasted demand for broadband services not being realized as a result of the state of the economy, the bankruptcy or liquidation of a substantial number of Internet companies, and financial difficulties experienced by many telecommunications customers. We expect these trends to continue, including reduced business from financially troubled customers and downward pressure on prices due to reduced demand and overcapacity. If these trends do continue, there could be a material adverse impact on our business, financial condition and results of operations.

Terrorist attacks and other acts of violence or war may affect the financial markets and our business, financial condition and results of operations.

As a result of the September 11, 2001 terrorist attacks and subsequent events, there has been considerable uncertainty in world financial markets. The full effect of these events, as well as concerns about future terrorist attacks, on the financial markets is not yet known, but could adversely affect our ability to obtain financing on terms acceptable to us, or at all, to finance our capital expenditures or working capital.

Terrorist attacks may negatively affect our operations and financial condition. There can be no assurance that there will not be further attacks against the United States or U.S. businesses or armed conflict involving the United States. Additionally, the recent escalation in tensions between the United States and Iraq has resulted in current U.S. military action in Iraq. Further terrorist attacks or other acts of violence or war may directly impact our physical facilities or those of our customers and vendors. These events could cause consumer confidence and spending to decrease or result in increased volatility in the United States and world financial markets and economy. They could result in an economic recession in the United States or abroad. Any of these occurrences could have a material adverse impact on our business, financial condition and results of operations.

We expect significant changes in the wireless communications industry.

The wireless communications industry is experiencing significant technological change. This includes the increasing pace of digital upgrades, evolving industry standards, ongoing improvements in the capacity and quality of digital technology, shorter development cycles for new products and changes in consumer needs and preferences. Our Cincinnati Bell Wireless subsidiary currently offers its services over a digital wireless network using Time Division Multiple Access, or TDMA, technology. In 2003 we have begun to implement GSM/GPRS technology, which several competitors, as well as our wireless partner AT&T Wireless, have already begun using. This new technology will run in parallel with the existing TDMA technology for the foreseeable future. However, the prospects of our wireless business will depend on the success of our conversion to GSM/GPRS technology and on our ability to anticipate and adapt to future changes in the wireless communications industry.

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Risk Factors Related to BRCOM

BRCOM's substantial debt could limit its ability to fund operations, limit its ability to raise additional capital and have a material adverse effect on its ability to fulfill its obligations and on its business generally.

BRCOM is highly leveraged and has significant debt service obligations. As of March 31, 2003, BRCOM had aggregate outstanding indebtedness of \$1,772.8 million and a total shareholders' deficit of \$2,562 million. Of BRCOM's debt outstanding as of March 31, 2003, \$1,501.0 million is debt owed to Cincinnati Bell.

BRCOM's substantial debt could have important consequences to you, including the fact that it will be required to use a substantial portion of its cash flow from remaining operations to pay principal and interest on its debt, thereby reducing the availability of its cash flow to pay dividends on the BRCOM Preferred Stock, fund working capital, capital expenditures, and other general corporate requirements.

The servicing of BRCOM's indebtedness will require a significant amount of cash, and BRCOM's ability to generate cash depends on many factors beyond its control; Cincinnati Bell's ability to finance BRCOM's operations is restricted.

BRCOM expects to obtain needed cash from operations and, to the limited extent still allowed under various credit documents, from intercompany loans from Cincinnati Bell. BRCOM's ability to generate cash is also subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond its control. BRCOM cannot assure you that its remaining business will generate sufficient cash flow from operations, additional sources of funding will be available to it, or that future borrowings will be available to it in amounts sufficient to enable it to service its indebtedness or to fund its other liquidity needs, including any cash payments that may be required in connection with the exercise of appraisal rights by any of the holders of BRCOM Preferred Stock in connection with the merger.

On March 26, 2003, we received \$350 million of gross cash proceeds from the issuance of the 16% Notes as part of the Goldman mezzanine financing. The 16% Notes indenture contains numerous restrictions on the ability of Cincinnati Bell to make further investments in BRCOM. See "Description of Cincinnati Bell and BRCOM Indebtedness Cincinnati Bell 16% Senior Subordinated Discount Notes due 2009" for a description of the restrictions on our ability to make investments in BRCOM under the 16% Notes indenture.

In the past, we have made capital contributions and intercompany loans to BRCOM to finance BRCOM's operating activities and other obligations, including its preferred stock dividends and repayments of long-term debt. In 2002, BRCOM received intercompany loans from us of \$23.3 million and capital contributions of \$1.9 million. In the three-month period ended March 31, 2003, BRCOM received intercompany loans from us of \$8.3 million and no capital contributions. Because the 16% Notes indenture and the amended terms of the credit facilities have restricted our ability to continue funding BRCOM, as of May 31, 2003, we had the ability to invest an additional \$30.7 million in BRCOM. If BRCOM requires funds in excess of the amounts permitted by the 16% Notes indenture and the amended terms of the credit facilities, there can be no assurances that the holders of the 16% Notes or the lenders under the credit facilities will consent to us investing additional money to allow BRCOM to meet its obligations.

As of March 31, 2003, BRCOM's subsidiary, BCSI Inc., had borrowed \$223.0 million under our credit facilities. However, the amended terms of our credit facilities prohibit any additional borrowings by BRCOM or its subsidiaries. Because BRCOM has relied on our credit facilities in the past to fund its operations, the restrictions on future borrowings might adversely affect its ability to access sufficient cash to meet its obligations.

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The uncertainty of future cash flows of BRCOM combined with the funding constraints discussed above have prompted PricewaterhouseCoopers LLP, BRCOM's independent accountants, to include a going concern explanatory paragraph in their report filed in connection with the stand-alone financial statements of BRCOM. The going concern explanatory paragraph means that, in the opinion of PricewaterhouseCoopers LLP, there exists substantial doubt about BRCOM's ability to continue as a going concern and its ability to realize its assets and discharge its liabilities in the normal course of business. If BRCOM is unable to finance its operations or meet its remaining obligations going forward, it may be forced to seek protection from its creditors under Chapter 11, whether or not the exchange offer is consummated, in which case the shares of BRCOM Preferred Stock would likely be extinguished for no consideration.

There will be little or no remaining cash proceeds from the sale of our broadband business to fund BRCOM's general corporate requirements.

There will be little or no remaining net cash proceeds from the sale of our broadband business to fund BRCOM's working capital, capital expenditures and other general corporate requirements. Under the amended terms of our credit facilities, the proceeds from the sale of our broadband business may be used to pay BRCOM's remaining liabilities and claims not assumed by the buyers. Any remaining net proceeds will be applied 60% to prepay our credit facilities and 40% to pay certain of BRCOM's other obligations, provided that, in the event of a bankruptcy of BRCOM or any of its subsidiaries, 100% of any such remaining net proceeds must be applied to prepay our credit facilities. If there are any proceeds remaining after BRCOM's obligations have been satisfied, those amounts must be applied to pay down our credit facilities.

BRCOM depends on the receipt of dividends or other intercompany transfers from its subsidiaries.

BRCOM conducts substantially all of its operations through its subsidiaries and substantially all of its operating assets are held directly by its subsidiaries. BRCOM will therefore be dependent upon dividends or other intercompany transfers of funds from these subsidiaries in order to pay any dividends on or redeem the BRCOM Preferred Stock and to meet its other obligations. See "Unaudited Pro Forma Condensed Consolidated Financial Information BRCOM Inc." for BRCOM's pro forma results of operations and balance sheet after giving effect to the sale of the broadband business.

Accordingly, in the event of the dissolution, bankruptcy, liquidation or reorganization of BRCOM, amounts may not be available for payments on the BRCOM Preferred Stock until after the payment in full of the claims of creditors of its subsidiaries.

BRCOM may be forced to file for protection under Chapter 11.

If the exchange offer is not completed, BRCOM may be forced to seek an alternative to exchanging the BRCOM Preferred Stock. BRCOM may consider filing for protection under Chapter 11, through which BRCOM's plan of reorganization could be on terms less favorable to holders of BRCOM Preferred Stock than the terms of the exchange offer. It is likely in bankruptcy that the BRCOM Preferred Stock would be extinguished for no consideration. In addition, there is a risk that distributions, if any, to holders of BRCOM Preferred Stock under a liquidation or under a protracted and non-orderly restructuring would be substantially delayed and diminished. It is also possible we may choose to reorganize BRCOM under Chapter 11 following the consummation of the exchange offer and consent solicitation.

Following the completion of the remaining portion of the sale of our broadband business, substantially all of the operating assets of certain of BRCOM's subsidiaries will have been sold and BRCOM will have retained substantial liabilities and contingent liabilities.

BRCOM conducts substantially all of its operations through its subsidiaries and is therefore dependent upon dividends or other intercompany transfers of funds from its subsidiaries in order to meet its obligations. Following the completion of the remaining portion of the sale of our broadband business, the only remaining BRCOM subsidiaries with operating assets will be Cincinnati Bell Technology Solutions Inc., an information technology consulting subsidiary, and Cincinnati Bell Any Distance Inc., a subsidiary whose assets service Cincinnati Bell's long distance business. See "Unaudited Pro Forma Condensed Consolidated Financial Information BRCOM Inc." for BRCOM's pro forma results of operations and balance sheet after giving effect to the sale of our broadband business. Upon the completion of the sale of our broadband business, BRCOM will retain substantial liabilities. In addition, BRCOM will retain obligations related to its contingent liabilities, including an ongoing contract dispute over BRCOM's agreement to construct a fiber route system. Although we believe BRCOM is due significant amounts under the contract, the timing and outcome of this dispute is not currently predictable. For more information concerning this contingent liability, see Note 20 of Notes to Consolidated Financial Statements, included in our Annual Report on Form 10-K for the year ended

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December 31, 2002. The carrying value of the current and long-term liabilities to be retained totaled \$1,654.8 million and \$301.7 million, respectively, as of March 31, 2003.

Furthermore, there will be little or no remaining net cash proceeds from the sale of our broadband business to fund BRCOM's working capital, capital expenditures and other general corporate requirements. Under the amended terms of our credit facilities, the proceeds from the sale of our broadband business may be used to pay BRCOM's remaining liabilities and claims not assumed by the buyers. Any remaining net proceeds will be applied 60% to prepay our credit facilities and 40% to pay certain of BRCOM's other obligations, provided that, in the event of a bankruptcy of BRCOM or any of its subsidiaries, 100% of any such remaining net proceeds must be applied to prepay our credit facilities. If there are any proceeds remaining after those BRCOM obligations have been satisfied, those amounts must be applied to pay down Cincinnati Bell's credit facilities. There can be no assurances that BRCOM will be able to generate sufficient cash from its remaining operations, that Cincinnati Bell will be able or willing to make intercompany loans to BRCOM or that additional sources of financing will be available to BRCOM to enable BRCOM to service the substantial liabilities remaining from the sale of our broadband business or to fund its other liquidity needs. If BRCOM is unable to fund its operations after the sale of substantially all of its operating assets, BRCOM may explore alternative transactions or sources of financing, including borrowing money or raising equity capital. There can be no assurances that any such transactions could be consummated on acceptable terms, or at all.

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FORWARD-LOOKING STATEMENTS

This prospectus and solicitation statement contains forward-looking statements which are based on our (together with our majority-owned consolidated subsidiaries over which we exercise control) current expectations, estimates and projections. Statements that are not historical facts, including statements about the beliefs, expectations and future plans and strategies of Cincinnati Bell, are forward-looking statements. These include any statements regarding:

future revenue, profit percentages, income tax refunds, realization of deferred tax assets, earnings per share or other results of operations;

the continuation of historical trends;

the sufficiency of cash balances and cash generated from operating and financing activities for future liquidity and capital resource needs;

the effect of legal and regulatory developments;

the expected results of our various restructuring plan initiatives; and

the economy in general or the future of the communications services industries.

Actual results may differ materially from those expressed or implied in forward-looking statements. These statements involve potential risks and uncertainties, which include, but are not limited to:

changing market conditions and growth rates within the telecommunications industry or generally within the overall economy;

world and national events that may affect our ability to provide services or the market for telecommunications services;

changes in competition in markets in which we operate;

pressures on the pricing of our products and services;

advances in telecommunications technology;

the ability to generate sufficient cash flow to fund our business plan and maintain our networks;

the ability to refinance our indebtedness when required on commercially reasonable terms;

our ability to continue to finance BRCOM;

changes in the telecommunications regulatory environment;

changes in the demand for our services and products;

the demand for particular products and services within the overall mix of products sold, as our products and services have varying profit margins;

our ability to introduce new service and product offerings in a timely and cost effective basis;

our ability to attract and retain highly qualified employees;

our ability to access capital markets and the successful execution of restructuring initiatives; and

volatility in the stock market, which may affect the value of our stock.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they were made. We do not undertake any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

For a further discussion of such risks, uncertainties and assumptions, see "Risk Factors." You are urged to consider these factors in evaluating the forward-looking statements.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

We are providing the following information to assist you in analyzing the financial aspects of the exchange offer. We urge you to read all the information contained in the following table together with the historical financial statements and related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in the annual and other reports filed by Cincinnati Bell and BRCOM with the SEC and incorporated by reference into this prospectus and solicitation statement. See "Where You Can Find More Information."

Cincinnati Bell Inc.

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The selected historical consolidated financial data as of December 31, 1998, 1999, 2000, 2001 and 2002 and for each of the years ended December 31, 1998, 1999, 2000, 2001 and 2002 have been derived from our audited consolidated financial statements and the related notes. The selected historical consolidated financial data as of March 31, 2002 and 2003 and for each of the three-month periods ended March 31, 2002 and 2003, have been derived from our unaudited condensed consolidated financial statements and the related notes for such period, which in the opinion of our management include all adjustments necessary to present fairly the financial results for such periods. Interim results are not necessarily indicative of the results that may be expected for any other interim period or for a full year.

	Year Ended December 31,					Three Months Ended March 31,	
	1998	1999	2000	2001	2002	2002	2003
(dollars in millions)							
Operating Data							
Revenue	\$ 791.6	\$ 1,030.1	\$ 1,973.7	\$ 2,271.6	\$ 2,155.9	\$ 542.8	\$ 480.7
Operating expenses excluding restructuring and other charges (credits)	655.6	921.0	1,978.1	2,247.3	2,011.4	517.4	381.2
Restructuring, impairment and other charges (credits)(a)	(1.1)	10.9	(0.8)	245.4	2,238.0	16.2	0.3
Operating income (loss)	137.1	98.2	(3.6)	(221.1)	(2,093.5)	9.2	99.2
Interest expense and other financing costs(b)	24.1	61.6	163.6	168.1	164.2	38.3	45.3
Loss (gain) on investments(c)			356.3	(11.8)	10.7		
Income (loss) from continuing operations before income taxes, extraordinary items and cumulative effect of change in accounting principle	83.3	25.4	(584.9)	(412.3)	(2,325.5)	(42.4)	39.9
Net income (loss)(h)(i)	\$ 149.9	\$ 31.4	\$ (377.1)	\$ (286.2)	\$ (4,222.3)	\$ (1,824.4)	\$ 123.8
Earnings (loss) per common share from continuing operations(d):							
Basic	\$ 0.41	\$ 0.06	\$ (1.95)	\$ (1.50)	\$ (11.18)	\$ (8.38)	\$ 0.55
Diluted	\$ 0.40	\$ 0.05	\$ (1.95)	\$ (1.50)	\$ (11.18)	\$ (8.38)	\$ 0.55
Dividends declared per common share	\$ 0.40	\$ 0.20	\$	\$	\$	\$	\$
Weighted average common shares outstanding (millions)							
Basic	136.0	144.3	211.7	217.4	218.4	218.2	218.9
Diluted	138.2	150.7	211.7	217.4	218.4	218.2	219.9
Financial Position							
Property, plant and equipment, net	\$ 697.8	\$ 2,510.9	\$ 2,978.6	\$ 3,059.3	\$ 867.9	\$ 2,993.8	\$ 933.5
Total assets(e)	1,041.8	6,505.4	6,477.6	6,312.0	1,467.6	4,084.1	1,594.2
Long-term debt(b)	366.8	2,136.0	2,507.0	2,702.0	2,354.7	2,537.9	2,184.1
Total debt(b)	553.0	2,145.2	2,521.0	2,852.0	2,558.4	2,574.1	2,540.4
Total long-term obligations(g)	464.6	3,158.3	3,105.0	3,277.5	2,972.8	3,105.8	2,835.0
Minority interest(f)		434.0	433.8	435.7	443.9	437.6	445.7
Shareowners' equity (deficit)(j)	142.1	2,132.8	2,021.5	1,678.4	(2,548.3)	(142.4)	(2,378.4)

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Other Data

Cash flow provided by (used in) operating activities	\$ 205.9	\$ 314.3	\$ 328.4	\$ 259.5	\$ 192.6	\$ (17.4)	\$ 32.7
Cash flow provided by (used in) investing activities	(309.0)	(641.0)	(851.9)	(534.6)	192.4	315.6	(18.2)

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investing activities							
Cash flow provided by (used in) financing activities	99.4	397.2	480.6	267.2	(370.1)	(303.3)	(23.0)
Capital expenditures	143.4	381.0	843.7	648.5	175.9	52.7	22.0

- (a) See Notes 1, 2 and 3 of Notes to Consolidated Financial Statements, included in our Annual Report on Form 10-K for the year ended December 31, 2002 and Notes to Condensed Consolidated Financial Statements, included in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2003.
- (b) See Note 5 of Notes to Consolidated Financial Statements, included in our Annual Report on Form 10-K for the year ended December 31, 2002 and Notes to Condensed Consolidated Financial Statements, included in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2003.
- (c) See Note 4 of Notes to Consolidated Financial Statements, included in our Annual Report on Form 10-K for the year ended December 31, 2002.
- (d) See Note 10 of Notes to Consolidated Financial Statements, included in our Annual Report on Form 10-K for the year ended December 31, 2002 and Note 8 of the Notes to Condensed Consolidated Financial Statements, included in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2003.
- (e) See Notes 1 and 2 of Notes to Consolidated Financial Statements, included in our Annual Report on Form 10-K for the year ended December 31, 2002 and Notes to Condensed Consolidated Financial Statements, included in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2003.
- (f) See Note 8 of Notes to Consolidated Financial Statements, included in our Annual Report on Form 10-K for the year ended December 31, 2002 and Note 9 of the Notes to Condensed Consolidated Financial Statements, included in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2003.
- (g) Total long-term obligations comprise long-term debt, other noncurrent liabilities that will be settled in cash, redeemable preferred stock and the BRCOM Preferred Stock, which is classified as minority interest in the Consolidated Financial Statements, included in our Annual Report on Form 10-K for the year ended December 31, 2002 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2003.
- (h) We adopted Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations" ("SFAS 143") as of January 1, 2003. This statement requires entities to record the fair value of a legal liability for an asset retirement obligation in the period it is incurred. The removal cost is initially capitalized and depreciated over the remaining life of the underlying asset. The associated liability is accreted over the life of the underlying asset. Once the obligation is ultimately settled, any difference between the final cost and the recorded liability is recognized as income or loss on disposition. We determined the local and broadband segments did not have a liability under SFAS 143, while the wireless segment and other segment did have a liability. We recorded a non-recurring increase to net income as a change in accounting principle as of January 1, 2003 of \$85.9 million, net of tax. The local segment recorded \$86.3 million of income related to depreciation previously recorded for asset removal costs, offset by \$0.4 million of expense recorded in the wireless segment. Additionally, we recorded a liability for removal costs at fair value of approximately \$2.6 million and an asset of approximately \$2.3 million in the first quarter of 2003 related to the wireless and other segments. The pro forma impact of this accounting change on prior periods is not material. See additional information in Note 1 to the Condensed Consolidated Financial Statements, included in our Form 10-Q for the quarter ended March 31, 2003.
- (i)

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We adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142") on January 1, 2002. SFAS 142 requires cessation of the amortization of goodwill and indefinite lived intangible assets and annual impairment testing of those assets. Intangible assets that have finite useful lives will continue to be amortized. The goodwill test for impairment consists of a two-step process that begins with an estimation of the fair value of a reporting unit. The first step is a screen for impairment and the second step measures the amount of impairment, if any. We completed the first step of the goodwill impairment test for our wireless and broadband segment during the first quarter of 2002, which indicated that goodwill of our broadband segment was impaired as of January 1, 2002. We completed the second step of the valuation of our broadband segment by June 30, 2002. The valuation indicated an impairment charge of \$2,008.7 million, net of taxes, was necessary. The impairment charge was required to be recorded as of January 1, 2002, and is reflected as a cumulative effect of change in accounting principle, net of taxes, in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). See Note 2 to Consolidated Financial Statements, included in our Annual Report on Form 10-K for the year ended December 31, 2002 for the reconciliation of 2000 and 2001 net loss adjusted to exclude amortization of goodwill and indefinite lived intangible assets pursuant to SFAS 142.

(j)

See Note 9 of Notes to Consolidated Financial Statements, included in our Annual Report on Form 10-K for the year ended December 31, 2002.

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BRCOM Inc.

The selected historical financial data as of December 31, 1998 and November 9, 1999 and for the year ended December 31, 1998 and the period from January 1 to November 9, 1999 have been derived from BRCOM's predecessor's, IXC Communications, Inc.'s, audited financial statements and the related notes. The selected historical financial data as of December 31, 1999, 2000, 2001 and 2002 and for each of the period from November 10 to December 31, 1999 and the years ended December 31, 2000, 2001 and 2002 have been derived from BRCOM's audited financial statements and the related notes. The selected historical consolidated financial data as of March 31, 2002 and 2003 and for each of the three-month periods ended March 31, 2002 and 2003, have been derived from BRCOM's unaudited condensed consolidated financial statements and the related notes for such period, which in the opinion of BRCOM's management include all adjustments necessary to present fairly the financial results for such periods. Interim results are not necessarily indicative of the results that may be expected for any other interim period or for a full year.

	Predecessor		BRCOM					
	Year ended December 31, 1998	Period from Jan. 1 to Nov. 9, 1999	Period from Nov. 10 to Dec. 31, 1999	Year ended December 31,			Three Months Ended March 31,	
				2000	2001	2002	2002	2003
(dollars in millions)								
Operating Data(a):								
Revenue	\$ 668.6	\$ 568.2	\$ 99.0	\$ 1,004.6	\$ 1,197.6	\$ 1,068.1	\$ 269.0	\$ 210.6
Operating income (loss)	(30.8)	(214.1)	(46.5)	(225.7)	(502.1)	(2,437.6)	(74.0)	9.8
Loss (gain) on investments		23.8		394.5	(11.6)	(0.2)		
Loss before extraordinary item	(95.5)	(281.0)	(38.9)	(463.3)	(382.2)	(2,533.7)	(88.6)	(10.1)
Extraordinary loss	(67.0)		(6.6)					
Cumulative effect of change in accounting principle(b)						2,008.7	2,008.7	
Net income (loss)(h)	\$ (162.5)	\$ (281.0)	\$ (45.5)	\$ (464.6)	\$ (388.4)	\$ (4,542.4)	\$ (2,066.1)	\$ 11.4

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	Predecessor		BRCOM													
Financial Position(a):																
Property, plant and equipment, net (c)	\$	983.7	\$	1,726.4	\$	2,103.9	\$	2,182.0	\$	54.7	\$	2,134.7	\$	1.8		
Total assets		1,748.2		5,147.2		4,994.2		4,977.8		239.1		2,906.6		226.7		
Total debt and capital lease obligations(d)		693.0		1,046.2		1,057.1		1,563.5		1,737.9		1,668.1		1,738.0		
Redeemable preferred stocks(e)		447.9		418.2		421.0		417.8		414.4		417.1		413.7		
Total long-term obligations(g)		1,624.1		1,709.7		1,553.0		2,036.1		687.9		2,139.6		716.1		
Shareowner's equity (deficit)(f)		(72.5)		2,463.6		2,394.0		2,024.6		(2,561.8)		(51.2)		(2,562.0)		
Other Financial data(a)																
Cash flow from operating activities	\$	202.3	\$	71.5	\$	87.8	\$	(32.7)	\$	(111.4)	\$	(94.9)	\$	(68.9)	\$	(32.2)
Cash flow used in investing activities		(522.9)		(558.1)		(160.8)		(590.0)		(441.6)		(64.9)		(26.8)		(0.5)
Cash flow provided by financing activities		431.0		285.5		65.5		596.9		534.2		151.1		93.9		36.9
Capital expenditures		476.4		479.1		165.0		599.9		472.0		64.9		26.8		0.5

(a) On November 9, 1999 (the "Merger Date"), IXC Communications, Inc. completed a merger with a wholly owned subsidiary of Cincinnati Bell to form BRCOM (the "IXC Merger"). This merger was accounted for as a purchase business combination and, accordingly, purchase accounting adjustments, including goodwill, have been pushed down and are reflected in BRCOM's financial statements subsequent to the Merger Date. The financial statements for periods

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before the Merger Date were prepared using BRCOM's historical basis of accounting and are designated as "Predecessor." The financial statements for periods after the merger are designated as "BRCOM." The comparability of operating results for the Predecessor and BRCOM periods are affected by the purchase accounting adjustments. The 2002, 2001 and 2000 results presented included the results of Cincinnati Bell Technology Solutions Inc. as Cincinnati Bell contributed the capital stock of the information technology consulting business to BRCOM during 2000. The 2002, 2001 and 2000 results also reflect an agreement with the former Cincinnati Bell Long Distance to service its customers outside of the Cincinnati, Ohio area. All revenue and expenses associated with the former Cincinnati Bell Long Distance's customers outside the Cincinnati area were assigned to BRCOM.

(b) See Notes 1 and 2 of the Notes to Consolidated Financial Statements, included in BRCOM's Annual Report on Form 10-K for the year ended December 31, 2002 and Notes 1 and 3 of the Notes to Condensed Consolidated Financial Statements, included in BRCOM's Quarterly Report on Form 10-Q for the three-month period ended March 31, 2003.

(c) See Note 1 of the Notes to Consolidated Financial Statements, included in BRCOM's Annual Report on Form 10-K for the year ended December 31, 2002 and Notes to Condensed Consolidated Financial Statements, included in BRCOM's Quarterly Report on Form 10-Q for the three-month period ended March 31, 2003.

(d) See Note 5 of the Notes to Consolidated Financial Statements, included in BRCOM's Annual Report on Form 10-K for the year ended December 31, 2002 and Notes to Condensed Financial Statements, included in BRCOM's Quarterly Report on Form 10-Q for the

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three-month period ended March 31, 2003.

- (e) See Note 7 of the Notes to Consolidated Financial Statements, included in BRCOM's Annual Report on Form 10-K for the year ended December 31, 2002 and Note 6 of the Notes to Condensed Consolidated Financial Statements, included in BRCOM's Quarterly Report on Form 10-Q for the three-month period ended March 31, 2003.
- (f) See Note 9 of the Notes to Consolidated Financial Statements, included in BRCOM's Annual Report on Form 10-K for the year ended December 31, 2002.
- (g) Total long-term obligations comprise total long-term debt, other noncurrent liabilities that will be settled in cash, and redeemable preferred stock, included in BRCOM's Annual Report on Form 10-K for the year ended December 31, 2002 and BRCOM's Quarterly Report on Form 10-Q for the three-month period ended March 31, 2003.
- (h) BRCOM adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," or SFAS 142, on January 1, 2002. SFAS 142 requires cessation of the amortization of goodwill and indefinite lived intangible assets and annual impairment testing of those assets. Intangible assets that have finite useful lives will continue to be amortized. The goodwill test for impairment consists of a two-step process that begins with an estimation of the fair value of a reporting unit. The first step is a screen for impairment and the second step measures the amount of impairment, if any. BRCOM completed the first step of the goodwill impairment test during the first quarter of 2002, which indicated that its goodwill was impaired as of January 1, 2002. BRCOM completed the second step of the valuation by June 30, 2002. The valuation indicated an impairment charge of \$2,008.7 million, net of taxes, was necessary. The impairment charge was required to be recorded as of January 1, 2002, and is reflected as a cumulative effect of change in accounting principle, net of taxes, in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). See Note 2 to Consolidated Financial Statements, included in BRCOM's Annual Report on Form 10-K for the year ended December 31, 2002 for the reconciliation of 2000 and 2001 net loss adjusted to exclude amortization of goodwill and indefinite lived intangible assets pursuant to SFAS 142.

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CAPITALIZATION

We are providing the following information to assist you in analyzing the financial aspects of the exchange offer. We urge you to read all the information contained in the following table together with the historical financial statements and related notes contained in the annual and other reports filed by Cincinnati Bell and BRCOM with the SEC and incorporated by reference into this prospectus and solicitation statement. See "Where You Can Find More Information."

Cincinnati Bell Inc.

The following table sets forth our capitalization as of March 31, 2003 (1) on an actual basis, (2) as adjusted to give effect to the sale of our broadband business announced on February 22, 2003, the first and second stage closings of which were consummated on June 13, 2003 and July 8, 2003, respectively, (3) as further adjusted to give effect to the issuance on July 11, 2003 of the 7¹/₄% Senior Notes and the use of proceeds therefrom, (4) as further adjusted to give effect to the BRCOM debt exchange offer (assuming the entire outstanding aggregate principal amount of 9% Notes are tendered and accepted for exchange) and (5) as further adjusted to give effect to the exchange offer being made by this prospectus and solicitation statement (assuming all shares of BRCOM Preferred Stock are tendered and accepted for exchange). For a more detailed description of our capitalization, see "Description of Cincinnati Bell Capital Stock" and "Description of Cincinnati Bell and BRCOM Indebtedness." The following table is not adjusted to give effect to the retirement on June 16, 2003 of the remaining \$0.8 million aggregate principal amount outstanding of BRCOM's 12¹/₂% Senior Notes due 2005.

As of March 31, 2003

Actual	As adjusted for the broadband sale	As adjusted for the broadband sale and the 7 ¹ / ₄ % Senior Notes	As adjusted for the broadband sale, the 7 ¹ / ₄ % Senior Notes issuance and	As adjusted for the broadband sale, the 7 ¹ / ₄ % Senior Notes issuance, the

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As of March 31, 2003

			issuance	the BRCOM debt exchange offer	BRCOM debt exchange offer and the exchange offer
Cincinnati Bell Inc.					
Cash and cash equivalents:	\$ 36.4	\$ 127.9	\$ 127.9	\$ 127.9	\$ 127.9
Restricted cash	7.0	7.0	7.0	7.0	7.0
Total debt (including current portion):					
Revolving credit facility	361.7	361.7	320.1	320.6	326.1
Term loan facilities					
Term loan A	516.2	516.2	276.1	276.1	276.1
Term loan B	307.0	307.0	164.2	164.2	164.2
Term loan C	137.1	137.1	73.3	73.3	73.3
Total credit facilities	1,322.0	1,322.0	833.7	834.2	839.7
7 ¹ / ₄ % Senior secured notes	50.0	50.0	50.0	50.0	50.0
Capital lease obligations and vendor financing	40.7(a)	38.6	38.6	38.6	38.6
Cincinnati Bell Telephone notes	270.0	270.0	270.0	270.0	270.0
7 ¹ / ₄ % Senior notes			500.0	500.0	500.0
16% notes	350.2	350.2	350.2	350.2	350.2
12 ¹ / ₂ % Senior notes (BRCOM)	0.8	0.8	0.8	0.8	0.8
9% Senior subordinated notes (BRCOM)	46.0	46.0	46.0		
Convertible subordinated notes	511.3	511.3	511.3	511.3	511.3
Unamortized discount	(48.5)	(48.5)	(48.5)	(48.5)	(48.5)
Total debt	2,542.5	2,540.4	2,552.1	2,506.6	2,512.1
12.5% Preferred stock (BRCOM)	413.7	413.7	413.7	413.7	
Shareowners' deficit:					
6 ³ / ₄ % Cumulative preferred stock	129.4	129.4	129.4	129.4	129.4
Common shareowners' deficit	(2,507.8)	(2,129.8)	(2,138.9)	(2,091.5)	(1,640.1)
Total shareowners' deficit	(2,378.4)	(2,000.4)	(2,009.5)	(1,962.1)	(1,510.7)
Total capitalization	\$ 577.8	\$ 953.7	\$ 956.3	\$ 958.2	1,001.4

(a) Includes \$2.1 million of BRCOM lease obligations classified as liabilities to be assumed in the sale of our broadband business on the balance sheet as of March 31, 2003.

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The following table sets forth BRCOM's capitalization as of March 31, 2003 (1) on an actual basis, (2) as adjusted to give effect to the broadband sale, (3) as further adjusted to give effect to the BRCOM debt exchange offer (assuming the entire outstanding aggregate principal amount of 9% Notes are tendered and accepted for exchange) and (4) as further adjusted to give effect to the exchange offer being made by this prospectus and solicitation statement (assuming all shares of BRCOM Preferred Stock are tendered and accepted for exchange). For a more detailed description of BRCOM's capitalization, see "Description of Cincinnati Bell Capital Stock" and "Description of Cincinnati Bell and BRCOM Indebtedness." The following table is not adjusted to give effect to the retirement of \$0.8 million aggregate principal amount outstanding of BRCOM's 12½% Senior Notes due 2005.

As of March 31, 2003				
(dollars in millions)				
	Actual	As adjusted for the broadband sale	As adjusted for the broadband sale and the BRCOM debt exchange offer	As adjusted for the broadband sale, the BRCOM debt exchange offer and the exchange offer
BRCOM Inc.				
Cash and cash equivalents:	\$ 7.1	\$ 98.6	\$ 98.6	\$ 98.6
Total debt (including current portion):				
Total credit facilities	223.0	223.0	223.0	223.0
Intercompany payable to parent	1,501.0	1,501.0	1,557.5	1,629.7
Capital leases and vendor financing	4.1(a)	2.0	2.0	2.0
12½% Senior notes	0.8	0.8	0.8	0.8
9% Senior subordinated notes	46.0	46.0		
Total debt	1,774.9	1,772.8	1,783.3	1,855.5
12.5% Preferred stock	413.7	413.7	413.7	
Shareowner's deficit:				
Common shareowner's deficit	(2,562.0)	(2,184.0)	(2,192.6)	(1,807.9)
Total shareowner's deficit	(2,562.0)	(2,184.0)	(2,192.6)	(1,807.9)
Total capitalization	\$ (373.4)	\$ 2.5	\$ 4.4	\$ 47.6

(a) Includes \$2.1 million of BRCOM lease obligations classified as liabilities to be assumed in the sale of our broadband business on the balance sheet as of March 31, 2003.

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We are providing the following information to assist you in analyzing the financial aspects of the exchange offer. We urge you to read all the information contained in this section together with the historical financial statements and related notes contained in the annual and other reports filed by Cincinnati Bell and BRCOM with the SEC and incorporated by reference into this prospectus and solicitation statement. See "Where You Can Find More Information."

Cincinnati Bell Inc.

The following unaudited pro forma condensed consolidated financial information reflects Cincinnati Bell's results of operations for the year ended December 31, 2002 and the three-month period ended March 31, 2003 and Cincinnati Bell's balance sheet as of March 31, 2003, after giving effect to all of the pro forma transactions described below. The unaudited pro forma statements of operations give effect to the following transactions as if they had occurred on January 1, 2002, and the unaudited pro forma balance sheet as of March 31, 2003 gives effect to the following transactions as if they had occurred as of that date, except for the March 26, 2003 financing transactions, which are included in the actual results as of March 31, 2003. The pro forma transactions include the following:

(a) The March 26, 2003 financing transactions, which included the following three items:

1) Our receipt of \$350 million of gross cash proceeds from the issuance of 16% Notes. The indenture governing the 16% Notes contains covenants, including restrictions on our ability to fund the operations of BRCOM and its subsidiaries. Proceeds from the Goldman mezzanine financing, net of fees of \$42 million related to the Goldman mezzanine financing and the amendment to our credit facilities, were used to pay down borrowings under our credit facilities. In addition, purchasers of the 16% Notes received 17.5 million warrants, each to purchase one share of Cincinnati Bell Common Stock at \$3.00 per share, which were valued at \$47.5 million upon issuance.

2) The amendment of our credit facilities which, among other things, extended the maturity on our revolving credit facility, accelerated the maturity of a portion of our term loan A facility, increased the interest rates, revised the financial covenants and allowed for the broadband sale.

3) The execution of a supplemental indenture in respect of the indenture governing the Convertible Subordinated Notes. The supplemental indenture provides that a bankruptcy of BRCOM and its subsidiaries would not constitute an event of default, amends the definition of change of control by increasing the ownership threshold deemed to be a change of control from 20% of outstanding shares to 45% of outstanding shares and includes covenants restricting our ability to incur debt and consummate certain asset dispositions. The supplemental indenture also adjusted the rate of accretion to 9.00% per annum from March 26, 2003 through July 21, 2004 and to 2.25% per annum from July 21, 2004 to July 21, 2009 (during which period the Convertible Subordinated Notes bear cash interest at a rate of 6.75% per annum payable semi-annually on January 21 and July 21 of each year, commencing on January 21, 2005).

(b) The consummation of the sale of our broadband business pursuant to the asset purchase agreement entered into with C III Communications, LLC and C III Communications Operations, LLC. On June 13, 2003, we consummated the first (and most significant) stage closing of the sale of our broadband business, in which we transferred substantially all of our broadband assets except for those for which state regulatory approval for transfer was still pending. In connection with the first stage closing the buyers paid the cash purchase price of \$91.5 million, of which \$29.3 million was placed into escrow to support certain potential purchase price adjustments and the portion of the purchase price payable upon the consummation of the second and third stage closings, and issued to us a \$17.2 million preliminary promissory note in connection with a purchase price working capital adjustment. On July 8,

2003, we consummated the second stage closing of the sale of our broadband business and \$10.3 million of the \$29.3 million placed into escrow at the first stage closing was paid to us in cash. After the first and second stage closings, the BRCOM selling subsidiaries have transferred assets in states representing approximately 87.5% of our 2002 broadband revenue to the buyers. No adjustments have been made in the unaudited pro forma condensed consolidated financial information for the purchase price adjustments or post-closing obligations as such amounts are not determinable. Furthermore, the application of the proceeds from the sale has not been reflected. In addition, the buyers have agreed to assume approximately \$418.5 million in current and long-term liabilities and approximately \$291.2 million of operating contractual commitments.

In addition, we have indemnified the buyers against certain potential claims. The fair value of such indemnifications has not been reflected in the unaudited pro forma condensed consolidated financial information, as the amount is not material. In order to determine the fair value of the indemnification obligations, we performed a probability-weighted discounted cash flow analysis, utilizing the minimum and maximum potential claims and several scenarios within the range of possibilities. Such analysis produced an estimated fair value of the indemnification obligations totaling \$8 million. Given the subjectivity of the analysis and the amount of the fair value of the obligations relative to our assets and

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liabilities, we determined that the amount was immaterial for purposes of pro forma adjustments.

After the completion of the broadband sale, the only remaining BRCOM subsidiaries with operating assets will be Cincinnati Bell Technology Solutions Inc., an information technology consulting subsidiary, and Cincinnati Bell Any Distance Inc., a subsidiary whose assets service Cincinnati Bell's long distance business. BCSI Inc., another subsidiary of BRCOM, will retain a 3% interest in the new company. This investment is not reflected in the unaudited pro forma condensed consolidated financial information because its value is not expected to be material. See "Background of the Exchange Offer, Consent Solicitation and Merger The Restructuring Plan and Recent Developments Sale of our broadband business."

In connection with the broadband sale, we entered into a four-year agreement to purchase wholesale long distance minutes from the buyers of our broadband business for resale to our customers in the Greater Cincinnati area market. We are obligated to purchase long distance access minutes exclusively from the buyers of our broadband business at wholesale rates over the term of the agreement. Exclusivity under the agreement is subject to an annual competitive bid process, beginning in the second year of the agreement, which provides the buyers of our broadband business with a right of first refusal to match any other bid. The rate during the first year is \$.05 per minute of use, or MOU, which is based on the historical rate per MOU. The agreement also provides that the buyers of our broadband business may provide us with certain administrative services, including billing, credit and collections and payment processing; however, we do not intend to utilize these services. There are no minimum or maximum commitments associated with the agreement.

Also in connection with the broadband sale, we entered into a four-year agreement to market the broadband services of the buyers of our broadband business in the Greater Cincinnati area. These services include long-haul transmission of data, voice and Internet traffic over dedicated circuits and/or virtual private networks. Under the marketing arrangement, we will be paid a fixed percentage monthly commission based on service revenue. We will be paid commissions for contracts existing at the close of the broadband sale as well as for any new contracts sold by us after the broadband sale closing. If the revenue associated with customer contracts subject to the agreement falls below \$0.5 million in any given month, the commission rate will drop by 2% in that month.

(c) Our receipt of \$500 million of gross cash proceeds from the issuance of the 7¹/₄% Senior Notes, on July 11, 2003

(d) The BRCOM debt exchange offer and the exchange offer, in connection with which we expect to issue approximately 25.2 million new shares of Cincinnati Bell Common Stock, an increase of 12%

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in the number of shares outstanding, assuming all shares of BRCOM Preferred Stock and the entire outstanding aggregate principal amount of 9% Notes are tendered and accepted for exchange in the exchange offer and the BRCOM debt exchange offer, respectively.

The unaudited pro forma condensed consolidated financial information does not reflect the retirement on June 16, 2003 of BRCOM's remaining \$0.8 million aggregate principal amount outstanding of 12¹/₂% Senior Notes due 2005. In addition, the unaudited pro forma condensed consolidated financial information does not reflect any payment that may be required to be made in connection with the exercise of appraisal rights under Delaware law in connection with the merger.

The unaudited pro forma condensed consolidated financial information presented includes the above items as the financing transactions are considered to be material to existing and potential investors; and the consummation of the broadband sale is probable based on the definitive agreements signed on February 22, 2003 and amended on June 6, 2003 and June 13, 2003, and the consummation of the first and second stage closings, which occurred on June 13, 2003 and July 8, 2003, respectively.

The adjustments, which are based upon available information and upon assumptions that we believe to be reasonable, are described in the accompanying notes. The unaudited pro forma condensed consolidated financial information is presented for illustrative purposes only and is not indicative of the operating results or financial position that would have occurred if the transactions described above had been completed on the dates indicated, nor is it indicative of future operating results or financial position if the transactions described above are completed.

The unaudited pro forma condensed consolidated financial information should be read in conjunction with the historical consolidated financial statements and the related notes incorporated by reference herein.

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Cincinnati Bell Inc.
Unaudited Pro Forma Condensed Consolidated Statement of Operations
(dollars in millions)

Quarter Ended March 31, 2003

	Actual	Adjustments for financing transactions	Adjustments for broadband sale	Adjustments for 7 ¹ / ₄ % Senior Notes issuance	Adjustments for BRCOM debt exchange offer	Adjustments for exchange offer	Pro forma as adjusted
Revenue	\$ 480.7		\$ (182.6)(d)				\$ 311.8
			3.1 (e)				
			10.6 (f)				
Costs and Expenses							
Cost of services and products (excluding depreciation included below)	219.4		(106.6)(g)				126.5
			10.6 (h)				
			3.1 (i)				
Selling, general and administrative	120.3		(64.9)(j)				57.2
			1.8 (k)				
Depreciation	41.4		(1.9)(l)				39.5
Amortization	0.1						0.1
Restructuring							
Asset impairments and other	0.3						0.3
Total costs and expenses	381.5		(157.9)				223.6
Operating income (loss)	99.2		(11.0)				88.2
Minority interest expense	14.1		1.1 (m)			(11.6)(q)	3.6
Interest expense and other financing costs	45.3	2.9 (a)		9.4 (n)	(1.0)(p)		67.7
		16.4 (b)		(7.9) (o)			
		2.6 (c)					
Loss on investments							
Other expense (income), net	(0.1)						(0.1)
Income (loss) from continuing operations before income taxes, discontinued operations and cumulative effect of change in accounting principle	39.9	(21.9)	(12.1)	(1.5)	1.0	11.6	17.0
Income tax expense (r)	2.0						2.0
Income (loss) from continuing operations before discontinued operations and cumulative effect of change in accounting principle	37.9	(21.9)	(12.1)	(1.5)	1.0	11.6	15.0
Preferred stock dividends	2.6						2.6
Numerator for EPS and EPS assuming dilution-loss applicable to common shareowners	\$ 35.3	\$ (21.9)	\$ (12.1)	\$ (1.5)	\$ 1.0	\$ 11.6	\$ 12.4

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Quarter Ended March 31, 2003

Basic Earnings (Loss) Per Common Share							
Income (loss) from continuing operations	\$ 0.16	\$ (0.10)	\$ (0.06)	\$ (0.01)	\$ 0.00	\$ 0.05	\$ 0.05
Diluted Earnings (Loss) Per Common Share							
Income (loss) from continuing operations	\$ 0.16	\$ (0.10)	\$ (0.06)	\$ (0.01)	\$ 0.00	\$ 0.05	\$ 0.05
Weighted Average Common Shares Outstanding (millions)							
Basic	218.9				11.1 (t)	14.1 (u)	244.1
Diluted	219.9	4.3 (s)			11.1 (t)	14.1 (u)	249.4

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Cincinnati Bell Inc.
Unaudited Pro Forma Condensed Consolidated Statement of Operations
(dollars in millions)

Year Ended December 31, 2002

	Actual	Adjustments for financing transactions	Adjustments for broadband sale	Adjustments for 7 1/4% Senior Notes issuance	Adjustments for BRCOM debt exchange offer	Adjustments for exchange offer	Pro forma as adjusted
Revenue	\$ 2,155.9		\$ (904.1)(y) 11.7 (z) 43.5 (aa)				\$ 1,307.0
Costs and Expenses							
Cost of services and products (excluding depreciation included below)	1,027.7		(519.6)(bb) 43.5 (cc) 11.7 (dd)				563.3
Selling, general and administrative	487.4		(277.2)(ee) 7.1 (ff)				217.3
Depreciation	471.0		(284.7)(gg)				186.3
Amortization	25.3		(24.8)(hh)				0.5
Restructuring	37.1		(32.5)(ii)				4.6
Asset impairments and other	2,200.9		(2,180.6)(jj)				20.3
Total costs and expenses	4,249.4		(3,257.1)				992.3
Operating income (loss)	(2,093.5)		2,408.2				314.7
Minority interest expense	57.6		0.5 (kk)			(45.9)(qq)	12.2
Interest expense and other financing costs	164.2	11.8 (v) 67.7 (w) 17.9 (x)		37.4 (nn) (31.0)(oo)	(4.1)(pp)		263.9
Loss on investments	10.7		0.2 (ll)				10.9
Other expense (income), net	(0.5)		1.1 (mm)				0.6

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Year Ended December 31, 2002

Loss from continuing operations before income taxes, discontinued operations and cumulative effect of change in accounting principle	(2,325.5)	(97.4)	2,406.4	(6.4)	4.1	45.9	27.1
Income tax expense (rr)	105.7						105.7
Loss from continuing operations before discontinued operations and cumulative effect of change in accounting principle	(2,431.2)	(97.4)	2,406.4	(6.4)	4.1	45.9	(78.6)
Preferred stock dividends	10.4						10.4
Numerator for EPS and EPS assuming dilution-loss applicable to common shareowners	\$ (2,441.6)	\$ (97.4)	\$ 2,406.4	\$ (6.4)	\$ 4.1	\$ 45.9	\$ (89.0)
Basic Earnings (Loss) Per Common Share							
Loss from continuing operations	\$ (11.18)	\$ (0.45)	\$ 11.02	\$ (0.03)	\$ 0.02	\$ 0.20	\$ (0.37)
Diluted Earnings (Loss) Per Common Share							
Loss from continuing operations	\$ (11.18)	\$ (0.45)	\$ 11.02	\$ (0.03)	\$ 0.02	\$ 0.20	\$ (0.37)
Weighted Average Common Shares Outstanding (millions)							
Basic	218.4				11.1 (tt)	14.1 (uu)	243.6
Diluted	218.4	(ss)			11.1 (tt)	14.1 (uu)	243.6

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Cincinnati Bell Inc.
 Unaudited Pro Forma Condensed Consolidated Balance Sheet
 (dollars in millions)

As of March 31, 2003

	Actual	Adjustments for broadband sale	Adjustments For 7 1/4% Senior Notes issuance	Adjustments for BRCOM debt exchange offer	Adjustments for exchange offer	Pro forma as adjusted
Assets						
Current assets						
Cash and cash equivalents	\$ 36.4	\$ 91.5 (vv)	\$	\$	\$	\$ 127.9
Restricted cash	7.0					7.0
Receivables, less allowances	182.8					182.8

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As of March 31, 2003

Materials and supplies	29.2					29.2
Deferred income tax benefits	11.3					11.3
Prepaid expenses and other current assets	24.6	17.2 (ww)	2.6 (ccc)			44.4
Assets held for sale	94.4	(94.4)(xx)				
Total current assets	385.7	14.3	2.6			402.6
Property, plant and equipment, net	933.5					933.5
Goodwill, net of accumulated amortization	40.9					40.9
Other intangibles, net	66.8					66.8
Deferred financing costs	57.6					57.6
Other noncurrent assets	54.9					54.9
Assets held for sale	54.8	(54.8)(yy)				
Total assets	\$ 1,594.2	\$ (40.5)	\$ 2.6	\$	\$	\$ 1,556.3

Liabilities and Shareowners' Deficit

Current liabilities						
Short-term debt	\$ 356.3	\$	\$ (152.2)(ddd)	\$	\$	\$ 204.1
Accounts payable	53.6					53.6
Current portion of unearned revenue and customer deposits	29.8					29.8
Accrued taxes	78.5					78.5
Accrued restructuring	35.3					35.3
Other current liabilities	131.7			(1.9)(ggg)	(43.2)(lll)	86.6
Liabilities to be assumed in sale	133.7	(133.7)(zz)				
Total current liabilities	818.9	(133.7)	(152.2)	(1.9)	(43.2)	487.9
Long-term debt, less current portion	2,184.1		163.9 (eee)	(45.5)(hhh)	5.5 (mmm)	2,308.0
Unearned revenue, less current portion	2.6					2.6
Deferred income tax liabilities	87.0					87.0
Other noncurrent liabilities	149.5					149.5
Liabilities to be assumed in sale	284.8	(284.8)(aaa)				
Total liabilities	3,526.9	(418.5)	11.7	(47.4)	(37.7)	3,035.0
Minority interest	445.7				(413.7)(nnn)	32.0
Commitments and contingencies						

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As of March 31, 2003

Shareowners' deficit						
6 ³ / ₄ % Cumulative Convertible Preferred Stock	129.4					129.4
Common shares, \$.01 par value	2.3			0.1 (iii)	0.2 (ooo)	2.6
Additional paid-in capital	2,409.3			56.4 (jjj)	451.2 (ppp)	2,916.9
Accumulated deficit	(4,761.8)	378.0 (bbb)	(9.1)(fff)	(9.1)(kkk)		(4,402.0)
Accumulated other comprehensive loss	(12.1)					(12.1)
Common shares in treasury, at cost	(145.5)					(145.5)
Total shareowners' deficit	(2,378.4)	378.0	(9.1)	47.4	451.4	(1,510.7)
Total liabilities and shareowners' deficit	\$ 1,594.2	\$ (40.5)	\$ 2.6	\$	\$	\$ 1,556.3

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Notes to Unaudited Pro Forma Condensed Consolidated Financial Information

Cincinnati Bell

- (a) Reflects an increase of \$2.9 million in non-cash interest expense on indebtedness with an average balance of \$518.5 million, due to an increase in the annual interest rate of 2¹/₄% on the Convertible Subordinated Notes, which increased the total interest rate from 6³/₄% to 9%.
- (b) Reflects an increase in interest expense related to the Goldman mezzanine financing as follows:

Cash interest expense	\$ 10.2
Non-cash interest expense	3.5
Amortization of discount	2.0
Amortization of deferred financing costs	0.7
Total interest expense increase related to Goldman mezzanine financing	\$ 16.4

Incremental cash interest expense is calculated based on an average of \$365.5 million of outstanding indebtedness at a stated annual cash interest rate of 12%. The increase is offset by \$0.7 million of interest expense included in the actual results through March 31, 2003 based on the closing date of the Goldman mezzanine financing on March 26, 2003.

Incremental non-cash interest expense is calculated based on an average of \$365.5 million of outstanding indebtedness, at a stated annual pay-in-kind interest rate of 4%, which is added to the principal balance on a monthly basis in the amount of approximately \$1.2 million. This increase is offset by \$0.2 million of interest expense included in the actual results through March 31, 2003 based on the closing date of the Goldman mezzanine financing on March 26, 2003.

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Incremental interest expense related to the amortization of discount is based on the initial discount of \$47.5 million, calculated for 17.5 million warrants at a fair value of \$2.71 per warrant, amortized over the 70-month term of the 16% Notes.

Incremental interest expense related to the amortization of deferred financing costs, directly related to the 16% Notes, is calculated as \$15.2 million of deferred financing costs amortized over the 70-month term of the 16% Notes.

- (c) Reflects an increase in interest expense related to the amendment to the credit facilities as follows:

Cash interest expense	\$ 0.3
Amortization of deferred financing costs	2.3
	2.6
Total interest expense increase related to the credit facilities	\$ 2.6

Incremental cash interest expense is calculated based on the pay down from the net proceeds of the Goldman mezzanine financing, offset by an increase in the average LIBOR spread agreed to in conjunction with the amendment to our credit facilities on March 26, 2003. A tabular

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presentation of the actual and pro forma interest expense, calculated as the average outstanding balance multiplied by the average interest rate by facility, is presented as follows:

For the three-month period ended March 31, 2003

	Actual			Pro forma			Increase in cash interest expense
	Average balance	Average rate	Interest expense	Average balance	Average rate	Interest expense	
Term Loan A	\$ 566.2	4.90%	\$ 6.9	\$ 513.2	5.15%	\$ 6.6	\$ (0.3)
Term Loan B	337.6	4.15%	3.5	306.0	5.15%	3.9	0.4
Term Loan C	150.8	4.65%	1.8	136.7	5.15%	1.8	
Revolver	575.4	4.90%	7.1	514.7	5.65%	7.3	0.2
			19.3			19.6	0.3
Total			\$ 19.3			\$ 19.6	\$ 0.3

The increase in interest expense due to additional amortization of deferred financing costs is calculated as \$26.5 million of fees directly related to the amendments to the credit facilities, amortized over 36 months.

Based on our pro forma credit facility debt outstanding as of March 31, 2003, a 1/8% increase in interest rates would increase interest expense by \$0.3 million per quarter.

- (d) Reflects a decrease in revenue generated by the broadband business that was sold in connection with the broadband sale.
- (e) Reflects an increase in revenue of \$3.1 million related to access to the Cincinnati Bell Telephone network by the broadband business which was eliminated as intercompany revenue in the actual results.
- (f) Reflects an increase in revenue related to service provided to Cincinnati Bell Any Distance by the broadband business which was eliminated as intercompany revenue in the actual results.

- (g) Reflects a decrease in cost of services and products incurred by the broadband business that was sold in connection with the broadband sale.
- (h) Reflects an increase in cost of services related to the purchase of long distance services from the broadband business for resale in the Cincinnati market, which was eliminated as intercompany cost of services in the actual results.
- (i) Reflects an increase in cost of services related to the purchase of access to the Cincinnati Bell Telephone network by the broadband business which was eliminated as intercompany cost of services in the actual results.
- (j) Reflects a decrease in selling, general and administrative expenses incurred by the broadband business that was sold in connection with the broadband sale.
- (k) Reflects an increase in selling, general and administrative expenses related to the allocation of corporate overhead, which cannot be allocated after the broadband sale.
- (l) Reflects a decrease in depreciation expense related to the broadband assets sold in connection with the broadband sale.
- (m) Reflects an increase in minority interest expense as a result of the broadband sale.
- (n) Reflects an increase in cash interest expense resulting from the issuance of \$500 million of 7¹/₄% Senior Notes and an increase in non-cash interest expense related to the amortization of

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\$11.7 million in deferred financing costs over the 120-month term of the 7¹/₄% Senior Notes, as follows:

Cash interest expense	\$ 9.1
Amortization of deferred financing costs	0.3
	<u> </u>
Total interest expense increase related to the issuance of 7 ¹ / ₄ % Senior Notes	\$ 9.4

- (o) Reflects a decrease in interest expense related to the pay down of the credit facilities resulting from the application of the proceeds from the issuance of \$500 million of 7¹/₄% Senior Notes, as follows:

Cash interest expense	(\$ 6.2)
Amortization of deferred financing costs	(1.7)
	<u> </u>
Total interest expense increase related to the credit facilities	(\$ 7.9)

The decrease in cash interest expense is based on a net pay down of our credit facilities of \$488.3 million at an average annual interest rate of 5.1%.

The decrease in deferred financing costs is calculated as a reduction of amortization expense based on the proportion of the term debt permanently repaid utilizing the proceeds of the 7¹/₄% Senior Notes as follows:

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	Deferred financing costs amortized in three months ended March 31, 2003		Projected proportionate repayment of term debt		Reduction in amortization
Term Loan A	\$ 1.9	x	70%	=	\$ 1.3
Term Loan B	0.6	x	47%	=	0.3
Term Loan C	0.1	x	47%	=	0.1
Total	\$ 2.6				\$ 1.7

- (p) Reflects a decrease in interest expense resulting from the BRCOM debt exchange offer, calculated as \$46.0 million in principal at an annual interest rate of 9%.
- (q) Reflects a decrease in minority interest expense resulting from the exchange offer. Dividends on the BRCOM Preferred Stock are classified as "Minority interest expense" in the consolidated statement of operations. The decrease in minority interest expense is calculated as the \$395,210,000 redemption value of the BRCOM Preferred Stock at a stated dividend rate of 12¹/₂% annually, offset by decrction of \$0.8 million, which will reduce the carrying value to the redemption value at the redemption date.
- (r) The net adjustment to income tax expense is zero because the increase in income tax expense is offset by a corresponding decrease related to the reversal of the additional valuation allowance that was recorded against deferred tax assets.
- (s) We issued 17.5 million warrants, each to purchase one share of Cincinnati Bell Common Stock at \$3.00 per share in connection with the Goldman mezzanine financing. As each of the warrants represent the right to purchase one share of Cincinnati Bell Common Stock, they have no impact on basic outstanding shares. If the warrants had been outstanding for the entire quarter,

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the impact on diluted shares would be to increase the weighted average diluted shares by 4.3 million.

- (t) We are offering to exchange 11,076,707 shares of Cincinnati Bell Common Stock for approximately \$46.0 million in aggregate principal amount of the 9% Notes outstanding. Assuming the entire aggregate principal amount of the 9% Notes outstanding are tendered and accepted for exchange, the Company will issue an additional 11,076,707 million shares of Cincinnati Bell Common Stock, which will increase both the basic and diluted shares outstanding.
- (u) We are offering to exchange 14,148,518 shares of Cincinnati Bell Common Stock for 395,210 outstanding shares of BRCOM Preferred Stock. Assuming all outstanding shares of BRCOM Preferred Stock are tendered and accepted for exchange, we will issue an additional 14,148,518 shares of Cincinnati Bell Common Stock, which will increase both the basic and diluted shares outstanding.
- (v) Reflects an increase of \$11.8 million in non-cash interest expense on indebtedness with an average balance of \$518.5 million due to an increase in the annual interest rate of 2¹/₄% on the Convertible Subordinated Notes, which increased the total interest rate from 6³/₄% to 9%.
- (w) Reflects an increase in interest expense related to the Goldman mezzanine financing as follows:

Cash interest expense	\$ 42.7
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Non-cash interest expense	14.3
Amortization of discount	8.1
Amortization of deferred financing costs	2.6
Total interest expense increase related to Goldman mezzanine financing	\$ 67.7

Incremental cash interest expense is calculated based on an average of \$356.5 million of outstanding indebtedness at a stated annual cash interest rate of 12%.

Incremental non-cash interest expense is calculated based on an average of \$356.5 million of outstanding indebtedness, at a stated annual interest rate of 4%, which is added to the principal balance on a monthly basis in the amount of approximately \$1.2 million.

Incremental interest expense related to the amortization of discount is based on the initial discount of \$47.5 million, calculated for 17.5 million warrants at a fair value of \$2.71 per warrant, amortized over the 70-month term of the 16% Notes.

Incremental interest expense related to the amortization of deferred financing costs is calculated as \$15.2 million of deferred financing costs, directly related to the 16% Notes, amortized over the 70-month term of the 16% Notes.

(x)

Reflects an increase in interest expense related to the amendment to the credit facilities as follows:

Cash interest expense	\$ 9.0
Amortization of deferred financing costs	8.9
Total interest expense increase related to the credit facilities	\$ 17.9

Incremental cash interest expense is calculated based on the pay down from the net proceeds of the Goldman mezzanine financing, offset by an increase in the average LIBOR spread agreed to in conjunction with the amendment to our credit facilities on March 26, 2003. A tabular

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presentation of the actual and pro forma interest expense calculated as the average outstanding balance multiplied by the average interest rate by facility, is presented as follows:

For the year ended December 31, 2002

	Actual			Pro forma			Increase in cash interest expense
	Average balance	Average rate	Interest expense	Average balance	Average rate	Interest expense	
Term Loan A	\$ 599.3	4.49%	\$ 26.9	\$ 546.4	5.91%	\$ 32.3	\$ 5.4
Term Loan B	359.1	4.58%	16.5	327.5	5.91%	19.4	2.9
Term Loan C	160.2	5.08%	8.1	146.1	5.91%	8.6	0.5
Revolver	582.8	4.49%	26.2	411.5	6.41%	26.4	0.2
Total			\$ 77.7			\$ 86.7	\$ 9.0

The increase in interest expense due to additional amortization of deferred financing costs is calculated as \$26.5 million of fees directly related to the amendments to the credit facilities amortized over 36 months.

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Based on our pro forma credit facility debt outstanding as of March 31, 2003, a ¹/₈% increase in interest rates would increase interest expense by \$1.0 million annually.

- (y) Reflects a decrease in revenue generated by the broadband business that was sold in connection with the broadband sale.
- (z) Reflects an increase in revenue related to access to the Cincinnati Bell Telephone network by the broadband business which was eliminated as intercompany revenue in the actual results.
- (aa) Reflects an increase in revenue related to service provided to Cincinnati Bell Any Distance by the broadband business which was eliminated as intercompany revenue in the actual results.
- (bb) Reflects a decrease in cost of services and products incurred by the broadband business that was sold in connection with the broadband sale.
- (cc) Reflects an increase in cost of services and products related to the purchase of long distance services for resale in the Cincinnati market, which were eliminated as intercompany cost of services in the actual results.
- (dd) Reflects an increase in cost of services related to the purchase of access to the Cincinnati Bell Telephone network by the broadband business which were eliminated as intercompany cost of services in the actual results.
- (ee) Reflects a decrease in selling, general and administrative expenses incurred by the broadband business that was sold in connection with the broadband sale.
- (ff) Reflects an increase in selling, general and administrative expenses related to the allocation of corporate overhead, which cannot be allocated after the broadband sale.
- (gg) Reflects a decrease in depreciation expense related to the broadband assets sold in connection with the broadband sale.
- (hh) Reflects a decrease in amortization expense related to the broadband assets sold in connection with the broadband sale.
- (ii) Reflects a decrease in restructuring expense related to the broadband assets sold in connection with the broadband sale.
- (jj) Reflects a decrease in asset impairments and other expense related to the broadband assets sold in connection with the broadband sale.
- (kk) Reflects an increase in minority interest expense as a result of the broadband sale.

- (ll) Reflects an increase in loss on investments related to the broadband assets sold in connection with the broadband sale.
- (mm) Reflects an increase in other expense related to the broadband assets sold in connection with the broadband sale.
- (nn)

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Reflects an increase in cash interest expense resulting from the issuance of \$500 million of 7¹/₄% Senior Notes and an increase in non-cash interest expense related to the amortization of \$11.7 million in deferred financing costs over the 120-month term of the 7¹/₄% Senior Notes, as follows:

Cash interest expense	\$ 36.2
Amortization of deferred financing costs	1.2
	<u> </u>
Total interest expense increase related to the issuance of 7 ¹ / ₄ % Senior Notes	\$ 37.4

(oo)

Reflects a decrease in interest expense related to the pay down of the credit facilities resulting from the application of the proceeds from the issuance of \$500 million of 7¹/₄% Senior Notes, as follows:

Cash interest expense	(\$ 24.9)
Amortization of deferred financing costs	(6.1)
	<u> </u>
Total interest expense increase related to the credit facilities	(\$ 31.0)

The decrease in cash interest expense is based on a net pay down of our credit facilities of \$488.3 million at an average annual interest rate of 5.1%.

The decrease in deferred financing costs is calculated as a reduction of amortization expense based on the proportion of the term debt permanently repaid utilizing the proceeds of the 7¹/₄% Senior Notes as follows:

	Deferred financing costs amortized in the year ended December 31, 2002		Projected proportionate repayment of term debt		Reduction in amortization
	<u> </u>		<u> </u>		<u> </u>
Term Loan A	\$ 5.0	x	70% =	\$	3.5
Term Loan B	4.3	x	47% =		2.0
Term Loan C	1.2	x	47% =		0.6
	<u> </u>				<u> </u>
Total	\$ 10.5			\$	6.1

(pp)

Reflects a decrease in interest expense resulting from the BRCOM debt exchange offer calculated as \$46.0 million in principal at an annual interest rate of 9%.

(qq)

Reflects a decrease in minority interest expense resulting from the exchange offer. Dividends on the BRCOM Preferred Stock are classified as "Minority interest expense" in the statement of operations. The decrease in minority interest expense is calculated as the \$395,210,000 redemption value of the BRCOM Preferred Stock at a stated dividend rate of 12¹/₂% annually, offset by decrction of \$3.5 million, which will reduce the carrying value to the redemption value at the redemption date.

(rr)

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The net adjustment to income tax expense is zero because the increase in income tax expense is offset by a corresponding decrease related to the reversal of the additional valuation allowance that was recorded against deferred tax assets.

(ss)

We issued 17.5 million warrants, each to purchase one share of Cincinnati Bell Common Stock at \$3.00 per share in connection with the Goldman mezzanine financing. As each of the warrants represent the right to purchase one share of Cincinnati Bell Common Stock, they have no impact on basic outstanding shares. Because the effect of their inclusion in the earnings (loss) per common share calculation would be anti-dilutive, the 17.5 million "in-the-money" warrants are not included in the denominator of the diluted earnings (loss) per common share calculation.

(tt)

We are offering to exchange 11,076,707 shares of Cincinnati Bell Common Stock for approximately \$46.0 million in aggregate principal amount of the 9% Notes outstanding. Assuming the entire aggregate principal amount of the 9% Notes outstanding are tendered and accepted for exchange, the Company will issue an additional 11,076,707 million shares of Cincinnati Bell Common Stock, which will increase both the basic and diluted shares outstanding.

(uu)

We are offering to exchange 14,148,518 shares of Cincinnati Bell Common Stock for 395,210 outstanding shares of BRCOM Preferred Stock. Assuming all outstanding shares of BRCOM Preferred Stock are tendered and accepted for exchange, we will issue an additional 14,148,518 shares of Cincinnati Bell Common Stock, which will increase both the basic and diluted shares outstanding.

(vv)

Reflects the \$91.5 million cash portion of the purchase price pursuant to the asset purchase agreement entered into on February 22, 2003 and as amended on June 6, 2003 and June 13, 2003. The purchase price is subject to certain purchase price adjustments based upon closing working capital and certain receivables collected. The sale is also subject to post-closing obligations based on historical capital expenditure amounts and future cash EBITDA minus capital expenditures performance. No adjustments have been made in the unaudited pro forma condensed consolidated financial information for these purchase price adjustments or post-closing obligations because such amounts are not determinable. Furthermore, the application of the proceeds from the broadband sale has not been reflected.

The cash portion of the purchase price is subject to the following purchase price adjustments and post-closing obligations:

1)

The purchase price will be decreased if certain specified accounts receivable are not collected as set forth in the purchase agreement, up to a maximum decrease of \$7.5 million.

2)

The BRCOM selling subsidiaries budgeted the capital expenditures for the broadband assets to be sold to be \$18.0 million for the period from January 1, 2003 through June 13, 2003 (subject to certain adjustments). If the difference between 80% of the budgeted capital expenditures and the actual capital expenditures is greater than \$10.0 million, then the BRCOM selling subsidiaries will pay the amount in excess of \$10.0 million to the buyers in cash. If the difference between 80% of the budgeted capital expenditures and the actual capital expenditures is less than \$10.0 million, then the buyers will pay the amount less than \$10.0 million to the BRCOM selling subsidiaries in cash. The parties will settle the capital expenditures adjustment within 60 days after the first stage closing. The maximum payment, or decrease in purchase price, assuming no capital expenditures during the period, would be \$4.4 million (calculated as 80% of \$18.0 million minus \$10.0 million).

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3)

If annual cash EBITDA minus capital expenditures for the period from July 1, 2003 to July 1, 2004 is negative \$48.0 million or less, the BRCOM selling subsidiaries will pay to the buyers an amount equal to 35% of the difference between negative \$48.0 million and the amount of annual cash EBITDA minus capital expenditures, provided that the obligation for such reimbursement will not exceed \$10.0 million.

(ww)

Reflects the \$17.2 million preliminary promissory note portion of the purchase price pursuant to the asset purchase agreement entered into on February 22, 2003, as amended June 6, 2003 and June 13, 2003. The promissory note will bear interest at 8% and is payable on June 13, 2004. The promissory note portion of the purchase price will be increased or decreased by the amount that the actual working

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capital amount exceeds or is less than the working capital promissory note. We expect the final promissory note to be in the range of \$0 to \$5.0 million, which corresponds with the decrease in working capital from March 31, 2003 through the date of the first stage closing. The application of the proceeds from the sale has not been reflected. Interest related to the note receivable has not been reflected in the unaudited pro forma condensed financial information, as the amount is immaterial.

(xx)

Reflects the sale of assets of the broadband business. Current assets held for sale are comprised of the following:

Accounts receivable	\$	82.8
Materials and supplies		0.4
Prepaid expenses and other current assets		11.2
		11.2
Total current assets held for sale	\$	94.4

(yy)

Reflects the sale of assets of the broadband business. Noncurrent assets held for sale are comprised of the following:

Property, plant and equipment	\$	48.0
Other noncurrent assets		6.8
		6.8
Total noncurrent assets held for sale	\$	54.8

(zz)

Reflects the assumption of liabilities by the buyer of the broadband business. Current liabilities to be assumed in the sale are comprised of the following:

Capital lease obligations	\$	1.5
Accounts payable		63.0
Current portion of unearned revenue and customer deposits		51.3
Other current liabilities		17.9
		17.9
Total current liabilities to be assumed in sale	\$	133.7

(aaa)

Reflects the assumption of liabilities by the buyer of the broadband business. Long-term liabilities to be assumed in the sale are comprised of the following:

Capital lease obligations	\$	0.6
Unearned revenue, less current portion		284.1
Other noncurrent liabilities		0.1
		0.1
Total noncurrent liabilities to be assumed in sale	\$	284.8

(bbb)

Reflects the anticipated gain on disposition of the broadband assets as follows:

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Short-term liabilities to be assumed in sale	\$	133.7
Long-term liabilities to be assumed in sale	\$	284.8
Sale proceeds	\$	108.7
Less: Current assets held for sale	\$	(94.4)
Less: Non-current assets held for sale	\$	(54.8)
		<hr/>
Gain on sale of assets	\$	378.0

(ccc)

Reflects a net increase in deferred financing costs as follows:

Deferred financing costs related to the 7 ¹ / ₄ % Senior Notes	\$	11.7
Deferred financing costs related to the credit facilities		(9.1)
		<hr/>
Total increase in deferred financing costs	\$	2.6

The decrease in deferred financing costs related to the credit facilities is calculated as a reduction of deferred financing costs as of March 31, 2003, based on the proportion of the term debt permanently repaid utilizing the proceeds of the 7¹/₄% Senior Notes as follows:

	Deferred financing costs as of March 31, 2003		Projected proportionate repayment of term debt	Reduction in deferred financing costs
	<hr/>		<hr/>	<hr/>
Term Loan A	\$ 7.7	x	70% =	\$ 5.4
Term Loan B	5.9	x	47% =	2.8
Term Loan C	1.9	x	47% =	0.9
	<hr/>			<hr/>
Total	\$ 15.5			\$ 9.1

(ddd)

Reflects a decrease in short term debt of our term and revolving credit facilities as a result of the use of proceeds from the 7¹/₄% Senior Notes issuance, calculated as follows: a reduction in term A of \$150.2 million, a reduction in term B of \$1.4 million and a reduction in term C of \$0.6 million.

(eee)

Reflects an increase in long term debt as a result of the use of proceeds from the 7¹/₄% Senior Notes issuance to repay our term and revolving credit facilities, calculated as follows: a reduction in term A of \$90.1 million, a reduction in term B of \$141.3 million, a reduction in term C of \$63.2 million and a permanent reduction in the revolving credit facility of \$41.5 million, offset by an increase in long term debt of \$500 million from the issuance of the 7¹/₄% Senior Notes.

(fff)

Reflects the impact on accumulated deficit of the write off of deferred financing costs upon the pay down of the credit facilities using the proceeds from the issuance of the 7¹/₄% Senior Notes. Such decrease has not been reflected in the unaudited pro forma condensed consolidated statement of operations due to the non-recurring nature of the transaction.

(ggg)

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Reflects a decrease in accrued interest as of the balance sheet date assuming the BRCOM debt exchange offer was consummated on March 31, 2003.

- (hhh) Reflects the \$46.0 million carrying value of the 9% Notes as of the balance sheet date that will be settled in shares of Cincinnati Bell Common Stock upon consummation of the BRCOM debt exchange offer, offset by additional borrowings of \$0.5 million to pay non-recurring investment banking and legal fees directly related to the BRCOM debt exchange. Such
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-
- investment banking and legal fees have not been reflected in the unaudited pro forma condensed consolidated statement of operations due to the non-recurring nature of the fees.
- (iii) Reflects the par value of 11,076,707 shares of Cincinnati Bell Common Stock to be issued upon consummation of the BRCOM debt exchange offer.
- (jjj) Reflects the additional-paid-in capital that will be recorded upon consummation of the BRCOM debt exchange offer assuming a share price of \$5.10 per share of Cincinnati Bell Common Stock, the share price as of May 30, 2003, less the par value of the Cincinnati Bell Common Stock. A 10% movement in the Cincinnati Bell Common Stock share price would cause the additional-paid-in-capital to fluctuate by \$5.7 million.
- (kkk) Reflects the net loss of \$8.6 million that will be incurred upon consummation of the BRCOM debt exchange offer assuming a share price of \$5.10 per share of Cincinnati Bell Common Stock, the share price as of May 30, 2003, and fees of \$0.5 million incurred in connection with the BRCOM debt exchange offer. A 10% movement in the Cincinnati Bell Common Stock share price would cause the net gain or loss upon consummation to fluctuate by \$5.7 million. The loss on and fees related to the BRCOM debt exchange offer have not been reflected in the statement of operations, as they are non-recurring items.
- (lll) Reflects a decrease in dividends payable on the BRCOM Preferred Stock as of the balance sheet date that will be settled in shares of Cincinnati Bell Common Stock upon consummation of the exchange offer.
- (mmm) Reflects the non-recurring investment banking and legal fees to be incurred upon consummation of the exchange offer directly related to the exchange offer, which will increase borrowings under the revolving credit facility. Such investment banking and legal fees have not been reflected in the unaudited pro forma condensed consolidated statement of operations due to the non-recurring nature of the fees.
- (nnn) Reflects a decrease in minority interest related to the carrying value of the BRCOM Preferred Stock that will be settled in shares of Cincinnati Bell Common Stock upon consummation of the exchange offer.
- (ooo) Reflects the par value of 14,148,518 shares of Cincinnati Bell Common Stock to be issued upon consummation of the exchange offer.
- (ppp) Reflects the additional-paid-in capital that will be recorded upon consummation of the exchange offer assuming a share price of \$5.10 per common share of Cincinnati Bell Common Stock, the share price as of May 30, 2003. The additional-paid-in-capital is calculated as follows:

BRCOM Preferred Stock	\$	413.7
Dividends payable on BRCOM Preferred Stock		43.2
Less: Fees Related to exchange offer		(5.5)
Less: Par value of Cincinnati Bell Common Stock issued		(0.2)
		49.2

BRCOM Inc.

The following unaudited pro forma condensed consolidated financial information reflects BRCOM's results of operations for the year ended December 31, 2002 and the three-month period ended March 31, 2003 and BRCOM's balance sheet as of March 31, 2003, after giving effect to all of the pro forma transactions described below. The unaudited pro forma statements of operations give effect to the following transactions as if they had occurred on January 1, 2002, and the unaudited pro forma balance sheet as of March 31, 2003 gives effect to the following transactions as if they had occurred as of that date, except for the March 26, 2003 financing transactions, which are included in the actual results as of March 31, 2003. The pro forma transactions include the following:

(a) The March 26, 2003 amendment of our credit facilities which, among other things, extended the maturity on our revolving credit facility, accelerated the maturity of a portion of our term loan A facility, increased the interest rates, revised the financial covenants and allowed for the broadband sale.

(b) The consummation of the sale of our broadband business pursuant to the asset purchase agreement entered into with C III Communications, LLC and C III Communications Operations, LLC. On June 13, 2003, we consummated the first (and most significant) stage closing of the sale of our broadband business, in which we transferred substantially all of our broadband assets and retained only those assets in states for which regulatory approval was still pending. In connection with the first stage closing, the buyers paid the cash purchase price of \$91.5 million, of which \$29.3 million was placed into escrow to support certain potential purchase price adjustments and the portion of the purchase price payable upon the consummation of the second and third stage closings, and issued to us a \$17.2 million preliminary promissory note in connection with a purchase price working capital adjustment. On July 8, 2003, we consummated the second stage closing of the sale of our broadband business and \$10.3 million of the \$29.3 million placed into escrow at the first stage closing was paid to us in cash. After the first and second stage closings, the BRCOM selling subsidiaries have transferred assets in states representing approximately 87.5% of our 2002 broadband revenue to the buyers. No adjustments have been made in the unaudited pro forma condensed consolidated financial information for the purchase price adjustments or post-closing obligations as such amounts are not determinable. Furthermore, the application of the proceeds from the sale has not been reflected. In addition, the buyers have agreed to assume approximately \$418.5 million in current and long-term liabilities and approximately \$291.2 million of operating contractual commitments. See "Background of the Exchange Offer, Consent Solicitation and Merger The Restructuring Plan and Recent Developments Sale of our broadband business."

In addition, we have indemnified the buyers against certain potential claims. The fair value of such indemnification has not been reflected in the unaudited pro forma condensed consolidated financial information as the amount is not material. In order to determine the fair value of the indemnification obligations, we performed a probability-weighted discounted cash flow analysis, utilizing the minimum and maximum potential claims and several scenarios within the range of possibilities. Such analysis produced an estimated fair value of the indemnification obligations totaling \$8 million. Given the subjectivity of the analysis and the amount of the fair value of the obligations relative to our assets and liabilities, we determined that the amount was immaterial for purposes of pro forma adjustments.

After the completion of the broadband sale, the only remaining BRCOM subsidiaries with operating assets will be Cincinnati Bell Technology Solutions Inc., an information technology consulting subsidiary, and Cincinnati Bell Any Distance Inc., a subsidiary whose assets service Cincinnati Bell's long distance business. BCSI Inc., another subsidiary of BRCOM, will retain a 3% interest in the new company. This investment is not reflected in the pro forma condensed

consolidated financial information because its value is not expected to be material. See "Background of the Exchange Offer, Consent Solicitation and Merger The Restructuring Plan and Recent Developments Sale of our broadband business."

(c) The BRCOM debt exchange offer and the exchange offer, in connection with which we expect to issue approximately 25.2 million new shares of Cincinnati Bell Common Stock, an increase of 12% in the number of shares outstanding, assuming all shares of BRCOM Preferred Stock and the entire outstanding aggregate principal amount of 9% Notes are tendered and accepted for exchange in the exchange offer and the BRCOM debt exchange offer, respectively.

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The unaudited pro forma condensed consolidated financial information does not reflect the retirement on June 16, 2003 of BRCOM's remaining \$0.8 million aggregate principal amount outstanding of the 12¹/₂% Senior Notes due 2005. In addition, the unaudited pro forma condensed consolidated financial information does not reflect any payment that may be required to be made in connection with the exercise of appraisal rights under Delaware law in connection with the merger.

The unaudited pro forma condensed consolidated financial information presented includes the above items as the financing transactions are considered to be material to existing and potential investors; and the consummation of the broadband sale is probable based on the definitive agreements signed on February 22, 2003, and amended on June 6, 2003 and June 13, 2003, and the consummation of the first and second stage closings, which occurred on June 13, 2003 and July 8, 2003, respectively.

The adjustments, which are based upon available information and upon assumptions that we believe to be reasonable, are described in the accompanying notes. The unaudited pro forma condensed consolidated financial information is presented for illustrative purposes only and is not indicative of the operating results or financial position that would have occurred if the transactions described above had been completed on the dates indicated, nor is it indicative of future operating results or financial position if the transactions described above are completed.

The unaudited pro forma condensed consolidated financial information should be read in conjunction with the historical consolidated financial statements and the related notes incorporated by reference herein.

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BRCOM
Unaudited Pro Forma Condensed Consolidated Statement of Operations
(dollars in millions)

Three months Ended March 31, 2003

	Actual	Adjustments for amendment of credit facilities	Adjustments for broadband sale	Adjustments for BRCOM debt exchange offer	Adjustments for exchange offer (H)	Pro forma as adjusted
Revenue						
Service revenue	\$ 195.0	\$	\$ (182.6)	(B)	\$	\$ 12.4
Product revenue	15.6					15.6
Total revenue	210.6		(182.6)			28.0
Costs and expenses						
Cost of services (excluding depreciation included below)	115.4		(106.6)	(C)		8.8
Cost of products	13.7					13.7
Selling, general and administrative	69.7		(64.9)	(D)		4.8
Depreciation	2.0		(1.9)	(E)		0.1
Amortization						
Restructuring						
Asset impairments and other						
Total costs and expenses	200.8		(173.4)			27.4
Operating income	9.8		(9.2)			0.6
Interest expense and other financing costs	21.0	0.4		(1.0)	(G)	20.4
Other income, net	(1.1)		1.1	(F)		

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Three months Ended March 31, 2003

Loss from operations before income taxes and cumulative effect of change in accounting principle	(10.1)	(0.4)	(10.3)	1.0	(19.8)
Income tax benefit (I)	(21.5)				(21.5)
Income (loss) from operations before cumulative effect of change in accounting principle	\$ 11.4	\$ (0.4)	\$ (10.3)	\$ 1.0	\$ 1.7

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BRCOM
Unaudited Pro Forma Condensed Consolidated Statement of Operations
(dollars in millions)

Year Ended December 31, 2002

	Actual	Adjustments for amendment of credit facilities	Adjustments for broadband sale	Adjustments for BRCOM debt exchange offer	Adjustments for exchange offer (W)	Pro forma as adjusted
Revenue						
Service revenue	\$ 950.6		\$ (900.0)(K)		\$	\$ 50.6
Product revenue	117.5		(4.1)(L)			113.4
Total revenue	1,068.1		(904.1)			164.0
Costs and expenses						
Cost of services (excluding depreciation included below)	552.2		(517.7)(M)			34.5
Cost of products	103.4		(1.9)(N)			101.5
Selling, general and administrative	301.0		(277.2)(O)			23.8
Depreciation	291.1		(284.7)(P)			6.4
Amortization	24.8		(24.8)(Q)			
Restructuring	32.6		(32.5)(R)			0.1
Asset impairments and other	2,200.6		(2,180.6)(S)			20.0
Total costs and expenses	3,505.7		(3,319.4)			186.3
Operating loss	(2,437.6)		2,415.3			(22.3)
Interest expense and other financing costs	71.6	1.9(J)		(4.1)(V)		69.4
Gain on investments	(0.2)		0.2(T)			
Other income, net	(1.6)		1.6(U)			
Loss from operations before income taxes and cumulative effect of change in	(2,507.4)	(1.9)	2,413.5	4.1		(91.7)

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Year Ended December 31, 2002

accounting principle

Income tax expense (X)	26.3					26.3
Income (loss) from operations before cumulative effect of change in accounting principle	\$ (2,533.7)	\$ (1.9)	\$ 2,413.5	\$ 4.1	\$	\$ (118.0)

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BRCOM
Unaudited Pro Forma Condensed Consolidated Balance Sheet
(dollars in millions)

As of March 31, 2003

	Actual	Adjustments for broadband sale	Adjustments for BRCOM debt exchange offer	Adjustments for exchange offer	Pro forma as adjusted
Assets					
Current assets					
Cash and cash equivalents	\$ 7.1	\$ 91.5(Y)	\$	\$	\$ 98.6
Receivables, less allowances	66.1				66.1
Prepaid expenses and other current assets	2.3	17.2(Z)			19.5
Assets held for sale	94.4	(94.4)(AA)			
Total current assets	169.9	14.3			184.2
Property, plant and equipment, net	1.8				1.8
Other noncurrent assets	0.2				0.2
Assets held for sale	54.8	(54.8)(BB)			
Total assets	\$ 226.7	\$ (40.5)	\$	\$	\$ 186.2

Liabilities and Shareowner's Deficit

Current liabilities					
Current portion of long-term debt	\$ 2.0	\$	\$	\$	\$ 2.0
Intercompany payable to Parent Company, net	1,501.0		56.5(FF)	72.2(JJ)	1,629.7
Accounts payable	4.2				4.2
Accrued service cost					
Accrued taxes	50.7				50.7
Accrued restructuring	35.3				35.3
Other current liabilities	61.6		(1.9)(GG)	(43.2)(KK)	16.5
Liabilities to be assumed in sale	133.7	(133.7)(CC)			

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As of March 31, 2003

Total current liabilities	1,788.5	(133.7)	54.6	29.0	1,738.4
Long-term debt, less current portion	269.8		(46.0)(HH)		223.8
Other noncurrent liabilities	31.9				31.9
Liabilities to be assumed in sale	284.8	(284.8)(DD)			
Total liabilities	2,375.0	(418.5)	8.6	29.0	1,994.1
12 ¹ / ₂ % Junior Exchangeable Preferred Stock; \$.01 par value	413.7			(413.7)(LL)	
Commitments and contingencies					
Shareowner's deficit					
Common stock, \$.01 par value; 100,000,000 shares authorized; 500,000 shares issued and outstanding at March 31, 2003					
Additional paid-in capital	2,859.9			384.7(MM)	3,244.6
Accumulated deficit	(5,421.9)	378.0(EE)	(8.6)(II)		(5,052.5)
Total shareowner's deficit	(2,562.0)	378.0	(8.6)	384.7	(1,807.9)
Total liabilities and shareowner's deficit	\$ 226.7	\$ (40.5)	\$	\$	\$ 186.2

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Notes to Unaudited Pro Forma Condensed Consolidated Financial Information

BRCOM Inc.

- (A) Reflects additional interest expense related to the amendment to the credit facilities for the revolving credit facility borrowings of BCSI Inc., a subsidiary of BRCOM. Pursuant to the credit facilities, the revolving credit facility interest rates increased to 425 basis points above LIBOR, an increase of 75 basis points compared to the revolver interest rates incurred prior to the amendment on March 26, 2003 on an average outstanding balance of \$213.0 million.
- (B) Reflects a decrease in revenue generated by the broadband business that was sold in connection with the broadband sale.
- (C) Reflects a decrease in cost of services incurred by the broadband business that was sold in connection with the broadband sale.
- (D) Reflects a decrease in selling, general and administrative expenses incurred by the broadband business that was sold in connection with the broadband sale.
- (E) Reflects a decrease in depreciation expense related to the broadband assets sold in connection with the broadband sale.

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- (F) Reflects an increase in minority interest expense related to the broadband sale.
- (G) Reflects a decrease in interest expense resulting from the BRCOM debt exchange offer calculated as \$46.0 million in principal amount at an annual interest rate of 9%.
- (H) There is no impact from the exchange offer on the statement of operations of BRCOM. Dividends on the BRCOM Preferred Stock are treated as preferred stock dividends at BRCOM and do not impact Loss from continuing operations before cumulative effect of change in accounting principle as presented.
- (I) Reflects the elimination of the income tax benefit associated with the assets that were divested pursuant to the broadband sale. The net adjustment to income tax expense is zero because the increase in income tax expense is offset by a corresponding decrease related to the reversal of the additional valuation allowance that was recorded against deferred tax assets associated with the broadband assets.
- (J) Reflects additional interest expense related to the amendment to the credit facilities for the revolving credit facility borrowings of BCSI Inc., a subsidiary of BRCOM. Pursuant to the credit facilities, the revolving credit facility interest rates increased to 425 basis points above LIBOR, an average increase of 175 basis points compared to the revolver interest rates incurred in 2002 on an average outstanding revolving credit facility balance of \$122.9 million.
- (K) Reflects a decrease in service revenue generated by the broadband business that was sold in connection with the broadband sale.
- (L) Reflects a decrease in product revenue generated by the broadband business that was sold in connection with the broadband sale.
- (M) Reflects a decrease in cost of services incurred by the broadband business that was sold in connection with the broadband sale.
- (N) Reflects a decrease in cost of products incurred by the broadband business that was sold in connection with the broadband sale.
- (O) Reflects a decrease in selling, general and administrative expenses incurred by the broadband business that was sold in connection with the broadband sale.

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- (P) Reflects a decrease in depreciation expense related to the broadband assets sold in connection with the broadband sale.
- (Q) Reflects a decrease in amortization expense related to the broadband assets sold in connection with the broadband sale.
- (R) Reflects a decrease in restructuring expense related to the broadband assets sold in connection with the broadband sale.
- (S) Reflects a decrease in asset impairments and other expense related to the broadband assets sold in connection with the broadband sale.
- (T) Reflects a decrease in gain on investments related to the broadband assets sold in connection with the broadband sale.
- (U) Reflects a decrease in other income related to the broadband assets sold in connection with the broadband sale.
- (V)

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Reflects a decrease in interest expense resulting from the BRCOM debt exchange offer calculated as \$46.0 million in principal amount at an annual interest rate of 9%.

(W)

There is no impact from the exchange offer on the statement of operations of BRCOM. Dividends on the BRCOM Preferred Stock are treated as preferred stock dividends at BRCOM and do not impact Loss from operations before cumulative effect of change in accounting principle as presented.

(X)

Reflects the elimination of the income tax benefit associated with the assets that were divested pursuant to the broadband sale. The net adjustment to income tax expense is zero because the increase in income tax expense is offset by a corresponding decrease related to the reversal of the additional valuation allowance recorded against deferred tax assets associated with the broadband assets.

(Y)

Reflects the \$91.5 million cash portion of the purchase price pursuant to the asset purchase agreement entered into on February 22, 2003 and as amended on June 6, 2003 and June 13, 2003. The purchase price is subject to certain purchase price adjustments based upon closing working capital and certain receivables collected. The sale is also subject to post-closing obligations based on historical capital expenditure amounts and future cash EBITDA minus capital expenditures performance. No adjustments have been made in the unaudited pro forma condensed consolidated financial information for these purchase price adjustments or post-closing obligations because such amounts are not determinable. Furthermore, the application of the proceeds from the sale has not been reflected.

The cash portion of the purchase price is subject to the following purchase price adjustments and post-closing obligations:

1)

The purchase price will be decreased if certain specified accounts receivable are not collected as set forth in the purchase agreement, up to a maximum decrease of \$7.5 million.

2)

The BRCOM selling subsidiaries budgeted the capital expenditures for the broadband assets to be sold to be \$18.0 million for the period from January 1, 2003 through June 13, 2003 (subject to certain adjustments). If the difference between 80% of the budgeted capital expenditures and the actual capital expenditures is greater than \$10.0 million, then the BRCOM selling subsidiaries will pay the amount in excess of \$10.0 million to the buyers in cash. If the difference between 80% of the budgeted capital expenditures and the actual capital expenditures is less than \$10.0 million, then the buyers will pay the amount less than \$10.0 million to the BRCOM selling subsidiaries in cash. The parties will settle the capital expenditures adjustment within 60 days after the first stage closing. The maximum payment, or decrease in purchase price, assuming no capital expenditures

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during the period, would be \$4.4 million (calculated as 80% of \$18.0 million minus \$10.0 million).

3)

If annual cash EBITDA minus capital expenditures for the period from July 1, 2003 to July 1, 2004 is negative \$48.0 million or less, the BRCOM selling subsidiaries will pay to the buyers an amount equal to 35% of the difference between negative \$48.0 million and the amount of annual cash EBITDA minus capital expenditures, provided that the obligation for such reimbursement, or decrease in purchase price, will not exceed \$10.0 million.

(Z)

Reflects the \$17.2 million preliminary promissory note portion of the purchase price pursuant to the asset purchase agreement entered into on February 22, 2003, as amended as of June 6, 2003 and June 13, 2003. The promissory note will bear interest at 8% and is payable on June 13, 2004. The promissory note portion of the purchase price will be increased or decreased by the amount that the actual working capital amount exceeds or is less than the working capital promissory note. We expect the final promissory note to be in the range of \$0 to \$5.0 million, which corresponds with the decrease in working capital from March 31, 2003 through the date of the first stage closing. The application of the proceeds from the sale has not been reflected. Interest related to the note receivable has not been reflected in the unaudited pro forma condensed financial information, as the amount is immaterial.

(AA)

Reflects the sale of assets of the broadband business. Current assets held for sale are comprised of the following:

Accounts receivable	\$ 82.8
Materials and supplies	0.4
Prepaid expenses and other current assets	11.2
	<hr/>
Total current assets held for sale	\$ 94.4

(BB)

Reflects the sale of assets of the broadband business. Noncurrent assets held for sale are comprised of the following:

Property, plant and equipment	\$ 48.0
Other noncurrent assets	6.8
	<hr/>
Total noncurrent assets held for sale	\$ 54.8

(CC)

Reflects the assumption of liabilities by the buyer of the broadband business. Current liabilities to be assumed in the sale are comprised of the following:

Capital lease obligations	\$ 1.5
Accounts payable	63.0
Current portion of unearned revenue and customer deposits	51.3
Other current liabilities	17.9
	<hr/>
Total current liabilities to be assumed in sale	\$ 133.7

(DD)

Reflects the assumption of liabilities by the buyer of the broadband business. Long-term liabilities to be assumed in the sale are comprised of the following:

Capital lease obligations	\$ 0.6
Unearned revenue, less current portion	284.1
Other noncurrent liabilities	0.1
	<hr/>
Total noncurrent liabilities to be assumed in sale	\$ 284.8

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(EE)

Reflects the anticipated gain on disposition of the broadband assets as follows:

Short-term liabilities to be assumed in sale	\$ 133.7
Long-term liabilities to be assumed in sale	\$ 284.8
Sale proceeds	\$ 108.7
Less: Current assets held for sale	\$ (94.4)
Less: Non-current assets held for sale	\$ (54.8)

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Gain on sale of assets \$ 378.0

- (FF) Reflects the increase in the intercompany note payable to Cincinnati Bell based on the fair value of Cincinnati Bell Common Stock to be issued in the BRCOM debt exchange offer. The fair value of the Cincinnati Bell Common Stock is based on a share price of \$5.10 per share of Cincinnati Bell Common Stock, the share price as of May 30, 2003. A 10% movement in the share price would cause the intercompany note payable to fluctuate by \$5.7 million.
- (GG) Reflects the decrease in accrued interest as of the balance sheet date assuming the BRCOM debt exchange offer was consummated on the balance sheet date.
- (HH) Reflects the \$46.0 million carrying value of the 9% Notes as of the balance sheet date that will be settled in shares of Cincinnati Bell Common Stock upon consummation of the BRCOM debt exchange offer. Non-recurring investment banking and legal fees of \$0.5 million have not been reflected in the unaudited pro forma condensed consolidated financial information for BRCOM as Cincinnati Bell Inc. is responsible for the fees.
- (II) Reflects the net loss that will be incurred upon consummation of the BRCOM debt exchange offer assuming a share price of \$5.10 per share of Cincinnati Bell Common Stock, the trading price as of the date of May 30, 2003. A 10% movement in the Cincinnati Bell Common Stock share price would cause the net gain or loss upon consummation to fluctuate by \$5.7 million. The loss on the BRCOM debt exchange offer has not been reflected in the unaudited pro forma condensed consolidated statement of operations, as it is a non-recurring item.
- (JJ) Reflects the increase in the intercompany note payable to Cincinnati Bell based on the fair value of Cincinnati Bell Common Stock to be issued in connection with the exchange offer. The fair value of the stock issued by Cincinnati Bell is based on a share price of \$5.10 per share of Cincinnati Bell Common Stock, the share price as of May 30, 2003. A 10% movement in the share price would cause the intercompany note payable to fluctuate by \$7.2 million.
- (KK) Reflects the decrease in dividends payable on the BRCOM Preferred Stock as of the balance sheet date assuming the exchange offer had been consummated on the balance sheet date.
- (LL) Reflects the decrease in the carrying value of the BRCOM Preferred Stock that will be settled in shares of Cincinnati Bell Common Stock upon consummation of the exchange offer.
- (MM) Reflects the additional-paid-in capital that will be recorded upon consummation of the exchange offer assuming a share price of \$5.10 per share of Cincinnati Bell Common Stock, the share price as of May 30, 2003. The additional-paid-in-capital is calculated as follows:

BRCOM Preferred Stock	\$	413.7
Dividends payable on BRCOM Preferred Stock		43.2
Less: Intercompany payable to parent at fair value of Cincinnati Bell Common Stock issued		(72.2)
		384.7

Additional paid-in capital

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The comparative stock price and dividend information should be read in conjunction with the audited and unaudited historical financial statements of Cincinnati Bell and BRCOM, including the related notes, incorporated by reference into this prospectus and solicitation statement, and "Selected Historical Consolidated Financial Data." See "Where You Can Find More Information."

Cincinnati Bell Common Stock and BRCOM Preferred Stock are both listed on the NYSE. Cincinnati Bell Common Stock trades under the symbol "CBB," and BRCOM Preferred Stock trades under the symbol "IXK-NA-09." The trading market for shares of BRCOM Preferred Stock is limited and sporadic, and prices may fluctuate significantly depending on the volume of trading in the shares and the balance between buy and sell orders for the shares. The following table shows, for the calendar quarters indicated, based on published financial sources (1) the high and low sales prices per share of Cincinnati Bell Common Stock as reported on the New York Stock Exchange Composite Transaction Tape, (2) the high and low sales prices per share of BRCOM Preferred Stock as reported on Advantage Data, an automated electronic quotation system, and (3) the cash dividends per share of each of Cincinnati Bell Common Stock and BRCOM Preferred Stock.

	Cincinnati Bell Common Stock			BRCOM Preferred Stock		
	High	Low	Dividend	High	Low	Dividend
2002:						
First Quarter	\$ 10.55	\$ 5.55		\$ 620.00	\$ 480.00	\$ 31.25
Second Quarter	8.60	2.09		590.00	260.00	31.25
Third Quarter	3.43	1.80		500.00	250.00	
Fourth Quarter	4.26	1.15		450.00	97.50	
2003						
First Quarter	\$ 4.95	\$ 3.43		\$ 92.50	\$ 42.50	
Second Quarter	6.80	3.71		166.25	116.25	
Third Quarter (through July 15, 2003)	7.25	6.82		216.25	216.25	

As of July 15, 2003, the last reported closing price per share of Cincinnati Bell Common Stock was \$6.93 and the last reported closing price per share of BRCOM Preferred Stock was \$216.25. The trading prices of shares of Cincinnati Bell Common Stock and BRCOM Preferred Stock are subject to fluctuation. You are urged to obtain current market quotations.

At March 31, 2003, there were approximately 94,000 holders of record of Cincinnati Bell Common Stock and approximately 25 holders of record of BRCOM Preferred Stock.

Cincinnati Bell's Dividend Policy

The holders of Cincinnati Bell Common Stock receive dividends if and when declared by our board of directors out of legally available funds. We have not paid a dividend on Cincinnati Bell Common Stock since 1999 and do not anticipate paying dividends on Cincinnati Bell Common Stock in the foreseeable future. Furthermore, our future ability to pay dividends is restricted by certain covenants and agreements pertaining to outstanding indebtedness.

Information Relating to BRCOM Preferred Stock Dividends

The BRCOM Preferred Stock has cumulative preferential quarterly cash dividends accrued at the annual rate of 12¹/₂% of the liquidation preference for such stock through the mandatory redemption date of August 15, 2009. Dividends of \$24.7 million and \$49.4 million, or \$62.50 and \$125.00 per share, were declared and paid in 2002 (through May 15, 2002) and 2001, respectively. Recently, BRCOM deferred the declaration and payment of the quarterly dividends due August 15, 2002, November 15, 2002, February 15, 2003 and May 15, 2003 and anticipates deferring the payment of the quarterly dividends due August 15, 2003. At March 31, 2003, accumulated, undeclared and unpaid dividends on the BRCOM Preferred Stock totaled approximately \$43.2 million or \$109.31 per share. You will not be paid any accumulated, undeclared and unpaid dividends if you exchange your shares of BRCOM Preferred Stock pursuant to the exchange offer.

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Beginning with our acquisition of all of the common stock of BRCOM in November 1999, we have pursued a strategy of building an integrated high capacity communications network by using our financial resources to leverage BRCOM's strategic assets. From the the acquisition of BRCOM to March 31, 2003, we used approximately \$2.3 billion of cash flow from our other businesses as well as borrowings under our credit facilities to finance the buildout and increase the capacity of BRCOM's national optical network, as well as to meet BRCOM's other cash needs.

In 1999, 2000 and 2001, capital expenditures by BRCOM in connection with the buildout of its network were \$644.1 million (\$479.1 million of which were made prior to our acquisition of BRCOM), \$599.9 million and \$472.0 million, respectively. By the end of 2001, BRCOM had largely completed the buildout of its network. For 2002, capital expenditures by BRCOM were \$64.9 million, primarily reflecting the maintenance and optimization of BRCOM's network. For the first quarter of 2003, BRCOM's capital expenditures totaled \$0.5 million, compared to \$26.8 million for the first quarter of 2002.

In 2001, the business environment for BRCOM and the broader telecommunications industry deteriorated rapidly and significantly and currently remains weak. This was primarily due to: the general weakness in the U.S. economy, which was exacerbated by the events of September 11, 2001, and concerns regarding terrorism; pressure on prices for broadband services due to substantial excess fiber capacity in most markets, and forecasted demand for broadband services not being realized as a result of the state of the economy, the bankruptcy or liquidation of a substantial number of Internet companies, and financial difficulties experienced by many of BRCOM's telecommunications carrier customers.

Prior to and since our acquisition of BRCOM, BRCOM has incurred substantial operating and net losses and used cash in operating activities. In 2000 and 2001, BRCOM had operating losses of \$225.7 million and \$502.1 million, respectively, net losses of \$464.6 million and \$388.4 million, respectively, and net cash used in operating activities of \$32.7 million and \$111.4 million, respectively. For 2002, BRCOM had operating losses of \$2.4 billion and net losses of \$4.5 billion and net cash used in operating activities of \$94.9 million. For the first quarter of 2003, BRCOM had an operating income of \$9.8 million and net income of \$11.4 million and net cash used in operating activities of \$32.2 million. BRCOM's operating and net losses in 2001 and 2002 included charges relating to restructuring plans of \$73.9 million and \$32.6 million, respectively. In addition, in accordance with Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets", as a result of, among other things, the deterioration of BRCOM's business described above, we determined that the goodwill of BRCOM was impaired as of January 1, 2002 and we recorded an impairment charge of \$2.0 billion, net of taxes, in the second quarter of 2002. In addition, in accordance with Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", we recorded a noncash pre-tax asset impairment charge of approximately \$2.2 billion relating to BRCOM in the results for the fourth quarter of 2002.

To finance BRCOM's capital expenditures and operating activities, as well as its preferred stock dividends and repayments of long-term debt from the acquisition of BRCOM to March 31, 2003, we made capital contributions of approximately \$829 million contributions and intercompany loans of approximately \$1.5 billion. We have financed these capital contributions and intercompany loans from cash flow from our Cincinnati Bell Telephone and Cincinnati Bell Wireless businesses, as well as through borrowings under our credit facilities. In 2000 and 2001, BRCOM received intercompany loans from us of \$532.7 million and \$479.5 million, respectively, received capital contributions from us of \$520.5 million and \$65.3 million, respectively, and made direct borrowings under our credit facilities of \$0 and \$42.0 million, respectively. For 2002, BRCOM received intercompany loans from us of \$23.3 million, received \$1.9 million in capital contributions from us, and made borrowings under our credit facilities of \$151.0 million. For the first quarter of 2003, BRCOM received intercompany loans from us

of \$8.3 million. As of March 31, 2003, \$1,501.0 million was outstanding under the intercompany note from us to BRCOM. As a result of those loans and the effects of a weak U.S. economy and telecommunications industry, we have incurred a substantial amount of debt.

The Restructuring Plan and Recent Developments

In response to BRCOM's deteriorating financial results and concerns over our liquidity, in October 2002 we announced a five-point restructuring plan. The restructuring plan is intended to strengthen our financial position, maintain the strength and stability of our local telephone business, reduce the cash expenditures at BRCOM, facilitate the evaluation of strategic alternatives and reduce our debt balances over time. We have made substantial progress in implementing the restructuring plan. To date, we have completed the first and second stages of the sale of our broadband business, secured additional sources of capital, amended our credit facilities, entered into a supplemental indenture amending the terms of our Convertible Subordinated Notes and are in the process of exchanging and retiring preferred stock and debt at BRCOM.

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To this end, on October 29, 2002, we announced our intention to restructure BRCOM to reduce its expenses by approximately \$200 million per year and enable it to become cash flow positive. We have targeted telecommunication line cost reductions of 25% over a six-month period through network grooming, optimization, and rate negotiations; reduced BRCOM's workforce by 500 positions; and significantly reduced activity related to BRCOM's unprofitable wholesale international voice business. In addition, Cincinnati Bell Telephone initiated a restructuring to realign sales and marketing to better focus on enterprise customers. The plan includes initiatives to reduce the workforce by approximately 38 positions. We recorded a restructuring charge of approximately \$15 million during the fourth quarter of 2002 related to employee severance benefits and contract terminations.

Below is a summary of recent developments in connection with our restructuring plan.

Sale of our broadband business

On February 22, 2003, we entered into a definitive agreement to sell our broadband business by agreeing to sell substantially all of the operating assets of certain of BRCOM's operating subsidiaries to C III Communications, LLC and C III Communications Operations, LLC for approximately \$129.3 million in cash, subject to certain purchase price adjustments, and the assumption of certain liabilities and operating contractual commitments. On June 6, 2003 and June 13, 2003, we amended the agreement for the sale of our broadband business to, among other things, reduce the purchase price to \$108.7 million (which at the first stage closing was paid in \$91.5 million of cash and a \$17.2 million preliminary promissory note and at the second stage closing in \$10.3 million of cash, as described below), subject to certain potential purchase price adjustments and other post-closing obligations, and the assumption of certain liabilities and operating contractual commitments, and to eliminate certain of the conditions to the consummation of the first stage closing of the sale. The purchase price is subject to certain purchase price adjustments based upon closing working capital and certain receivables collected and amounts have been placed into escrow to support the working capital and receivables purchase price adjustments as well as the portion of the purchase price payable upon the consummation of the second and third stage closings. The sale is also subject to post-closing obligations based upon historical capital expenditure amounts and future cash EBITDA minus capital expenditures performance.

On June 13, 2003, the first stage closing of the sale of our broadband business was consummated and the buyers paid \$91.5 million in cash, of which \$29.3 million was placed into escrow to support the working capital and receivables purchase price adjustments as well as the portion of the purchase price payable upon the consummation of the second and third stage closings, and issued to us a \$17.2 million preliminary promissory note as described below. On July 8, 2003, we consummated the second stage closing of the sale of our broadband business and \$10.3 million of the \$29.3 million placed into escrow at the first stage closing was paid to us in cash. After the second stage closing, \$19.0 million remains in

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escrow to support the working capital and receivables purchase price adjustments and the portion of the purchase price payable upon the consummation of the third stage closing.

The buyers and the BRCOM selling subsidiaries have estimated and mutually agreed upon the amount that the buyers may owe as a result of the working capital purchase price adjustment at the closing date. In connection with the working capital estimate, the buyers delivered to the BRCOM selling subsidiaries a preliminary promissory note in a principal amount equal to \$17.2 million, bearing 8% interest and payable on June 13, 2004. The purchase price will be increased or decreased by the amount that the actual working capital amount exceeds or is less than the working capital promissory note. This purchase price adjustment is supported by escrowed proceeds of \$5.0 million.

The purchase price will be decreased if certain specified accounts receivables are not collected as set forth in the purchase agreement, up to a maximum decrease of \$7.5 million. This purchase price adjustment is supported by \$3.75 million of escrowed proceeds.

Furthermore, the BRCOM selling subsidiaries budgeted the capital expenditures for the broadband assets sold to be \$18.0 million for the period from January 1, 2003 through June 13, 2003 (subject to certain adjustments). If the difference between 80% of the budgeted capital expenditures and the actual capital expenditures is greater than \$10 million, then the BRCOM selling subsidiaries will pay the amount in excess of \$10 million to the buyers in cash. If the difference between 80% of the budgeted capital expenditures and the actual capital expenditures is less than \$10 million, then the buyers will pay the amount less than \$10 million to the BRCOM selling subsidiaries in cash. The parties will settle the capital expenditures adjustment within 60 days after the first stage closing.

Not more than 30 days after July 1, 2004, the buyers will provide the BRCOM selling subsidiaries with a calculation of cash EBITDA minus capital expenditures for the broadband business for the period from July 1, 2003 to July 1, 2004. If annual cash EBITDA minus capital expenditures for such period is negative \$48 million or less, the BRCOM selling subsidiaries will pay to the buyers an amount equal to 35% of the difference between negative \$48 million and the amount of annual cash EBITDA minus capital expenditures, provided that the obligation for

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such reimbursement will not exceed \$10 million. The BRCOM selling subsidiaries will have no obligation to make the foregoing payment if, after the first stage closing, the buyers sell 51% or more of the equity or voting control of C III or the assets acquired in the broadband sale.

In addition, pursuant to the purchase agreement, approximately \$10.2 million of the \$108.7 million purchase price remains in an escrow account pending the third stage closing as support for the portion of the purchase price that the buyers are obligated to pay at the third stage closing.

The BRCOM selling subsidiaries and the buyers have agreed that 50% of the proceeds received by the BRCOM selling subsidiaries in connection with the settlement of two on-going disputes will be paid to the buyers. Also, if the BRCOM selling subsidiaries prevail in an arbitration dispute with El Paso Global Networks and receive a 20-year IRU agreement on a certain fiber route, then the BRCOM selling subsidiaries will provide to the buyers, at no cost, a 20-year IRU agreement to use that same fiber route. If the BRCOM selling subsidiaries do not prevail in that dispute, the buyers and the BRCOM selling subsidiaries will each bear 50% of the costs of the buyers obtaining a 20-year IRU agreement on that fiber route.

BCSI Inc, a subsidiary of BRCOM, will retain a 3% interest in C III Communications, LLC and will account for its investment in that company as a cost-based investment. The carrying value of the current and long-lived assets to be purchased totaled \$94.4 million and \$54.8 million, respectively, as of March 31, 2003. The carrying value of the current and long-term liabilities to be assumed totaled \$133.7 million and \$284.8 million, respectively, as of March 31, 2003. The contractual commitments to be assumed include certain operating contractual commitments that are not included in the balance sheets.

The sale of our broadband business will be completed in three stages. The first stage closing was completed on June 13, 2003 when the BRCOM selling subsidiaries transferred substantially all of our

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broadband assets except for those for which state regulatory approval for transfer was still pending. At the first stage closing, we had received regulatory approval in states where approximately 75% of the revenue of the broadband business were generated. The second stage closing was completed on July 8, 2003. After the first and second stage closings, the BRCOM selling subsidiaries have transferred assets in states representing approximately 87.5% of our 2002 broadband revenue to the buyers.

The third stage closing will take place after the last state public utility commission consents necessary to effectuate the transfer of customer contracts have been obtained. The respective obligations of the buyers and the BRCOM selling subsidiaries to effect the third stage closing are subject to there not being an injunction or other court order prohibiting the consummation of the transactions contemplated by the purchase agreement to occur on the third stage closing date.

The purchase agreement may be terminated at any time prior to the third stage closing by:

mutual written consent of the BRCOM selling subsidiaries and the buyers; and

the BRCOM selling subsidiaries or the buyers, if there is a non-appealable injunction or order of a governmental body prohibiting the sale of our broadband business.

Each party will pay its own costs and expenses, including legal and accounting expenses, related to the sale of our broadband business, irrespective of when incurred and whether or not the sale of our broadband business is completed.

Cincinnati Bell and the BRCOM selling subsidiaries have agreed that for a period of 36 months following the first stage closing, except under certain enumerated circumstances, none of Cincinnati Bell or any of the BRCOM selling subsidiaries will directly or indirectly (and Cincinnati Bell and the BRCOM selling subsidiaries will use their commercially reasonable efforts to cause their respective affiliates not to):

- (i) compete (as defined in the purchase agreement) with the broadband businesses sold pursuant to the purchase agreement within the continental U.S.; or
- (ii)

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solicit, divert or attempt to solicit or divert a customer or supplier, unless the customer or supplier does not compete with the broadband businesses sold pursuant to the purchase agreement.

In addition, Cincinnati Bell and the BRCOM selling subsidiaries have agreed that for a period of 36 months following the third stage closing, neither they nor any of their respective affiliates (other than any directors, officers or employees of Cincinnati Bell, the BRCOM selling subsidiaries or their respective affiliates provided not in their capacity as such) will directly or indirectly solicit for employment or hire as an employee or consultant, any employee of BRCOM or the BRCOM selling subsidiaries who works primarily in the broadband business and who accepts the employment offer of the buyers pursuant to the terms of the purchase agreement or other employees of the buyers or their affiliates engaged in the broadband business unless such employee's employment is previously terminated by the buyers.

In connection with the purchase agreement, the buyers and BRCOM selling subsidiaries entered into several additional commercial and services agreements, including an agreement whereby the buyers will sell long distance minutes at wholesale rates for resale by Cincinnati Bell Any Distance Inc. to business and residential customers in certain territories, a sales agency agreement for the marketing by Cincinnati Bell Telephone of the buyers' services in certain territories, a reciprocal collocation agreement for the accommodation of existing network equipment or other facilities, a dedicated IP services agreement whereby the buyers will provide dedicated IP services to Cincinnati Bell Technology Solutions Inc. and a services agreement whereby Cincinnati Bell Technology Solutions Inc. will provide help desk support to the buyers. After the first stage closing, the buyers have the right (but not the obligation) to enter into certain collateral services agreements with the BRCOM selling subsidiaries on terms to be mutually acceptable to the buyers and the BRCOM selling subsidiaries.

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Except for certain liabilities specifically identified in the purchase agreement, the BRCOM selling subsidiaries, jointly and severally, on one hand, and the buyers, on the other hand, (the BRCOM selling subsidiaries or the buyers, whichever has the obligation to indemnify, is the "indemnifying party") have agreed to indemnify the other party and its affiliates and any employee, representative, agent, director, officer, partner, member or principal, as applicable, or the assign of such party and its affiliates (each, an "indemnified party") from and against all claims related to or arising out of or resulting from, liabilities, losses, damages, costs and expenses (including reasonable attorneys', accountants' and experts' fees and costs, and costs and expenses of establishing entitlement to indemnification) (collectively, "losses") incurred by any indemnified party related to, or arising out of or resulting from:

- (i) any breach of or inaccuracy in any representation or warranty of the indemnifying party in the purchase agreement or any collateral agreement; or
- (ii) the breach by the indemnifying party of any covenant or agreement of that party contained in the purchase agreement or any collateral agreement.

The BRCOM selling subsidiaries and the buyers will not have any liability for any losses arising from claims under clause (i) of the preceding sentence (other than claims or losses with respect to representations and warranties related to title, authorization or tax matters or related to brokers' or similar fees) (collectively, the "specified claims"), unless the aggregate of all losses for which the BRCOM selling subsidiaries or the buyers, respectively, would be liable exceeds on a cumulative basis \$500,000, provided that in the event such losses exceed \$500,000, the liability will be from the first dollar of losses. The BRCOM selling subsidiaries' or the buyers' respective aggregate liability for:

- (i) all losses arising from specified claims and claims with respect to certain consents to be obtained by the BRCOM selling subsidiaries will not exceed 50% of the purchase price;
- (ii) all losses arising from representations and warranties related to title and authorization matters will not exceed the purchase price (provided that the BRCOM selling subsidiaries' or buyers' respective aggregate liability under clauses (i) and (ii) will not exceed the purchase price); and
- (iii) all losses arising from representations and warranties related to tax matters or related to brokers' or similar fees will not be subject to any limitations.

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The representations and warranties of the buyers and the BRCOM selling subsidiaries in the purchase agreement and any collateral agreements will survive the first stage closing for 18 months, except the environmental warranties will survive for three years, tax warranties will survive for the applicable statutes of limitations plus 90 days and title and authorization warranties will survive forever.

The BRCOM selling subsidiaries have further agreed jointly and severally to indemnify the buyers and any other indemnified party of the buyers from and against losses relating to any of BRCOM's assets and liabilities excluded from the purchase agreement, certain litigation, consents and other matters, certain taxes of the BRCOM selling subsidiaries and the failure of the BRCOM selling subsidiaries to comply with the provisions of any bulk transfer laws which may be applicable. The buyers have agreed jointly and severally to indemnify the BRCOM selling subsidiaries and any other indemnified party of the BRCOM selling subsidiaries from and against losses relating to the liabilities and obligations assumed and businesses acquired pursuant to the purchase agreement, certain taxes for which the buyers are responsible, liabilities and obligations with respect to the conduct of the broadband business after the first stage closing, to the extent arising out of, or resulting from, facts, events or circumstances occurring after the first stage closing (other than due to any failure to comply or breach of any of the BRCOM selling subsidiaries or any of their affiliates, whether before, on or after the first stage closing) and any third party claims arising out of the buyers' election to effect the third stage closing prior to the date on which the last FCC and the last state public utility commission consents necessary to effect transfer of the remaining assets have been obtained.

In connection with the purchase agreement, we agreed to deliver a parent guaranty in favor of the buyers, guaranteeing:

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- (1) all payments required to be made by the BRCOM selling subsidiaries under the purchase agreement; and
- (2) the performance and observance and compliance with all covenants, agreements, obligations, liabilities, representations and warranties of the BRCOM selling subsidiaries under the purchase agreement.

Also, we agreed to be jointly and severally liable with the BRCOM selling subsidiaries for their agreement to:

- (1) (a) retire the 9% Notes and the 12¹/₂% Notes or (b) to obtain a consent and/or waiver from holders of the 9% Notes and the 12¹/₂% Notes with respect to the sale of our broadband business; and
- (2) use their best efforts to retire or exchange the BRCOM Preferred Stock or to obtain any necessary consents and/or waivers from the holders of the BRCOM Preferred Stock with respect to the sale of our broadband business.

Cincinnati Bell's liability under its guaranty will not exceed the BRCOM selling subsidiaries' underlying liability pursuant to the purchase agreement.

In connection with the purchase agreement, Corvis Corporation, the majority owner of the buyers, also delivered a parent guaranty in favor of the BRCOM selling subsidiaries, guaranteeing:

- (1) the payment by the buyers of the purchase price; and
- (2) the performance and observance and compliance with all covenants, agreements, obligations, liabilities, representations and warranties of the buyers under the purchase agreement.

Corvis Corporation's liability under its guaranty will not exceed the buyers' underlying liability pursuant to the purchase agreement.

After the third stage closing, the Broadwing name will be the sole and exclusive property of the buyers or their affiliates. The BRCOM selling subsidiaries and their affiliates (including Cincinnati Bell and BRCOM) have agreed to amend their corporate names to remove the Broadwing name or any similar name likely to be confused or associated with the Broadwing name, and before the third stage closing they will make commercially reasonable efforts to cause the registration of the new names with the appropriate governmental bodies. As such, on May 16, 2003, we changed our name from "Broadwing Inc." to "Cincinnati Bell Inc." and our subsidiaries changed their names, where applicable, to

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remove the Broadwing name. In addition to the corporate name change, the BRCOM selling subsidiaries and their affiliates will cease using the Broadwing name, except in certain limited circumstances.

Under the amended terms of our credit facilities, the proceeds from the sale of our broadband business may be used to pay BRCOM's remaining liabilities and claims not assumed by the buyers. Any remaining net proceeds will be applied 60% to prepay our credit facilities and 40% to pay certain of BRCOM's other obligations, provided that, in the event of a bankruptcy of BRCOM or any of its subsidiaries, 100% of any such remaining net proceeds will be applied to prepay our credit facilities. If there are any proceeds remaining after those BRCOM obligations have been satisfied, those amounts must be applied to pay down Cincinnati Bell's credit facilities.

Upon the recording of the sale of our broadband business, we expect our pretax U.S. federal net operating loss carryforwards to increase to approximately \$2.1 billion, or \$735 million tax effected, with little or no expected impact on the total net deferred tax asset and valuation allowance.

Goldman Mezzanine Financing

On March 26, 2003, we received \$350 million of gross cash proceeds from the issuance of 16% Notes as part of the Goldman mezzanine financing. Also as part of the Goldman mezzanine financing, we issued 17.5 million warrants, each to purchase one share of Cincinnati Bell Common Stock at \$3.00

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per share, to the purchasers of the 16% Notes. The 16% Notes indenture contains numerous restrictive covenants, including provisions that restrict our ability to make future investments or other cash infusions in BRCOM and its subsidiaries and impose legal and operational separations between BRCOM and its subsidiaries, on one hand, and us and any of our other subsidiaries, on the other hand. These covenants are intended to reduce the likelihood that in a Chapter 11 bankruptcy proceeding in which either Cincinnati Bell or BRCOM is the debtor, a court would disregard the corporate separation between Cincinnati Bell or BRCOM and cause the substantive consolidation of the assets of the two companies. As of May 31, 2003, we had the ability to invest an additional \$30.7 million in BRCOM based on these provisions.

See "Description of Cincinnati Bell and BRCOM Indebtedness - Cincinnati Bell 16% Senior Subordinated Discount Notes due 2009" for a more complete description of the Goldman mezzanine financing.

Amendment to the Terms of Our Credit Facilities

On March 26, 2003, we permanently prepaid \$220 million in borrowings under our term and revolving credit facilities and made a \$90 million payment under our revolving credit facility with the net cash proceeds from the Goldman mezzanine financing and amended the terms of our credit facilities to provide us with greater liquidity for our operations. The amendment extended the maturity on our \$643.6 million revolving credit facility to March 1, 2006 and changed the scheduled commitment reductions under the revolving credit facility to be limited to four equal quarterly reductions of \$50 million each in 2005 in an aggregate amount equal to \$200 million in 2005. The remainder of the revolving credit facility will mature on March 1, 2006. The amendment also permits the sale of our broadband business under the credit facilities, but requires us to apply 60% of the remaining net cash proceeds (after the payment of BRCOM's remaining liabilities not assumed by the buyers) from the sale of our broadband business to prepay the credit facilities and 40% to pay certain of BRCOM's other obligations, provided that, in the event of a bankruptcy of BRCOM or any of its subsidiaries, 100% of any such remaining net proceeds must be applied to prepay of credit facilities.

The amendment contains numerous restrictions, similar to those contained in the 16% Notes indenture, on our ability to make future investments or other cash infusions in BRCOM and its subsidiaries and imposes corporate separateness covenants that require us to maintain legal and operational separation between BRCOM and its subsidiaries, on one hand, and Cincinnati Bell and its other subsidiaries, on the other hand. The financial covenants were adjusted to, among other things, exclude BRCOM and its subsidiaries from the calculations and the amendment provided that BRCOM and its subsidiaries will be prohibited from making any additional borrowings under the credit facilities. The corporate separateness covenants require, among other things, that Cincinnati Bell and its subsidiaries, on one hand, and BRCOM and its subsidiaries, on the other hand:

maintain separate bank accounts;

do not commingle funds;

issue separate financial statements;

refrain from assuming or guaranteeing the liabilities of the other group of companies; and

conduct their business in their own respective names and avoid the appearance of conducting business on behalf of other group of companies.

These covenants are intended to reduce the likelihood that in a Chapter 11 bankruptcy proceeding in which either Cincinnati Bell or BRCOM is the debtor, a court would disregard the corporate separation between Cincinnati Bell or BRCOM and cause the substantive consolidation of the assets of the two companies. The exchange offer is expressly exempted from the corporate separateness covenants; however, these covenants would restrict the ability of Cincinnati Bell or its subsidiaries to issue their stock to pay BRCOM's liabilities in the future.

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As part of the amendment to the terms of our credit facilities, the interest rate increased to 425 basis points above LIBOR on the revolving credit facility and 375 basis points above LIBOR on the term loan facilities. The commitment fee for the unused portion of the revolving credit facility was increased to 0.625% at all levels of usage and we paid an amendment fee in connection with the changes to the credit facilities in amounts equal to 75 basis points for the revolving credit facility and 37.5 basis points for each of the term loan A, B, and C credit facilities.

See "Description of Cincinnati Bell and BRCOM Indebtedness Credit Facilities" for a more complete description of the amended terms of the credit facilities.

Convertible Subordinated Notes Supplemental Indenture

On March 26, 2003, we executed a supplemental indenture in respect of the Convertible Subordinated Notes. The supplemental indenture amended certain terms of the Convertible Subordinated Notes indenture, including:

providing that the involuntary or voluntary bankruptcy of BRCOM or its subsidiaries shall not constitute an event of default;

providing that neither the sale of our broadband business nor any other sale of the operating assets of BRCOM and/or its subsidiaries shall constitute a change of control;

providing that neither the sale of our broadband business nor any other sale of the operating assets of BRCOM and/or its subsidiaries shall be governed by the merger covenant;

adjusting the rate of accretion on the Convertible Subordinated Notes to 9.00% per annum from March 26, 2003 through July 21, 2004 and 2.25% per annum from July 21, 2004 to July 21, 2009;

providing us with the option to pay cash interest in lieu of the 2.25% accretion from July 21, 2004;

extending the first optional redemption date from July 21, 2004 to July 21, 2005 and increasing the optional redemption prices;

adding a covenant restricting our and our restricted subsidiaries ability to incur debt and issue preferred stock;

adding a covenant restricting our and our restricted subsidiaries' ability to consummate asset dispositions; and

amending the definition of change of control by increasing the outstanding threshold deemed to be a change of control from 20% of the outstanding shares to 45% of the outstanding shares.

See "Description of Cincinnati Bell and BRCOM Indebtedness Cincinnati Bell Convertible Subordinated Notes" for a more complete description of the terms of the Convertible Subordinated Notes.

BRCOM debt exchange offer

Concurrent with the exchange offer and consent solicitation, we are also offering to exchange 11,076,707 shares of Cincinnati Bell Common Stock for approximately \$46 million aggregate principal amount of 9% Notes outstanding, which is equal to 241.06 shares of Cincinnati Bell Common Stock for each \$1,000 aggregate principal amount of 9% Notes. The BRCOM debt exchange offer is conditioned, among other things, upon us receiving tenders with respect to 95% of the aggregate principal amount outstanding of the 9% Notes. On March 24, 2003, we entered into an exchange and voting agreement with holders of the 9% Notes representing \$42.375 million principal amount, or approximately 92.2% of the aggregate principal amount outstanding, of the 9% Notes, pursuant to which each of those holders agreed to tender all of their 9% Notes in the BRCOM debt exchange offer. The expiration date of the BRCOM debt exchange offer is expected to be _____, 2003. The consummation of the BRCOM debt exchange offer is not a condition to the consummation of the exchange offer and consent solicitation.

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Retirement of BRCOM 12 1/2% Notes

On June 16, 2003, we permanently retired BRCOM's remaining \$0.8 million aggregate principal amount outstanding of 12 1/2% Senior Notes due 2005 (as described in "Description of Cincinnati Bell and BRCOM Indebtedness BRCOM 12 1/2% Senior Notes due 2005").

Issuance of Cincinnati Bell 7 1/4% Senior Notes due 2013

On July 11, 2003, we issued \$500 million aggregate principal amount of 7 1/4% Senior Notes due 2013. The net proceeds from that offering totaled approximately \$488.3 million and were used to repay borrowings and permanently reduce commitments under our term loan credit facilities and our revolving credit facility.

See "Description of Cincinnati Bell and BRCOM Indebtedness Cincinnati Bell 7 1/4% Senior Notes due 2013."

Consequences for BRCOM

BRCOM conducts substantially all of its operations through its subsidiaries and is dependent upon dividends or other intercompany transfers of funds from its subsidiaries in order to meet its obligations. Following the completion of the remaining portion of the sale of our broadband business, the only remaining BRCOM subsidiaries with operating assets will be Cincinnati Bell Technology Solutions Inc., an information technology consulting subsidiary, and Cincinnati Bell Any Distance Inc., a subsidiary whose assets service Cincinnati Bell's long distance business. See "Unaudited Pro Forma Condensed Consolidated Financial Information BRCOM Inc." for BRCOM's pro forma results of operations and balance sheet after giving effect to the sale of our broadband business.

However, upon the completion of the sale of our broadband business, BRCOM will retain substantial liabilities. The carrying value of the current and long-term liabilities to be retained totaled \$1,654.8 million and \$301.7 million, respectively, as of March 31, 2003. There can be no assurances that BRCOM will be able to generate sufficient cash from its remaining operations, restructure its obligations, or that additional sources of financing will be available to it to enable it to service these liabilities or to fund its other liquidity needs.

Furthermore, there will be little or no remaining net cash proceeds from the sale of our broadband business to fund BRCOM's working capital, capital expenditures and other general corporate requirements. Under the amended terms of our credit facilities, the proceeds from the sale of our broadband business may be used to pay BRCOM's remaining liabilities and claims not assumed by the buyers. Any remaining net proceeds will be applied 60% to prepay our credit facilities and 40% to pay certain of BRCOM's other obligations, provided that, in the event of a bankruptcy of BRCOM or any of its subsidiaries, 100% of any such remaining net proceeds will be applied to prepay our credit facilities. If there are any proceeds remaining after BRCOM's obligations have been satisfied, those amounts must be applied to pay down Cincinnati Bell's credit facilities.

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In the past, we have made capital contributions and intercompany loans to BRCOM to finance BRCOM's operating activities and other obligations, including its preferred stock dividends and repayments of long-term debt. In 2002, BRCOM received intercompany loans from us of \$23.3 million and capital contributions of \$1.9 million. In the first quarter of 2003, BRCOM received intercompany loans from us of \$8.3 million. Currently, the 16% Notes indenture and the amended terms of the credit facilities restrict our ability to continue funding BRCOM. As of May 31, 2003, we had the ability to invest or otherwise provide an additional \$30.7 million in BRCOM. If BRCOM requires funds in excess of the amounts we are permitted to provide under the 16% Notes indenture and the amended terms of the credit facilities, there can be no assurances that the holders of the 16% Notes or the lenders under the credit facilities will consent to us investing additional money to allow BRCOM to meet its obligations. If we are unable to fund BRCOM going forward, BRCOM may explore alternative

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transactions or sources of financing, including borrowing money or raising equity capital. There can be no assurances that any such transactions could be consummated on acceptable terms, or at all.

As of March 31, 2003, BRCOM's subsidiary, BCSI Inc., had borrowed \$223.0 million under our credit facilities. However, the amended terms of our credit facilities prohibit any additional borrowings by BRCOM or its subsidiaries. Because BRCOM has relied on our credit facilities in the past to fund its operations, the restrictions on future borrowings might adversely affect BRCOM's ability to access sufficient cash to meet its obligations.

The uncertainty of future cash flows of BRCOM combined with the funding constraints discussed above have prompted PricewaterhouseCoopers LLP, BRCOM's independent accountants, to include a going concern explanatory paragraph in their report filed in connection with the stand-alone financial statements of BRCOM. The going concern explanatory paragraph means that, in the opinion of PricewaterhouseCoopers LLP, there exists substantial doubt about BRCOM's ability to continue as a going concern and its ability to realize its assets and discharge its liabilities in the normal course of business.

If BRCOM is unable to finance its operations or meet its remaining commitments going forward, it may be forced to seek protection from its creditors under Chapter 11, whether or not the exchange offer is consummated, in which case the shares of BRCOM Preferred Stock would likely be extinguished for no consideration.

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RELATIONSHIP BETWEEN CINCINNATI BELL AND BRCOM

Cincinnati Bell Inc.

We were incorporated under the laws of Ohio in 1983 and remain incorporated under the laws of Ohio. We have our principal offices at 201 East Fourth Street, Cincinnati, Ohio 45202, and our telephone number is (513) 397-9900. We are a full-service provider of data and voice communications services, and a regional provider of wireless communications services. We provide telecommunication services on our owned local network with a well-regarded brand name and reputation for customer service. We currently operate in three businesses: local, wireless and other. On February 22, 2003 and as amended on June 6, 2003 and June 13, 2003, we entered into a purchase agreement to sell substantially all of our broadband business. The broadband segment consists of the operating assets of certain subsidiaries of BRCOM. See " BRCOM Inc." below. As part of the sale of our broadband business, the "Broadwing" name will be the sole and exclusive property of the buyers and their affiliates. As such, on May 16, 2003, we changed our name from "Broadwing Inc." to "Cincinnati Bell Inc." and our subsidiaries changed their names, where applicable, to remove the Broadwing name. The local segment provides local telephone service, network access, data transport, high-speed and dial-up Internet access, inter-lata toll, as well as other ancillary products and services to customers in southwestern Ohio, northern Kentucky and southeastern Indiana. Services are provided through our Cincinnati Bell Telephone subsidiary. The wireless segment comprises the operations of Cincinnati Bell Wireless LLC, a venture with AT&T Wireless Services in which we own 80.1% and AT&T Wireless Services owns the remaining 19.9%. Cincinnati Bell Wireless provides advanced wireless digital personal communications services and sales of related communications equipment to customers in its Greater Cincinnati and Dayton, Ohio operating areas. The other segment combines the operations of Cincinnati Bell Any Distance and Cincinnati Bell Public Communications.

BRCOM Inc.

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We currently own 100% of the common stock of BRCOM. BRCOM's principal offices are located at 201 East Fourth Street, Cincinnati, Ohio 45202, and its telephone number is (513) 397-9900. BRCOM was incorporated in Delaware in 1994 under the name IXC Communications, Inc. and became Broadwing Communications Inc. in 1999 after it was merged with a wholly-owned subsidiary of Cincinnati Bell. Prior to the first stage closing of the sale of broadband business, BRCOM was an Austin, Texas based provider of data and voice communications services. These services were provided over approximately 18,700 route miles of fiber-optic transmission facilities. BRCOM's revenue was generated by broadband transport through private line and indefeasible right of use agreements, Internet services utilizing technology based on Internet protocol and switched voice services provided to both wholesale and retail customers. After the completion of the sale of the broadband business, BRCOM will only offer data collocation, information technology consulting and other services.

On February 22, 2003, we entered into an agreement to sell our broadband business by agreeing to sell substantially all of the assets of certain of BRCOM's operating subsidiaries to C III Communications, LLC and C III Communications Operations, LLC for approximately \$129.3 million in cash, subject to certain purchase price adjustments, and the assumption of certain liabilities and operating contractual commitments. On June 6, 2003 and June 13, 2003, we amended the agreement for the sale of our broadband business to, among other things, reduce the purchase price to \$108.7 million (which at the first stage closing was paid in \$91.5 million of cash and a \$17.2 million preliminary promissory note and at the second stage closing in \$10.3 million of cash, as described below), subject to certain purchase price adjustments and other post-closing obligations, and the assumption of certain liabilities and operating contractual commitments, and to eliminate certain of the conditions to the consummation of the first stage closing of the sale. On June 13, 2003, we consummated the first (and most significant) stage closing of the sale of our broadband business, in

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which we transferred substantially all of our broadband assets except for those for which state regulatory approval for transfer was still pending. In connection with the first stage closing, the buyers paid \$91.5 million in cash, of which \$29.3 million was placed into escrow to support certain purchase price adjustments and the portion of the purchase price payable upon the consummation of the second and third stage closings, and issued to us a \$17.2 million preliminary promissory note in connection with a working capital purchase price adjustment. In addition, the buyers have agreed to assume approximately \$418.5 million in current and long-term liabilities and approximately \$291.2 million of operating contractual commitments. On July 8, 2003, we consummated the second stage closing of the sale of our broadband business and \$10.3 million of the \$29.3 million placed into escrow at the first stage closing was paid to us in cash. After the first and second stage closings, the BRCOM selling subsidiaries have transferred assets in states representing approximately 87.5% of our 2002 broadband revenue to the buyers. The transfer of the remaining broadband assets are subject to obtaining certain regulatory approvals, which we expect to receive by the end of the third quarter of 2003. See "Background of the Exchange Offer, Consent Solicitation and Merger The Restructuring Plan and Recent Developments Sale of our broadband business." After the completion of the sale of our broadband business, the only remaining BRCOM subsidiaries with operating assets will be Cincinnati Bell Technology Solutions Inc., an information technology consulting subsidiary, and Cincinnati Bell Any Distance Inc., a subsidiary whose assets service Cincinnati Bell's long distance business.

Relationship of Directors and Executive Officers of BRCOM with Cincinnati Bell

Except as set forth in this prospectus and solicitation statement (including the exchange and voting agreement described in "The Exchange Offer, Consent Solicitation and Merger Exchange and Voting Agreement"), neither we nor, to the best of our knowledge, any of our directors, executive officers or other affiliates:

have any contract, arrangement, understanding or relationship with any other person with respect to any securities of BRCOM, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or voting of any securities of BRCOM, joint ventures, loan or option arrangements, puts or calls, guaranties of loans, guaranties against loss, or the giving or withholding of proxies;

have engaged in contracts, negotiations or transactions with BRCOM or its affiliates concerning a merger, consolidation, acquisition, tender offer or other acquisition of securities, election of directors or a sale or other transfer of a material amount of assets; or

have had any other transaction with BRCOM or any of its executive officers, directors or affiliates that would require disclosure under the rules and regulations of the SEC applicable to the exchange offer or the consent solicitation.

Except for the shares of BRCOM common stock that we or our affiliates own as disclosed in this prospectus and solicitation statement, neither we nor any of our affiliates beneficially own any BRCOM shares or have effected any transaction in the shares within the past 60 days.

You should be aware that certain conflicts of interest exist for the sole member of the BRCOM board of directors with respect to Cincinnati Bell. Thomas L. Schilling, the Chief Financial Officer of Cincinnati Bell since September, 2002 has also served as the sole director and Chief Financial Officer of BRCOM since July, 2002; therefore, the exchange offer, consent solicitation and merger will not be evaluated by any independent directors of BRCOM. Since September, 2002, Kevin M. Mooney, the Chief Executive Officer of Cincinnati Bell, has also served as the Chief Executive Officer of BRCOM, and John F. Cassidy, a director and Chief Operating Officer of Cincinnati Bell since September, 2002, is also an executive officer of BRCOM. In addition, Mary McCann and Jeffrey Smith are executive officers of both Cincinnati Bell and BRCOM. Mr. Schilling's, Mr. Mooney's, Mr. Cassidy's, Ms. McCann's and Mr. Smith's compensation are ultimately determined by the compensation committee of

the Cincinnati Bell board of directors. In addition, on February 3, 2003, we entered into separate amended employment agreements with Mr. Schilling, Mr. Mooney and Mr. Smith whereby Mr. Schilling, Mr. Mooney and Mr. Smith were incentivized to sell our broadband business, amend the terms of the credit facilities and remain at Cincinnati Bell through the completion of the restructuring plan. Since these objectives have been achieved, Mr. Schilling is entitled to a success bonus equal to 50% of the sum of his annual base salary plus his bonus target, Mr. Mooney is entitled to a success bonus equal to 100% of the sum of his annual base salary plus his bonus target and Mr. Smith is entitled to a success bonus equal to 50% of the sum of his annual base salary plus his bonus target. See the Risk Factors entitled, "The sole director of BRCOM has potential conflicts of interest with respect to the exchange offer, consent solicitation, the amendment to the certificate of designation and merger; our board of directors has potential conflicts of interest with respect to the exchange offer, consent solicitation and merger" and "We may experience a change in senior management."

You should also be aware that Cincinnati Bell's directors and executive officers have interests in the restructuring plan that are different from, or in addition to, or that might conflict with, the interests of the holders of the BRCOM Preferred Stock. See the Risk Factors entitled, "The sole director of BRCOM has potential conflicts of interest with respect to the exchange offer, consent solicitation, the amendment to the certificate of designation and merger; our board of directors has potential conflicts of interest with respect to the exchange offer, consent solicitation and merger" and "We may experience a change in senior management." Our board of directors was aware of these interests and conflicts when it determined to approve the exchange offer, consent solicitation and merger pursuant to the restructuring plan.

Intercompany Arrangements

BRCOM relies on advances from Cincinnati Bell for the funding of operations and investing activities in excess of cash generated by its own operations. Advances from Cincinnati Bell bear interest at market rates. The average interest rate on these advances during the first quarter of 2003 was approximately 4.71%. The amounts due to Cincinnati Bell upon demand of \$1,501.0 million at March 31, 2003 and \$1,492.7 million at December 31, 2002 are presented net of the amounts due to or from other subsidiaries of Cincinnati Bell. As of March 31, 2003, the intercompany note from BRCOM was payable upon demand and was therefore classified as a current maturity of long-term debt.

BRCOM's tax provision is based upon the modified separate return method under which an income tax benefit is recorded for losses based upon the potential to be realized by BRCOM, as well as any affiliated members of the federal income tax consolidated group of Cincinnati Bell. The income-producing members of the consolidated group compensates BRCOM for losses as they are realized in the consolidated tax return, which amounted to \$22.4 million in the first quarter of 2003 and \$204.6 million for the year ended December 31, 2002.

Cincinnati Bell provides accounting and treasury services, planning and financial analysis, corporate communications, human resources support and legal support to BRCOM. Cincinnati Bell bills BRCOM for services performed on its behalf. These non-cash corporate allocations totaled \$2.0 million in the first quarter of 2003 and \$8.0 million for the year ended December 31, 2002.

Cincinnati Bell Telephone provides accounts payable processing, payroll processing and benefit related services to BRCOM. BRCOM paid \$0.1 million during the first quarter of 2003 and \$0.3 million for the year ended December 31, 2002 for these services.

BRCOM's IT consulting subsidiary provides computer support services for Cincinnati Bell and its subsidiaries. In addition, the IT consulting subsidiary obtains collocation space in Cincinnati Bell Telephone's data center facilities and provides subcontracting services for Cincinnati Bell Telephone's managed hosting customers.

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The BRCOM group participates in Cincinnati Bell's centralized cash management system to finance operations. Cash deposits from the BRCOM group are transferred to a subsidiary of Cincinnati Bell on a daily basis, and Cincinnati Bell funds the BRCOM group's disbursement accounts as required. All related party transactions, including receivables and payables, are cleared through an intercompany account, which is ultimately settled at the Cincinnati Bell level.

Cincinnati Bell and its subsidiaries, including the BRCOM group, participate in the defined Cincinnati Bell benefit pension plan and post-retirement health and life benefit plans. The BRCOM group is charged an expense related to its portion of the plan, on a month-to-month basis, based on the "all participants" allocation method, pursuant to which the allocation of expenses of the plan are calculated by independent actuaries. In 2001 and 2002, the BRCOM group recorded income under the benefit plan totaling \$1.1 million and \$1.6 million, respectively. In the first quarter of 2003, the BRCOM group recorded an expense under the benefit plan of \$0.7 million.

All of these transactions are performed under terms and conditions (including compensation) that are equivalent to or better than those that the BRCOM group could obtain on an arm's length basis from unaffiliated third parties.

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THE EXCHANGE OFFER, CONSENT SOLICITATION AND MERGER

Reasons for and Purpose of the Exchange Offer, Consent Solicitation and Merger

The exchange offer and consent solicitation are an integral part of the restructuring plan. The restructuring plan is intended to strengthen our financial position, maintain the strength and stability of our local telephone business, reduce the cash expenditures of BRCOM, facilitate the evolution of strategic alternatives and reduce our debt balances over time. The consent solicitation and the amendments to the certificate of designation will eliminate all voting rights and restrictive covenants in the certificate of designation governing the BRCOM Preferred Stock, thereby providing us with increased operational and financial flexibility in dealing with the remainder of BRCOM's assets and liabilities following the completion of the sale of our broadband business.

General

We are offering to exchange 14,148,518 shares of Cincinnati Bell Common Stock for the 395,210 outstanding shares of BRCOM Preferred Stock, or 35.8 shares of Cincinnati Bell Common Stock for each share of BRCOM Preferred Stock, validly tendered and not properly withdrawn prior to the expiration date of the exchange offer and consent solicitation. For a summary of the material differences between the current rights and features of the BRCOM Preferred Stock and the Cincinnati Bell Common Stock, see "Comparison of BRCOM Preferred Stock and Cincinnati Bell Common Stock."

We will retain all the shares of BRCOM Preferred Stock we receive in the exchange offer. You will not be paid any accumulated, undeclared and unpaid dividends if you exchange your shares of BRCOM Preferred Stock pursuant to the exchange offer. At March 31, 2003, accumulated, undeclared and unpaid dividends on the BRCOM Preferred Stock totaled approximately \$43.2 million or \$109.31 per share. Also, you will not receive any fractional shares of Cincinnati Bell Common Stock. Instead, the exchange agent for the exchange offer, acting as your agent, will aggregate any fractional shares issuable and sell them for your account. The proceeds realized by the exchange agent on the sale of fractional shares will be distributed to you and the other tendering holders of BRCOM Preferred Stock on a pro rata basis, net of commissions.

Concurrently with the exchange offer, we are soliciting consents from the holders of BRCOM Preferred Stock to the proposed amendments to the certificate of designation. For a description of the proposed amendments to the certificate of designation, see "The Proposed Amendments." Holders of BRCOM Preferred Stock who desire to tender their shares will be required to consent to the proposed amendment to the certificate of designation. The proper completion, execution and delivery of a consent and letter of transmittal by a holder tendering shares of BRCOM Preferred Stock pursuant to the exchange offer will constitute the consent of such holder to the proposed amendments unless properly withdrawn in the manner and during the period described herein. Holders may not deliver consents without tendering their BRCOM Preferred Stock in the exchange offer and we will not accept any such consents.

If you are the record owner of your BRCOM Preferred Stock and you tender your shares directly to the exchange agent, you will not be obligated to pay any charges or expenses of the exchange agent or any brokerage commissions. If you own your shares through a broker or other nominee, and your broker tenders the shares on your behalf, your broker may charge you a fee for doing so. You should consult your broker or nominee to determine whether any charges will apply. Except as set forth in the instructions to the consent and letter of transmittal, transfer taxes on the exchange of BRCOM Preferred Stock pursuant to the exchange offer will be paid by us.

The term "expiration date" means 5:00 p.m., New York City time, on _____, 2003, unless we extend the period of the time for which the exchange offer and consent solicitation is open, in which case the term "expiration date" means the latest time and date on which the exchange offer and consent solicitation, as so extended, expire.

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Our obligation to exchange shares of Cincinnati Bell Common Stock for BRCOM Preferred Stock tendered pursuant to the exchange offer is subject to several conditions referred to below under " Conditions of the Exchange Offer, Consent Solicitation and Merger."

If the amendment to the certificate of designation and the exchange offer and consent solicitation are completed, in connection therewith we will effect a merger of a newly-formed wholly owned subsidiary of Cincinnati Bell with and into BRCOM, in which any remaining shares of BRCOM Preferred Stock not tendered by you will be converted into the same number of shares of Cincinnati Bell Common Stock that you would have received if you had tendered your shares in the exchange offer, unless you properly perfected appraisal rights under Delaware law. See " The Merger" and " Appraisal Rights."

If the exchange offer and consent solicitation are not completed, we will evaluate our strategic alternatives regarding BRCOM. These may include the filing by BRCOM for protection under Chapter 11. If we choose to reorganize BRCOM under Chapter 11, it is likely that the BRCOM Preferred Stock will be extinguished for no consideration.

None of the Cincinnati Bell board of directors, the dealer manager and solicitation agent nor the exchange agent has made a recommendation to any holder of the BRCOM Preferred Stock, and each is remaining neutral as to whether you should tender shares into the exchange offer and give consent pursuant to the consent solicitation. You must make your own investment decision with regards to the exchange offer and consent solicitation based upon your own assessment of the market value of the BRCOM Preferred Stock, the likely value of the Cincinnati Bell Common Stock you will receive, your liquidity needs and your investment objectives.

Conditions of the Exchange Offer, Consent Solicitation and Merger

Notwithstanding any other provision of the exchange offer and consent solicitation, and without prejudice to our other rights, we will not be required to accept for exchange or, subject to any applicable rules of the SEC, exchange any shares of Cincinnati Bell Common Stock for BRCOM Preferred Stock, and we may terminate, extend or amend the exchange offer and consent solicitation if, at the expiration date, any of the following conditions have not been satisfied or, to the extent permitted, waived. We will not waive the minimum tender or registration statement effectiveness conditions. As of March 31, 2003, holders of shares representing approximately 67.4% of BRCOM Preferred Stock have already agreed to tender their shares and give their consents. As a result, the minimum tender condition will be satisfied upon the tender of the shares held by these holders.

Minimum Tender Condition

There must be validly tendered and not properly withdrawn prior to the expiration date of the exchange offer and consent solicitation a number of shares of BRCOM Preferred Stock that constitutes at least 66²/₃% of the total number of outstanding shares of BRCOM Preferred Stock as of the date that we accept the shares for exchange pursuant to the exchange offer and consent solicitation. As of March 31, 2003, 395,210 shares of BRCOM Preferred Stock were outstanding and holders of 266,514 shares representing approximately 67.4% of BRCOM Preferred Stock have agreed with us to tender their shares and give their consents. See " Exchange and Voting Agreement."

Registration Statement Effectiveness

The exchange offer and consent solicitation are conditioned upon the registration statement on Form S-4, of which this prospectus and solicitation statement is a part, being declared effective under the Securities Act, as amended, and not being subject to any stop order suspending its effectiveness or any proceedings seeking a stop order.

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Other Conditions to the Exchange Offer, Consent Solicitation and Merger

The exchange offer, consent solicitation and merger are also subject to the conditions that, at the time of the expiration date of the exchange offer, none of the following shall have occurred and be continuing which, in our good faith judgment, regardless of the circumstances, makes it

impossible or inadvisable to proceed with the exchange offer or consent solicitation:

- (a) There shall not have been any threatened or pending litigation or other legal action relating to the exchange offer, consent solicitation or merger;
- (b) Any unsolicited offer or expression of bona fide interest from a third party with respect to a potential merger, acquisition, business combination or other strategic combination involving BRCOM or Cincinnati Bell, that if the board of directors of BRCOM or Cincinnati Bell determines it to be in the best interests of BRCOM or Cincinnati Bell to accept, would alter the terms of the exchange offer and consent solicitation in a manner not permitted by the exchange and voting agreement; or
- (c) All approvals from governmental bodies and authorities required in order to complete the exchange offer, consent solicitation or merger are not obtained.

The foregoing conditions are solely for our benefit and we may assert them regardless of the circumstances giving rise to any such conditions. We may also, in our reasonable discretion, waive these conditions in whole or in part (subject to the limitations on waiver described in the first paragraph of this section). The determination by us as to whether any condition has been satisfied shall be conclusive and binding on all parties. The failure by us at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed a continuing right which may be asserted at any time and from time to time.

Exchange and Voting Agreement

On March 24, 2003, we entered into an exchange and voting agreement with Alliance Capital Management L.P., Fidelity Management & Research Co., GMT Capital Corp., Gryphon Partners L.P., Morgan Stanley Investment Management, OZ Management, LLC and OZF Management L.P. (together, the "signing stockholders"), pursuant to which each signing stockholders agreed to tender all of its BRCOM Preferred Stock to us in the exchange offer and to consent to the amendments to the certificate of designation governing the BRCOM Preferred Stock in the consent solicitation and each party to the exchange and voting agreement has agreed to use commercially reasonable efforts to complete the exchange offer and consent solicitation. In the aggregate, the signing stockholders or their transferees own shares representing approximately 67.4% of the outstanding shares of BRCOM Preferred Stock. As a result, the minimum tender condition will be satisfied upon the tender of the shares held by these holders. In addition, upon the tender of the shares subject to the exchange and voting agreement, the amendment to the certificate of designation governing the BRCOM Preferred Stock and completion of the exchange offer, we will be able to effect the merger without the approval of any other holder of BRCOM Preferred Stock.

Each signing stockholder may transfer its shares of BRCOM Preferred Stock only if such signing stockholder notifies us prior to the transfer and agrees to cause the transferee to execute and deliver an acknowledgement whereby the transferee agrees to be bound by the terms of the exchange and voting agreement for as long as the agreement is in effect.

Unless the exchange offer and consent solicitation has been completed, the exchange and voting agreement will terminate upon the earliest to occur of:

mutual written consent of Cincinnati Bell and each signing stockholder;

written notice from us to the signing stockholders in the event the minimum tender condition is not satisfied at any time after the effectiveness of the exchange and voting agreement;

written notice from the holders representing in the aggregate at least a majority of the outstanding shares of BRCOM Preferred Stock held by all of the signing stockholders (the "required holders") to the other signatories to the exchange and voting agreement of an alteration by us of the terms of the exchange offer and consent solicitation not permitted under the exchange and voting agreement;

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written notice from us to the signing stockholders of our intent to terminate the exchange and voting agreement upon a determination by our board of directors that such termination is in our best interests pursuant to the exercise of fiduciary duties in the circumstance that BRCOM or Cincinnati Bell receives an unsolicited offer or expression of bona fide interest from a third party with respect to a potential merger, acquisition, business combination or other strategic combination involving BRCOM or Cincinnati Bell which would alter the exchange offer and consent solicitation in a manner not permitted under the exchange and voting agreement;

written notice from us or the required holders to the other signatories to the exchange and voting agreement after July 30, 2003 if the closing of the exchange offer and consent solicitation has not occurred on or before such date;

written notice from the required holders to the other signatories to the exchange and voting agreement if Cincinnati Bell or BRCOM makes an assignment for the benefit of creditors, or an order, judgment or decree is entered adjudicating Cincinnati Bell or BRCOM bankrupt or insolvent, or any order for relief with respect to Cincinnati Bell or BRCOM is entered under the U.S. Bankruptcy Code, or Cincinnati Bell or BRCOM petitions or applies to any tribunal for the appointment of a custodian, trustee, receiver or liquidator of Cincinnati Bell or BRCOM or of any substantial part of the assets of Cincinnati Bell or BRCOM, or commences any proceeding relating to Cincinnati Bell or BRCOM under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, or any such petition or application is filed, or any such proceeding is commenced, against Cincinnati Bell or BRCOM and either (A) Cincinnati Bell or BRCOM by any act indicates its approval thereof, consents thereto or acquiescences therein or (B) such petition, application or proceeding is not dismissed within 60 days; and

written notice from us or the required holders, as the case may be, to the other signatories to the exchange and voting agreement, if any signing stockholder or Cincinnati Bell, respectively, fails to perform, in any material respect, any of its obligations under the exchange and voting agreement and such failure remains uncured at the conclusion of the ten-day business period that shall commence on the date on which such written notice is given.

See "Annex B Exchange and Voting Agreement."

Houlihan Lokey Howard & Zukin has acted as financial advisors to an unofficial committee of holders of the BRCOM Preferred Stock in connection with the exchange offer and consent solicitation and the exchange and voting agreement. We have agreed to pay Houlihan Lokey a fee of \$125,000 per month beginning as of February 7, 2003, provided that all such monthly fees (other than the first two monthly fees) shall be fully credited against the fee set forth in the following sentence. In addition, upon the consummation of the exchange offer and consent solicitation, Houlihan Lokey will be paid a transaction fee of \$750,000, provided that such transaction fee, together with the monthly fees, shall not exceed \$1,000,000. In addition to these fees, we have agreed to reimburse Houlihan Lokey for all reasonable out-of-pocket expenses incurred by Houlihan Lokey in connection with the foregoing, including all reasonable travel expenses, duplicating charges, on-line service charges, messenger services, delivery services, meeting services, long distance telephone and facsimile charges. We have also agreed to indemnify Houlihan Lokey and certain related persons against certain liabilities, including certain liabilities under the federal securities laws arising out of the exchange offer and consent solicitation.

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We have also agreed to pay the fees and expenses of Akin Gump Strauss Hauer & Feld LLP, who has acted as legal counsel to an unofficial committee of holders in connection with the exchange offer and consent solicitation and the exchange and voting agreement.

Waiver and Release

Each holder of BRCOM Preferred Stock, by tendering and accepting Cincinnati Bell Common Stock pursuant to the exchange offer and consent solicitation, unconditionally waives and releases, and forever discharges and acquits, to the extent permitted by law, Cincinnati Bell, BRCOM, their affiliates, and any of their respective directors, officers, executives, employees, attorneys, advisors or representatives (the "released persons"), from all, and all manner of, actions, suits, debts, claims, duties, payment and performance of all obligations, liabilities and indebtedness of every kind, direct or indirect, determined or undetermined, at law or in equity, whether or not asserted or raised and existing or alleged to exist or to have existed, at any time, which such holder of BRCOM Preferred Stock ever had or has or may have at this time against any released person, arising out of, relating to, or incurred in connection with, the BRCOM Preferred Stock, the amendment to the certificate of

designation governing the BRCOM Preferred Stock, the exchange and voting agreement, the exchange offer and consent solicitation, or any transaction entered into thereunder or any action taken or omitted to be taken by the released persons thereunder. The waiver may not be effective to waive liabilities under the federal securities laws.

Timing of the Exchange Offer and Consent Solicitation

We hope to complete the exchange offer and consent solicitation by the end of the third quarter of 2003. The exchange offer and consent solicitation are currently scheduled to expire on _____, 2003; however, we may extend the exchange offer and consent solicitation from time to time as necessary until all conditions to the exchange offer and consent solicitation have been satisfied or waived. For more information, see " Extension, Termination and Amendment."

Extension, Termination and Amendment

We expressly reserve the right, in our sole discretion, at any time or from time to time, to extend the period of time during which the exchange offer and consent solicitation remain open if any condition to the exchange offer and consent solicitation has not been satisfied, and we can do so by giving oral or written notice of such extension to the exchange agent. If we decide to extend the exchange offer and consent solicitation, we will make an announcement to that effect no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date. We are not making any assurances that we will exercise our right to extend the exchange offer and consent solicitation, although we may do so until all conditions have been satisfied or, where permissible, waived. During any such extension, all BRCOM Preferred Stock previously tendered and not properly withdrawn and all related consents previously delivered and not properly revoked will remain subject to the exchange offer and consent solicitation, respectively, subject to your right to withdraw your BRCOM Preferred Stock and revoke the related consents. See " Withdrawal of Tenders and Revocation of Consents."

Subject to the SEC's applicable rules and regulations, we also reserve the right, in our sole discretion, at any time or from time to time, to:

- (1) delay our acceptance for exchange or our exchange of any BRCOM Preferred Stock pursuant to the exchange offer, regardless of whether we previously accepted BRCOM Preferred Stock for exchange, or to terminate the exchange offer and not accept for exchange or exchange any BRCOM Preferred Stock not previously accepted for exchange or exchanged, upon the failure of any of the conditions of the exchange offer, consent solicitation and merger to be satisfied; and

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- (2) waive any condition (subject to the limits on waiver described under "The Exchange Offer, Consent Solicitation and Merger Conditions of the Exchange Offer, Consent Solicitation and Merger") or otherwise to amend the exchange offer in any respect, by giving oral followed by written notice of such delay, termination or amendment to the exchange agent and by making a public announcement.

We will follow any extension, termination, amendment or delay, as promptly as practicable, with a public announcement. In the case of an extension, any such announcement will be issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date. Subject to applicable law (including Rules 13e-4(d) and 13e-4(e) under the Exchange Act, which require that any material change in the information published, sent or given to the stockholders in connection with the exchange offer must be promptly sent to stockholders in a manner reasonably designed to inform stockholders of such change) and without limiting the manner in which we may choose to make any public announcement, we assume no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release to the Dow Jones News Service.

We confirm to you that if we make a material change in the terms of the exchange offer or the information concerning the exchange offer, or if we waive a material condition of the exchange offer, we will extend the exchange offer to the extent required under the Exchange Act. If, prior to the expiration date, we decrease the percentage of BRCOM Preferred Stock being sought or increase or decrease the consideration offered to holders of BRCOM Preferred Stock, such increase or decrease will be applicable to all holders whose shares of BRCOM Preferred Stock are accepted for exchange pursuant to the exchange offer, and if, at the time notice of any such increase or decrease is first published, sent or given to holders of BRCOM Preferred Stock, the exchange offer is scheduled to expire at any time earlier than the tenth business day from and including the date that such notice is first so published, sent or given, the exchange offer will be extended until the expiration of such ten business day period. For purposes of the exchange offer and consent solicitation, a "business day" means any day other than a Saturday, Sunday or a federal holiday and consists of the time period from 12:01 a.m. through 12:00 midnight, New York City time.

Exchange of BRCOM Preferred Stock

Upon the terms and subject to the conditions of the exchange offer (including, if the exchange offer is extended or amended, the terms and conditions of any such extension or amendment), Cincinnati Bell will accept for exchange and will exchange, shares of BRCOM Preferred Stock validly tendered and not properly withdrawn as promptly as practicable after the expiration date. In addition, subject to the applicable rules of the SEC, we expressly reserve the right to delay acceptance of or the exchange of shares of BRCOM Preferred Stock in order to comply with any applicable law.

For purposes of the exchange offer, we will be deemed to have accepted for exchange shares of BRCOM Preferred Stock validly tendered and not properly withdrawn as, if and when we notify the exchange agent of our acceptance of the tenders of shares pursuant to the exchange offer. The exchange agent will deliver the shares of Cincinnati Bell Common Stock in exchange for shares of BRCOM Preferred Stock pursuant to the exchange offer and cash instead of fractional shares of Cincinnati Bell Common Stock as soon as practicable. The exchange agent will act as agent for holders tendering shares of BRCOM Preferred Stock for the purpose of receiving Cincinnati Bell Common Stock from us and transmitting such stock to you. The BRCOM Preferred Stock so exchanged will remain outstanding and will be owned by Cincinnati Bell.

If we do not accept any tendered shares of BRCOM Preferred Stock for exchange pursuant to the terms and conditions of the exchange offer for any reason, or if certificates are submitted for more shares of BRCOM Preferred Stock than are tendered, we will return certificates for such unexchanged shares of BRCOM Preferred Stock without expense to the tendering stockholder or, in the case of shares of BRCOM Preferred Stock tendered by book-entry transfer of such shares into the exchange

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agent's account at The Depository Trust Company, or "DTC," pursuant to the procedures set forth below under " Procedure for Tendering and Consenting," those shares of BRCOM Preferred Stock will be credited to an account maintained within DTC as soon as practicable following expiration or termination of the exchange offer. If we do not accept at least 66²/₃% of the outstanding shares of BRCOM Preferred Stock for exchange, the amendment to the certificate of designation will not be effective.

Cash Instead of Fractional Shares of Cincinnati Bell Common Stock

We will not issue certificates representing fractional shares of Cincinnati Bell Common Stock pursuant to the exchange offer. The exchange agent, acting as agent for BRCOM Preferred Stockholders otherwise entitled to receive fractional shares of Cincinnati Bell Common Stock, will aggregate all fractional shares and sell them for the accounts of such stockholders. The proceeds realized by the exchange agent upon the sale of such fractional shares will be distributed, net of commissions, to such stockholders on a pro rata basis. Such cash payments will be made through the exchange agent if the related shares of BRCOM Preferred Stock are tendered to the exchange agent or, if such shares are tendered through DTC, through DTC.

None of the exchange agent, Cincinnati Bell, BRCOM or the dealer manager and solicitation agent will guarantee any minimum proceeds from the sale of shares of Cincinnati Bell Common Stock, and no interest will be paid on any such proceeds.

Procedure for Tendering and Consenting

For you to validly tender shares of BRCOM Preferred Stock pursuant to the exchange offer and deliver the related consents to the proposed amendments, either:

- (1) you must submit a properly completed and duly executed consent and letter of transmittal, together with any required signature guarantees, and any other required documents, which must be transmitted to and received by the exchange agent at its address set forth on the back cover of this prospectus and solicitation statement and either (x) certificates for tendered BRCOM Preferred Stock must be received by the exchange agent at such address or (y) such shares of BRCOM Preferred Stock must be tendered pursuant to the procedures for book-entry tender set forth below (and a confirmation of receipt of such tender received (we refer to this confirmation below as a "book-entry confirmation")), in each case, before the expiration date; or
- (2) you must comply with the guaranteed delivery procedure described below.

Holders of shares of BRCOM Preferred Stock tendered via book entry or the guaranteed delivery procedure will still be required to properly complete and execute the consent and letter of transmittal.

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The exchange agent will establish accounts with respect to the BRCOM Preferred Stock at DTC for purposes of the exchange offer and consent solicitation within two business days after the date of this prospectus and solicitation statement, and any financial institution that is a participant in DTC may make book-entry delivery of shares of BRCOM Preferred Stock by causing DTC to transfer such BRCOM Preferred Stock into the exchange agent's account in accordance with DTC's procedures for such transfer. However, although delivery of shares of BRCOM Preferred Stock may be effected through book-entry at DTC, the consent and letter of transmittal (or a manually-signed facsimile of such document), with any required signature guarantees, and any other required documents, must, in any case, be transmitted to and received by the exchange agent at its address specified on the back cover of this prospectus and solicitation statement prior to the expiration date, or the guaranteed delivery procedures described below must be followed.

Signatures on all letters of transmittal must be guaranteed by an eligible institution, except in cases in which shares of BRCOM Preferred Stock are tendered either by a registered holder of the shares

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who has not completed the box entitled "Special Issuance Instructions" on the consent and letter of transmittal or for the account of an eligible institution.

If the certificates for shares of BRCOM Preferred Stock are registered in the name of a person other than the person who signs the consent and letter of transmittal, the certificates must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name or names of the registered owner or owners appear on the certificates, with the signature(s) on the certificates or stock powers guaranteed in the manner we have described above.

The method of delivery of BRCOM Preferred Stock Certificates and all other required documents, including delivery through DTC, is at your option and risk, and the delivery will be deemed made only when actually received by the exchange agent. If delivery is by mail, we recommend registered mail with return receipt requested, properly insured. In all cases, you should allow sufficient time to ensure timely delivery.

To prevent backup federal income tax withholding with respect to cash received pursuant to the exchange offer, you must provide the exchange agent with your correct taxpayer identification number and certify whether you are subject to backup withholding of federal income tax by completing the Substitute Form W-9 included in the consent and letter of transmittal. Some stockholders (including, among others, all corporations) are not subject to these backup withholding requirements. See "Certain U.S. Federal Income Tax Considerations."

Guaranteed Delivery

If you wish to tender your BRCOM Preferred Stock pursuant to the exchange offer and your certificates are not immediately available or you cannot deliver the certificates and all other required documents to the exchange agent prior to the expiration date or cannot complete the procedure for book-entry transfer on a timely basis, your BRCOM Preferred Stock may nevertheless be tendered, so long as all of the following conditions are satisfied:

- (a) you make your tender by or through an eligible institution;
- (b) a properly completed and duly executed notice of guaranteed delivery, substantially in the form made available to us, is received by the exchange agent as provided below on or prior to the expiration date; and
- (c) the certificates for all tendered shares of BRCOM Preferred Stock (or a confirmation of a book-entry transfer of such securities into the exchange agent's account at DTC as described above), in proper form for transfer, together with a properly completed and duly executed consent and letter of transmittal (or a manually signed facsimile of such document), with any required signature guarantees and all other documents required by the consent and letter of transmittal are received by the exchange agent within three NYSE trading days after the date of execution of such notice of guaranteed delivery.

You may deliver the notice of guaranteed delivery by hand or transmit it by facsimile transmission or mail it to the exchange agent and must include a guarantee by an eligible institution in the form set forth in that notice.

In all cases, we will exchange shares of BRCOM Preferred Stock tendered and accepted for exchange pursuant to the exchange offer only after timely receipt by the exchange agent of certificates for such shares of BRCOM Preferred Stock (or timely confirmation of a book-entry transfer of such securities into the exchange agent's account at DTC as described above), properly completed and duly executed letter(s) of transmittal and any other required documents.

Effects of Tenders and Consents

By executing a consent and letter of transmittal as set forth above, you irrevocably appoint our designees as your attorneys-in-fact and proxies, each with full power of substitution, to the full extent of

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your rights with respect to your shares of BRCOM Preferred Stock tendered and accepted for exchange by us. Such appointment is effective when and only to the extent that we accept for exchange the shares of BRCOM Preferred Stock that you have tendered with the exchange agent. All such proxies shall be considered coupled with an interest in the tendered shares of BRCOM Preferred Stock and therefore shall not be revocable. Upon the effectiveness of such appointment, all prior proxies given by you will be revoked, and no subsequent proxies may be given (and, if given, will not be deemed effective). We will, with respect to the shares of BRCOM Preferred Stock for which the appointment is effective, be empowered, among other things, to exercise all of your voting rights, if any, and other rights as we, in our sole discretion, deem proper at any annual, special or adjourned meeting of the holders of BRCOM Preferred Stock, by written consent in lieu of any such meeting or otherwise.

We will determine all questions as to the validity, form, eligibility (including time of receipt) and acceptance for exchange of any tender of shares of BRCOM Preferred Stock, in our sole discretion, and our determination shall be final and binding. We reserve the absolute right to reject any and all tenders of shares of BRCOM Preferred Stock determined by us not to be in proper form or the acceptance of or exchange for which may, in the opinion of our counsel, be unlawful. Subject to the applicable rules and regulations of the SEC, we also reserve the absolute right to waive any of the conditions of the exchange offer, consent solicitation and merger (other than the minimum tender and registration statement effectiveness conditions), or any defect or irregularity in the tender of any shares of BRCOM Preferred Stock. No tender of shares of BRCOM Preferred Stock will be deemed to have been made until all defects and irregularities in the tender of such shares have been cured or waived. Neither we, the exchange agent, the dealer manager nor any other person will be under any duty to give notification of any defects or irregularities in the tender of any shares of BRCOM Preferred Stock or will incur any liability for failure to give any such notification. Our interpretation of the terms and conditions of the exchange offer, consent solicitation and merger (including the consent and letter of transmittal and instructions thereto) will be final and binding.

The tender of shares of BRCOM Preferred Stock pursuant to any of the procedures described above will constitute a binding agreement between you and us upon the terms and subject to the conditions of the exchange offer, consent solicitation and merger.

Withdrawal of Tenders and Revocation of Consents

Shares of BRCOM Preferred Stock tendered pursuant to the exchange offer may be withdrawn at any time prior to the expiration date. Consents given pursuant to the consent solicitation may be revoked at any time prior to the expiration date by the withdrawal of a tender of BRCOM Preferred Stock. Any withdrawal of tendered BRCOM Preferred Stock prior to the expiration date will be deemed to be a revocation of the related consent. Tenders may not be withdrawn and consents may not be revoked after the expiration date.

For your withdrawal to be effective, the exchange agent must receive from you a written or facsimile transmission notice of withdrawal at its address set forth on the back cover of this prospectus and solicitation statement, and your notice must include your name, address, social security number, the certificate number(s) and the number of shares of BRCOM Preferred Stock to be withdrawn as well as the name of the registered holder, if it is different from that of the person who tendered the shares.

An eligible institution (as defined below) must guarantee all signatures on the notice of withdrawal, unless the shares of BRCOM Preferred Stock to be withdrawn have been tendered for the account of any eligible institution. Most banks, savings and loan associations and brokerage houses are able to effect these signature guarantees for you. An "eligible institution" is a financial institution that is a participant in the Securities Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program or the Stock Exchange Medallion Program. If shares of BRCOM Preferred Stock have been tendered pursuant to the procedures for book-entry tender as set forth below under " Procedure for Tendering and Consenting," any notice of withdrawal must specify the

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name and number of the account at DTC to be credited with the withdrawn shares of BRCOM Preferred Stock and must otherwise comply with DTC's procedures. If certificates have been delivered or otherwise identified to the exchange agent, the name of the registered holder and the serial numbers of the particular certificates evidencing the shares of BRCOM Preferred Stock withdrawn must also be furnished to the exchange agent, as stated above, prior to the physical release of the certificates. We will decide all questions as to the form and validity (including time of receipt) of any notice of withdrawal, in our sole discretion, and our decision shall be final and binding.

Neither we, the exchange agent, the dealer manager and solicitation agent nor any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or will incur any liability for failure to give any such notification. Any shares of BRCOM Preferred Stock properly withdrawn will be deemed not to have been validly tendered for purposes of the exchange offer. However, you may re-tender withdrawn shares of BRCOM Preferred Stock by following one of the procedures described under " Procedure for Tendering and Consenting" or " Guaranteed Delivery" at any time prior to the expiration date.

Under the exchange and voting agreement, the holders have agreed not to withdraw their tendered shares and not to revoke their consents. See " Exchange and Voting Agreement."

The Proposed Amendments

We are soliciting the consent of holders of BRCOM Preferred Stock to the proposed amendments. The proposals, if adopted and effected, will eliminate all voting rights and restrictive covenants in the certificate of designation under which the BRCOM Preferred Stock was issued, including:

the right of holders of BRCOM Preferred Stock to cast one-tenth of one vote per share on all matters, voting together with the common stock of BRCOM as a single class;

the right of holders of BRCOM Preferred Stock to elect two additional members of the board of directors if dividends on the BRCOM Preferred Stock are in arrears and unpaid for six or more quarters (whether or not consecutive) or in the event of a violation of a covenant;

the mandatory redemption feature;

the limitation on indebtedness;

the limitation on restricted payments;

the limitation on restrictions on distributions from restricted subsidiaries;

the limitation on affiliate transactions;

the limitation on asset sales and mergers;

the obligation to offer to repurchase or to reset the dividend rate on the BRCOM Preferred Stock upon a change of control;
and

the obligation to file annual, quarterly and other reports with the SEC.

Consents with respect to the common stock, which is 100% owned by Cincinnati Bell, and at least 66²/₃% of outstanding shares of BRCOM Preferred Stock must be received in order to amend the applicable certificate of designation in the manner contemplated above. Cincinnati Bell, as the sole owner of the common stock of BRCOM has executed or will execute a consent with respect to the amendment of the certificate of

designation governing the BRCOM Preferred Stock. If the requisite consents are received with respect to the BRCOM Preferred Stock and the exchange offer and consent solicitation is completed, then we will execute and file an amended certificate of designation that gives effect to the proposed amendments with respect to the BRCOM Preferred Stock and the certificate of designation, as so amended, will become effective on the date of (but immediately prior to) the completion of the exchange offer.

As of March 31, 2003, holders of shares representing approximately 67.4% of the outstanding shares of BRCOM Preferred Stock have agreed with Cincinnati Bell to tender their shares and give

their consents. See "Exchange and Voting Agreement." As a result, if the exchange offer is completed, we will be able to amend the certificate of designation without the approval of any other holder of BRCOM Preferred Stock. Each non-exchanging holder of BRCOM Preferred Stock will be bound by such amended certificate of designation even if such holder did not give its consent. If the exchange offer is terminated or withdrawn, the proposed amendments will not become effective and all consents will be deemed revoked.

For more complete information regarding the voting rights and restrictive covenants to be deleted we urge you to review the existing certificate of designation and the amended certificate of designation. See "Where You Can Find More Information" and see "Annex A Form of Amended Certificate of Designation."

Liquidity; Delisting

Following the completion of the exchange offer, the liquidity and trading price of the remaining untendered shares of BRCOM Preferred Stock held by the public and the rights of the holders of those shares may be adversely affected.

Shares of BRCOM Preferred Stock are currently traded on the NYSE. The published guidelines of the NYSE indicate that it would consider delisting the outstanding shares of BRCOM Preferred Stock if, among other things:

- (i) the number of publicly held shares of BRCOM Preferred Stock should fall below 100,000; and
- (ii) the aggregate market value of publicly held shares should fall below \$2 million.

The BRCOM Preferred Stock will no longer meet these guidelines, and after the completion of the exchange offer and consent solicitation the BRCOM Preferred Stock will be delisted from the NYSE.

After the shares of BRCOM Preferred Stock are delisted from the NYSE, the market for them could be adversely affected. It is possible that shares of BRCOM Preferred Stock would be traded on other securities exchanges or in the over-the-counter market, and that price quotations would be reported by such exchanges, or through the National Association of Securities Dealers, Inc., Automated Quotations System or by other sources. The extent of the public market for shares of the BRCOM Preferred Stock and the availability of such quotations would, however, depend upon the number of holders and/or the aggregate market value of the shares of BRCOM Preferred Stock remaining at such time, the interest in maintaining a market in the shares of BRCOM Preferred Stock on the part of securities firms, the possible termination of registration of shares of BRCOM Preferred Stock under the Exchange Act, as described below, and other factors.

The Merger

If the exchange offer and consent solicitation are completed, in connection therewith we will effect a merger of a newly-formed wholly owned subsidiary of Cincinnati Bell with and into BRCOM under Section 253 of the Delaware General Corporation Law, in which any remaining shares of BRCOM Preferred Stock not tendered by you will be converted into the same number of shares of Cincinnati Bell Common Stock that you would have received if you had tendered your shares in the exchange offer, unless you properly perfected appraisal rights under Delaware law. We currently intend to complete the exchange offer as soon as the conditions to the exchange offer are satisfied or waived, and will consummate the merger as soon as practicable after the exchange offer is completed. You will not receive any fractional shares in the merger. Instead, the exchange agent, acting as your agent, will aggregate any fractional shares issuable and sell them for your account. The proceeds realized by the exchange agent on the sale of fractional shares will be distributed to you and the other tendering holders of BRCOM Preferred Stock on a pro rata basis, net of commissions.

Appraisal Rights

Under Delaware law, you do not have appraisal rights in connection with the exchange offer and consent solicitation. If the exchange offer and consent solicitation are completed, holders of BRCOM Preferred Stock who (a) do not tender their shares in the exchange offer and hold BRCOM Preferred Stock at the effective time of the subsequent merger, (b) who do not wish to accept the consideration provided for in the merger and (c) comply with the procedures provided for in Section 262 of the Delaware General Corporation Law, or the DGCL, will be entitled to have their shares of BRCOM Preferred Stock appraised by the Delaware Court of Chancery and to receive a payment in cash of the "fair value" of those shares as determined by the court, together with a judicially determined fair rate of interest.

However, after the completion of the sale of our broadband business, and in light of the restrictions placed on our ability to fund BRCOM by the terms of our credit facilities and the 16% Notes indenture there can be no assurances that BRCOM will be able to generate sufficient cash from its remaining operations or that additional sources of funding will be available to it to enable it to pay cash in connection with the exercise of appraisal rights. See also, "Risk Factors Risk Factors Related to BRCOM The servicing of BRCOM's indebtedness will require a significant amount of cash, and BRCOM's ability to generate cash depends on many factors beyond its control; Cincinnati Bell's ability to finance BRCOM's operations is restricted" and "Risk Factors Risk Factors Related to BRCOM Following the completion of the remaining portion of the sale of our broadband business, substantially all of the operating assets of certain of BRCOM's subsidiaries will have been sold and BRCOM will have retained substantial liabilities and contingent liabilities."

The following summarizes provisions of Section 262 of the DGCL regarding appraisal rights that would be applicable in connection with the subsequent merger, which will be effected as a merger of a wholly owned subsidiary of Cincinnati Bell with BRCOM. This discussion is qualified in its entirety by reference to Section 262 of the DGCL. A copy of Section 262 is attached to this document as Annex C. If you fail to take any action required by Delaware law, your rights to an appraisal in connection with the merger will be waived or terminated.

Notification of Merger's Effective Time

Within 10 days after the effective time of the merger, BRCOM will send notice of the effective time of the merger and the availability of appraisal rights to each remaining holder of the BRCOM Preferred Stock.

Electing Appraisal Rights

To exercise appraisal rights, remaining record holders of BRCOM Preferred Stock must, within 20 days after the date BRCOM mails the notice referred to in the prior paragraph, deliver a written demand for appraisal to BRCOM. This demand must reasonably inform BRCOM of the identity of the holder of record and that the holder demands appraisal of its shares of BRCOM Preferred Stock. A demand for appraisal must be delivered to: Jeffrey C. Smith, General Counsel, BRCOM Inc., 201 East Fourth Street, Suite 102-720, Cincinnati, Ohio 45202.

Only Record Holders May Demand Appraisal Rights

Only a record holder of BRCOM Preferred Stock is entitled to demand appraisal rights. The demand must be executed by or for the record holder, fully and correctly, as the holder's name appears on the holder's stock certificates.

If shares of BRCOM Preferred Stock are owned of record in a fiduciary capacity, such as by a trustee, guardian or custodian, the demand should be executed in that capacity.

If shares of BRCOM Preferred Stock are owned of record by more than one person, as in a joint tenancy or tenancy in common, the demand should be executed by or for all owners.

An authorized agent, including one of two or more joint owners, may execute the demand for appraisal for a holder of record. The agent must identify the owner or owners of record and expressly disclose the fact that, in executing the demand, the agent is acting as agent for the owner or owners of record.

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A holder of record, such as a broker, who holds BRCOM Preferred Stock as nominee for a beneficial owner, may exercise a holder's right of appraisal with respect to BRCOM Preferred Stock held for all or less than all of those beneficial owners' interest. In that case, the written demand should set forth the number of shares of BRCOM Preferred Stock covered by the demand. If no number of shares is expressly mentioned, the demand will be presumed to cover all of the BRCOM Preferred Stock standing in the name of the record holder. Holders of BRCOM Preferred Stock who hold their shares in brokerage accounts or through any other nominee and wish to exercise appraisal rights should consult their brokers or other nominees to determine the procedures they must follow in order for their brokers and other nominees to exercise appraisal rights in respect of their shares of BRCOM Preferred Stock.

Court Petition Must Be Filed

Within 120 days after the effective time of the merger, BRCOM or any holder of BRCOM Preferred Stock who has satisfied the foregoing conditions may file a petition in the Delaware Court of Chancery demanding a determination of the fair value of BRCOM Preferred Stock. Neither Cincinnati Bell nor BRCOM will have any obligation to file such a petition and neither has any intention to do so. Holders of BRCOM Preferred Stock seeking to exercise appraisal rights should initiate all necessary action to perfect their rights within the time periods prescribed by Delaware law.

Within 120 days after the effective time of the merger, any holder of BRCOM Preferred Stock who has complied with the requirements under Section 262 of the DGCL for exercise of appraisal of rights may make a written request to receive from BRCOM a statement of the total number of shares of BRCOM Preferred Stock with respect to which demands for appraisal have been received and the total number of holders of these shares of BRCOM Preferred Stock. BRCOM will be required to mail these statements within 10 days after it receives a written request.

Appraisal Proceeding By Delaware Court

If a petition for an appraisal is timely filed, after a hearing on the petition, the Delaware Court of Chancery will determine which of the holders of BRCOM Preferred Stock are entitled to appraisal rights. The court will appraise the shares of BRCOM Preferred Stock owned by the holders and determine their fair value. In determining the fair value, the court may consider a number of factors including market values of BRCOM Preferred Stock, asset values and other generally accepted valuation considerations, but will exclude any element of value arising from the accomplishment or expectation of the merger. The court will also determine the amount of interest, if any, to be paid upon the amount determined to be the fair value of the BRCOM Preferred Stock to the holders entitled to appraisal.

The value determined by the court for BRCOM Preferred Stock could be more than, less than, or the same as the merger consideration, but the form of the consideration payable as a result of the appraisal proceeding would be cash. The court may determine the costs of the appraisal proceeding and allocate them to the parties as the court determines to be equitable under the circumstances. The court may also order that all or a portion of any holder's expenses incurred in connection with an appraisal proceeding, including reasonable attorneys' fees and expenses and reasonable fees and expenses of experts utilized in the appraisal proceeding, be charged, on a pro rata basis, against the value of all of the BRCOM Preferred Stock entitled to appraisal. In the absence of such a determination or assessment, each party bears its own expenses.

Effect of Appraisal Demand on Right to Dividends; Tax Consequences

The shares subject to the demand will not be entitled to dividends or other distributions, other than those payable or deemed to be payable to holders of record as of a date prior to the effective time. See "Certain U.S. Federal Income Tax Considerations" for the tax consequences to a holder of BRCOM Preferred Stock who receives cash for its shares of BRCOM Preferred Stock pursuant to the exercise of appraisal rights.

Loss, Waiver or Withdrawal of Appraisal Rights

Holders of BRCOM Preferred Stock will lose the right to appraisal if no petition for appraisal is filed within 120 days after the effective time of the merger. A holder will also lose the right to an appraisal by delivering to BRCOM a written withdrawal of the holders demand for appraisal. Any attempt to withdraw that is made more than 60 days after the effective time of the merger requires BRCOM's written approval. If appraisal rights are not perfected or a demand for appraisal rights is timely withdrawn, a holder will be entitled to receive the consideration otherwise payable pursuant to the merger, without interest. The number of shares of Cincinnati Bell Common Stock, and cash instead of a fraction of a share of Cincinnati Bell Common Stock, delivered to such holder will be based on the same exchange ratio utilized in the merger, regardless of the market price of shares of Cincinnati Bell Common Stock at the time of delivery.

Dismissal of Appraisal Proceeding

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If an appraisal proceeding is timely instituted, this proceeding may not be dismissed as to any stockholder who has perfected a right of appraisal without the approval of the court.

Certain Legal and Regulatory Matters

Except as set forth in this prospectus and solicitation statement, we are not aware of any material filing, approval or other action by or with any governmental authority or administrative or regulatory agency that would be required for our acquisition or ownership of BRCOM Preferred Stock. We intend to make all required filings under the Securities Act of 1933 and the Exchange Act.

Financing of the Exchange Offer

The shares of Cincinnati Bell Common Stock required to consummate the exchange offer are available from our authorized but unissued shares of Cincinnati Bell Common Stock. Fees and expenses in connection with the exchange offer are estimated to be approximately \$5.5 million, including the SEC filing fee and the fees of the exchange agent, the dealer manager and solicitation agent, the financial printer, counsel, accountants and other professionals. We will obtain all of such funds from our available capital resources.

Dealer Manager and Solicitation Agent

Subject to the terms and conditions set forth in the dealer manager and consent solicitation agreement between us and Lehman Brothers Inc., we have retained Lehman Brothers Inc. to act as dealer manager and solicitation agent in connection with the exchange offer and consent solicitation. Lehman Brothers Inc. will receive customary compensation for such services and will be reimbursed for reasonable out-of-pocket expenses incurred in performing its services, including reasonable fees and expenses for legal counsel. In addition, we have agreed to indemnify the dealer manager and solicitation agent against certain liabilities, including liabilities under federal securities laws, and will contribute to payments the dealer manager and solicitation agent may be required to make in respect thereof.

The dealer manager and solicitation agent and certain of its affiliates from time to time have provided in the past and may provide in the future investment banking, commercial lending and financial advisory services to us and certain of our affiliates in the ordinary course of business. They receive customary fees and/or commissions for such services. Lehman Brothers Inc. is acting as lead

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advisor to us in connection with the sale of our broadband business and co-advisor to us in connection with the execution of the amendments to our credit facilities for which it will receive customary compensation.

Neither the dealer manager and solicitation agent nor the exchange agent assumes any responsibility for the accuracy or completeness of the information contained in this prospectus and solicitation statement or any documents incorporated herein by reference or for any failure to disclose events that may have occurred and may affect the significance or accuracy of such information.

The dealer manager and solicitation agent will assist with the mailing of this prospectus and solicitation statement and related materials to holders of BRCOM Preferred Stock, respond to inquiries of and provide certain information to holders of BRCOM Preferred Stock in connection with the exchange offer and consent solicitation. Questions regarding the terms of the exchange offer and consent solicitation can be directed to the dealer manager and solicitation agent at the address and telephone number set forth on the back cover of this prospectus and solicitation statement.

We are not aware of any jurisdiction in which the making of the exchange offer and consent solicitation is not in compliance with applicable law. If we become aware of any jurisdiction in which the making of the exchange offer and consent solicitation or the acceptance of Cincinnati Bell Common Stock pursuant to the exchange offer would not be in compliance with applicable law, we will make a good faith effort to comply with any such law. If, after such good faith effort, we cannot comply with any such law, the exchange offer and consent solicitation will not be made to (nor will tenders of BRCOM Preferred Stock be accepted from or on behalf of) the holders of BRCOM Preferred Stock residing in such jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the exchange offer and consent solicitation to be made by a licensed broker or dealer, the exchange offer and consent solicitation will be deemed to be made on our behalf by the dealer manager and solicitation agent or one or more registered brokers or dealers licensed under the laws of the jurisdiction.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this prospectus and solicitation statement and, if given or made, such information or representation may not be relied upon as having been authorized by Cincinnati Bell or the dealer manager and solicitation agent.

Exchange Agent

We have retained The Bank of New York to act as exchange agent. We will pay The Bank of New York reasonable and customary compensation for its services in connection with the exchange offer and consent solicitation, reimburse it for its reasonable out-of-pocket expenses and indemnify it against certain liabilities and expenses in connection with the exchange offer and consent solicitation, including liabilities under federal securities laws.

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CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following are the material U.S. Federal income tax consequences of the exchange offer. This discussion is based on the Internal Revenue Code of 1986 (the "Code"), as amended, applicable Treasury regulations, administrative interpretations and court decisions as in effect as of the date of this prospectus and solicitation statement, all of which might change, possibly with retroactive effect.

This discussion addresses only persons who hold their BRCOM Preferred Stock as a capital asset. It does not address all aspects of U.S. Federal income taxation that might be relevant to a holder of BRCOM Preferred Stock in light of that stockholder's particular circumstances or to a holder of BRCOM Preferred Stock subject to special rules, such as:

A shareholder who is not a citizen or resident of the U.S.;

A shareholder that is a foreign corporation, foreign estate or foreign trust;

A financial institution or insurance company;

A tax-exempt organization;

A dealer or broker in securities;

An individual retirement or other tax-deferred account;

A stockholder that holds its BRCOM Preferred Stock as part of a hedge, appreciated financial position, straddle, constructive sale or conversion transaction; or

A stockholder who acquired its BRCOM Preferred Stock as compensation.

Tendering Holders

For U.S. Federal income tax purposes, the exchange of Cincinnati Bell Common Stock for BRCOM Preferred Stock will be treated as a taxable exchange. Consequently, a holder of BRCOM Preferred Stock will recognize gain or loss on the exchange equal to the difference between the fair market value of the Cincinnati Bell Common Stock (including fractional shares) exchanged for BRCOM Preferred Stock and the holder's tax basis in the BRCOM Preferred Stock surrendered in the exchange. The gain or loss will be long-term capital gain or loss if the shareholder's holding period for the shares of BRCOM Preferred Stock is more than one year. The deductibility of capital losses is subject to limitations.

A holder of BRCOM Preferred Stock who receives cash in lieu of fractional shares will be treated as if the holder received the fractional share and then sold it for the amount of cash received. The holder will recognize short-term capital gain or loss on the deemed sale of the fractional share for cash equal to the excess of the cash received over the holder's tax basis in the fractional share.

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The exchange agent will be required to withhold 28% of the gross proceeds to which a holder of BRCOM Preferred Stock is entitled pursuant to the exchange offer unless the stockholder provides its taxpayer identification number (*i.e.*, social security number or employer identification number) and certifies that the number is correct, or an exemption from backup withholding applies. Each holder of BRCOM Preferred Stock will need to complete and sign the Form W-9 that will be included in the transmittal letter to avoid backup withholding, or establish in a manner satisfactory to the exchange agent that an exemption from backup withholding applies.

Recently promulgated Treasury regulations require taxpayers that participate in "reportable transactions" to disclose those transactions on their tax returns by attaching IRS Form 8886 and to retain information related to those transactions. In addition, material advisors of a "reportable transaction" are required to maintain records, including lists identifying investors in the transaction, and to furnish those records to the IRS upon demand. A transaction might be a "reportable

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transaction" based upon any of several factors, one or more of which might be present with respect to the exchange offer. As a result, a holder of BRCOM Preferred Stock might be required to disclose its participation in the exchange offer on its U.S. Federal income tax return. Holders of BRCOM Preferred Stock should consult their own tax advisers concerning their possible disclosure obligation with respect to the exchange offer and should be aware that we and other participants in the transaction might be required to report this transaction and maintain an investor list.

Non-Tendering Holders

A holder of BRCOM Preferred Stock that does not tender its shares in the exchange offer will receive Cincinnati Bell Common Stock in the merger of a newly-formed wholly owned subsidiary of Cincinnati Bell with and into BRCOM after the completion of the exchange offer and consent solicitation, unless such holder of record properly perfects appraisal rights under Delaware law. See "The Exchange Offer, Consent Solicitation and Merger The Merger" and "The Exchange, Consent Solicitation and Merger Appraisal Rights." The Federal income tax consequences of the receipt of Cincinnati Bell Common Stock in the merger will be the same as those described above under " Tendering Holders."

A holder of BRCOM Preferred Stock who receives cash for all its shares of BRCOM Preferred Stock pursuant to the exercise of appraisal rights generally will recognize gain or loss equal to the difference between the tax basis of the shares of BRCOM Preferred Stock surrendered and the amount of cash received.

The foregoing discussion is intended to provide only a general summary of certain U.S. federal income tax consequences of the exchange offer and is not a complete analysis or description of all potential U.S. federal income tax consequences of the exchange offer. This discussion does not address tax consequences that may vary with, or are contingent on, individual circumstances. In addition, it does not address any non-income tax or any foreign, state or local tax consequences of the exchange offer. Accordingly, we urge each holder of BRCOM Preferred Stock to consult its own tax adviser to determine the particular U.S. federal, state, local, foreign or other tax consequences to it of the exchange offer.

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DESCRIPTION OF CINCINNATI BELL CAPITAL STOCK

The following summary of our capital stock is subject in all respects to applicable provisions of the Ohio General Corporation Law, our amended articles of incorporation and amended regulations and our rights agreement. See "Where You Can Find More Information."

General

The total authorized shares of capital stock of Cincinnati Bell consist of the following:

480,000,000 shares of Cincinnati Bell Common Stock, par value \$.01 per share;

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1,357,299 shares of voting preferred stock without par value; and

1,000,000 shares of non-voting preferred stock without par value (together with the voting preferred stock, referred to as preferred stock).

Our board of directors has designated 400,000 voting preferred shares as Series A Preferred Shares.

At March 31, 2003, approximately 226,752,831 shares of Cincinnati Bell Common Stock were issued and 218,875,393 shares were outstanding, and 155,250 shares of preferred stock were issued and outstanding, all of which were 6³/₄% Preferred Stock (defined below).

Cincinnati Bell Common Stock

Each holder of Cincinnati Bell Common Stock is entitled to cast one vote for each share held of record on all matters submitted to a vote of the shareholders, including the election of directors. Holders of Cincinnati Bell Common Stock are entitled to receive dividends or other distributions declared by our board of directors. The right of the board of directors to declare dividends, however, is subject to the rights of any holders of preferred stock of Cincinnati Bell and certain requirements under Ohio law.

Preferred Stock

Our board of directors is authorized to provide for the issuance from time to time of Cincinnati Bell preferred stock in series and, as to each series, to fix the designation, the dividend rate and the date or dates from which such dividends will be cumulative, the times when and the prices at which the preferred stock will be redeemable, the voluntary and involuntary liquidation prices, the sinking fund provisions, if any, applicable to such series, the conversion or exchange privileges, if any, of such series, the restrictions, if any, upon the payment of dividends or other distributions and upon the creation of indebtedness, if any, and any other rights, preferences and limitations.

6³/₄% Cumulative Convertible Preferred Stock

Holders of the 6³/₄% Cumulative Convertible Preferred Shares are entitled to cast one vote per whole share that they own on all matters submitted to a vote of the shareholders, including the election of directors. Holders of the 6³/₄% Preferred Stock and holders of Cincinnati Bell Common Stock will vote together as a single class, unless otherwise provided by law or our amended articles of incorporation. The approval of each holder of the 6³/₄% Preferred Stock is necessary to:

alter the voting rights;

reduce the liquidation preference;

reduce the rate of or change the time for payment of dividends;

adversely alter certain redemption provisions; and

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waive a default in payment of dividends or liquidated damages.

In addition, the approval of at least two-thirds of the votes entitled to be cast by holders of the 6³/₄% Preferred Stock is required to amend our amended articles of incorporation to affect adversely the specified rights, preferences, privileges or voting rights of holders of the 6³/₄% Preferred Stock.

Upon the accumulation of accrued and unpaid dividends on the 6³/₄% Preferred Stock in an amount equal to six full quarterly dividends (whether or not consecutive), the number of members of our board of directors will be immediately and automatically increased by two (unless previously increased pursuant to the terms of any other series of preferred stock upon which like rights have been conferred), and the holders of a majority of the 6³/₄% Preferred Stock, voting together as a class (pro rata, based on liquidation preference) with the holders of any other series

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of preferred stock upon which like rights have been conferred and are exercisable, will be entitled to elect two members to the Cincinnati Bell board of directors. Voting rights arising as a result of this accumulation of accrued and unpaid dividends will continue until such time as all dividends in arrears on the 6³/₄% Preferred Stock are paid in full or the number of outstanding 6³/₄% Preferred Stock is reduced to 13,500 or less.

Dividends on the 6³/₄% Preferred Stock are payable quarterly and accrue at a rate of 6³/₄% per annum per share on a liquidation preference of \$1,000 per share, or \$67.50 per annum per share. Dividends may, at our option, be paid in shares of Cincinnati Bell Common Stock if, and only if, the documents governing our indebtedness that existed as of March 30, 1998, prohibit the payment of such dividends in cash. We are allowed to pay dividends only if permitted by Ohio law.

Unless previously redeemed or repurchased, the 6³/₄% Preferred Stock is convertible, at the option of the holders, at any time, into shares of Cincinnati Bell Common Stock at a rate, subject to adjustment in certain events, of 28.84 shares of Cincinnati Bell Common Stock for each share of the 6³/₄% Preferred Stock.

The 6³/₄% Preferred Stock may be redeemed at our option at the redemption prices specified below (expressed as percentages of the liquidation preference thereof), in each case, together with an amount equal to accrued and unpaid dividends on the 6³/₄% Preferred Stock (excluding any declared dividends for which the record date has passed), and other specified amounts, upon prior written notice, during the 12-month period commencing on April 1 of each of the years set forth below:

Year	Redemption Price
2003	103.38%
2004	102.70%
2005	102.03%
2006	101.35%
2007	100.68%
2008 and thereafter	100.00%

In order to protect the interests of holders of the 6³/₄% Preferred Stock, our amended articles of incorporation provide for adjustment of the conversion rate and related terms in the case of certain consolidations, mergers or changes of control. In the event of the liquidation, dissolution or winding up of the business of Cincinnati Bell, holders of the 6³/₄% Preferred Stock are entitled to receive the liquidation preference of \$1,000 per share plus all accrued and unpaid dividends.

The 6³/₄% Preferred Stock is issued as and represented by depositary shares. Each depositary share represents one-twentieth of a share of the 6³/₄% Preferred Stock. A holder of depositary shares of the 6³/₄% Preferred Stock only has voting rights equal to the number of whole shares of the 6³/₄% Preferred Stock represented by such depositary shares of the 6³/₄% Preferred Stock.

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Series A Preferred Stock

The Series A Preferred Stock is designated in connection with our rights agreement. No shares of Cincinnati Bell Series A Preferred Stock are currently outstanding.

Cincinnati Bell Rights Plan

Under our rights agreement, rights attach to each share of Cincinnati Bell Common Stock outstanding and, when exercisable, entitle the registered holder to purchase from us one one-thousandth of a share of our Series A Preferred Stock without par value at a purchase price of \$125 per one one-thousandth of a share, subject to adjustment.

The rights will not be exercisable until the earlier to occur of:

10 business days following a public announcement that a person or group has acquired beneficial ownership of 15% (or 20% in the case of investment advisors under the Investment Advisers Act of 1940, subject to certain limitations) or more of the outstanding shares of Cincinnati Bell Common Stock; and

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10 business days following the commencement of, or announcement of an intention to make, a tender offer or exchange offer the consummation of which would result in a person or group acquiring beneficial ownership of 15% (or 20% in the case of investment advisors under the Investment Advisers Act of 1940, subject to certain limitations) or more of the outstanding shares of Cincinnati Bell Common Stock.

The rights will expire on May 2, 2007, unless such date is extended or unless the rights are earlier redeemed or exchanged by Cincinnati Bell, in each case as summarized below.

In the event that a person or group acquires beneficial ownership of 15% (or 20% in the case of investment advisors under the Investment Advisers Act of 1940, subject to certain limitations) or more of the outstanding shares of Cincinnati Bell Common Stock, each holder of a right, other than rights beneficially owned by such person or group, which become void, will have the right to receive upon exercise that number of shares of Cincinnati Bell Common Stock having a market value of two times the purchase price provided for in the right. In the event that we are acquired in a merger or other business combination transaction or 50% or more of our consolidated assets or earning power is sold after a person or group acquires beneficial ownership of 15% (or 20% in the case of investment advisors under the Investment Advisers Act of 1940, subject to certain limitations) or more of the outstanding shares of Cincinnati Bell Common Stock, each holder of a right will thereafter have the right to receive upon exercise that number of shares of common stock of the acquiring company (or its ultimate parent in certain circumstances) which at the time of such transaction will have a market value of two times the purchase price provided for in the right. As an enforcement mechanism, the rights agreement prohibits us from entering into any such transaction unless the other party agrees to comply with the provisions of the rights.

The purchase price payable and the number of units of preferred stock or other securities or property issuable upon exercise of the rights are subject to adjustment from time to time to prevent dilution in the following circumstances:

in the event of a stock dividend on, or a subdivision, combination or reclassification of, the preferred stock;

if holders of the preferred stock are granted certain rights or warrants to subscribe for preferred stock or convertible securities at less than the current trading price of the preferred stock; or

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upon the distribution to holders of the preferred stock of evidences of indebtedness or assets (excluding regular quarterly cash dividends) or of subscription rights or warrants (other than those referred to above).

At any time after a person or group acquires beneficial ownership of 15% (or 20% in the case of investment advisors under the Investment Advisers Act of 1940, subject to certain limitations) or more of the outstanding shares of Cincinnati Bell Common Stock and prior to the acquisition by such person or group of 50% or more of the then outstanding shares of Cincinnati Bell Common Stock, our board of directors may exchange the rights (other than rights owned by such person or group which have become void), in whole or in part, for Cincinnati Bell Common Stock or our Series A Preferred Stock.

At any time prior to a person or group acquiring beneficial ownership of 15% (or 20% in the case of investment advisors under the Investment Advisers Act of 1940, subject to certain limitations) or more of the outstanding shares of Cincinnati Bell Common Stock, our board of directors may redeem the rights in whole, but not in part, at a redemption price of \$.01 per right, subject to adjustment, or amend the terms of the rights, in each case without the consent of the holders of the rights, at such time, on such basis and with such conditions as our board of directors may establish. However, no amendment may decrease the redemption price of the rights.

Series A Preferred Stock purchasable upon exercise of the rights is not redeemable. Series A Preferred Stock has dividend, voting and liquidation rights that are intended to result in the value of a one one-thousandth interest in a share of the Series A Preferred Stock purchasable upon exercise of each right approximating the value of one share of Cincinnati Bell Common Stock. Until a right is exercised, the holder thereof, as such, will have no rights as a shareholder of Cincinnati Bell, including, without limitation, the right to vote or to receive dividends.

The rights may have anti-takeover effects. The rights will cause substantial dilution to a person or group of persons that attempts to acquire Cincinnati Bell by a share acquisition on terms not approved by our board of directors. The rights should not interfere with any merger or other business combination approved by our board of directors prior to the time that a person or group has acquired 15% (or 20% in the case of investment advisors under the Investment Advisers Act of 1940, subject to certain limitations) or more of the outstanding shares of Cincinnati Bell Common Stock since the rights may be redeemed or amended by us until such time.

Warrants

In connection with our issuance of the 16% Notes, the initial purchasers of the 16% Notes received warrants to purchase 17.5 million shares of Cincinnati Bell Common Stock at a price of \$3.00 per share. The number of shares of Cincinnati Bell Common Stock to be issued under these warrants will be adjusted for the following:

the issuance of Cincinnati Bell Common Stock due to (1) dividends on Cincinnati Bell Common Stock paid exclusively in shares of Cincinnati Bell Common Stock, (2) stock splits, (3) reverse stock splits, (4) reclassifications of Cincinnati Bell Common Stock as other equity, (5) dividends on Cincinnati Bell Common Stock paid in equity other than shares of Cincinnati Bell Common Stock;

rights offerings to holders of Cincinnati Bell Common Stock to subscribe for Cincinnati Bell Common Stock or securities exchangeable into Cincinnati Bell Common Stock at a price per share less than the then applicable exercise price (other than in connection with the adoption of the Cincinnati Bell rights plan);

the issuance of Cincinnati Bell Common Stock for consideration less than the then applicable exercise price of the warrants;

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Cincinnati Bell's repurchase of Cincinnati Bell Common Stock; and

the exchange offer and consent solicitation, whereby the warrants will be adjusted so that the common equity interests represented by the warrants will be at least 95% of such common equity interest prior to the completion of the exchange offer and consent solicitation.

The warrants are exercisable at any time on or prior to March 26, 2013. The holders of the warrants have the right to require us to register the warrants or the Cincinnati Bell Common Stock underlying the warrants for sale pursuant to a shelf registration statement under the Securities Act. Furthermore, if a shelf registration has not been declared effective and we propose to register any of our equity securities under the Securities Act, the holders of the warrants have the right to request that their warrants or the Cincinnati Bell Common Stock underlying the warrants be registered, subject to certain limitations, together with our other equity securities.

Anti-takeover Effects of Ohio Law

Ohio law contains several anti-takeover provisions that apply to corporations like Cincinnati Bell. We are subject to these provisions because there are no opt-out provisions in our amended articles of incorporation or amended regulations with respect to these provisions.

Chapter 1704 of the Ohio General Corporation Law applies to a broad range of business combinations between an Ohio corporation and an interested shareholder. The Ohio law definition of "business combination" includes mergers, consolidations, combinations or majority share acquisitions. An "interested shareholder" is defined as a shareholder who, directly or indirectly, exercises or directs the exercise of 10% or more of the voting power of the corporation. Chapter 1704 of the Ohio General Corporation Law restricts corporations from engaging in business combinations with interested shareholders, unless the articles of incorporation provide otherwise, for a period of three years following the date on which the shareholder became an interested shareholder, unless the board of directors of the corporation have approved the business combination or the interested shareholder's acquisition of shares of the corporation prior to the date the shareholder became an interested shareholder. After the initial three-year moratorium, Chapter 1704 prohibits such transactions absent approval by the board of directors of the interested shareholder's acquisition of shares of the corporation prior to the date that the shareholder becomes an interested shareholder, approval by disinterested shareholders of the corporation or the transaction meeting certain statutorily defined fair price provisions.

Under Section 1701.831 of the Ohio General Corporation Law, unless the articles of incorporation provide otherwise, any control share acquisition of a corporation can be made only with the prior approval of the corporation's shareholders. A "control share acquisition" is defined as any acquisition of shares of a corporation that, when added to all other shares of that corporation owned by the acquiring person, would enable that person to exercise levels of voting power in any of the following ranges: at least 20% but less than 33¹/₃%; at least 33¹/₃% but less than 50%; or 50% or more.

See the Risk Factor entitled, "Anti-takeover provisions of Ohio General Corporation Law, our amended articles of incorporation and our rights agreement may affect the value of the Cincinnati Bell Common Stock."

DESCRIPTION OF CINCINNATI BELL AND BRCOM INDEBTEDNESS

Credit Facilities

General

In November 1999, we obtained credit facilities of \$1.8 billion from a group of lending institutions. The credit facilities were increased to \$2.1 billion in January 2000 and again to \$2.3 billion in June 2001. Total availability under the credit facilities decreased to \$1.825 billion as of December 31, 2002, following a \$335 million prepayment of the outstanding term debt facilities in the first quarter of 2002 (resulting from the sale of substantially all of the assets of Cincinnati Bell Directory), \$5 million in scheduled repayments of the term debt facilities and \$135 million in scheduled amortization of the revolving credit facility. On March 26, 2003, we permanently prepaid \$220 million in borrowings under our term and revolving credit facilities and made a \$90 million payment under our revolving credit facility with the net cash proceeds from the Goldman mezzanine financing, and amended certain terms of our credit facilities.

As of March 31, 2003, the credit facilities consisted of \$644 million in revolving credit maturing on March 1, 2006, and having four equal quarterly scheduled commitment reductions during 2005 in an aggregate amount equal to \$200 million, \$516 million in term loans from banking institutions, maturing in various amounts during 2003 and 2004, and \$444 million in term loans from nonbanking institutions, maturing in various amounts between 2003 and 2007.

Use of Credit Facilities

At March 31, 2003, Cincinnati Bell had drawn approximately \$1,322 million from the credit facilities' capacity of \$1,604 million, and had outstanding letters of credit totaling \$13.1 million, leaving \$268.9 million in additional borrowing capacity under the facilities. The credit facilities borrowings have been used by Cincinnati Bell to refinance its debt and debt assumed as part of the merger with IXC in November 1999 and to fund its capital expenditure program and other working capital needs.

Prior to December 2001, BRCOM relied solely on advances from Cincinnati Bell for funding of its operations and capital program in excess of cash provided by its operating activities. In December 2001, BRCOM's subsidiary, BCSI Inc., began borrowing funds directly from the credit facilities. As of March 31, 2003, Broadwing Communications Services Inc. had \$223 million of borrowings under our credit facilities. Under the amended terms of our credit facilities, BRCOM and its subsidiaries will no longer be able to borrow from the credit facilities.

Interest Rates

Borrowings under the credit facilities bear interest, at our election, at either (i) LIBOR plus 425 basis points in the case of the revolving credit facility or 375 basis points in the case of the term facilities or (ii) the base rate (as defined below) plus 325 basis points in the case of the revolving credit facility or 275 basis points in the case of the term facilities. The "base rate" is equal to the higher of the base rate at Citibank, N.A. and the Federal Funds Rate plus one-half of one percent.

Maturity and Amortization

As of March 31, 2003, loans under the term loan A facility mature on November 9, 2004, and amortize under a schedule providing for quarterly installments in aggregate annual amounts of \$258 million and \$258 million in 2003 and 2004, respectively. As of March 31, 2003, loans under the term loan B facility mature on December 30, 2006 and amortize under a schedule providing for quarterly installments in aggregate annual principal amounts of \$3.1 million, \$3.1 million, \$3.1 million and \$298.5 million in 2003, 2004, 2005 and 2006, respectively. As of March 31, 2003, loans under the term loan C facility mature on June 29, 2007 and amortize under a schedule providing for quarterly

installments in aggregate annual principal amounts of \$1.4 million, \$1.4 million, \$1.4 million, \$67.0 million and \$66.3 million in 2003, 2004, 2005, 2006 and 2007, respectively. As of March 31, 2003, the revolving credit facility matures on March 1, 2006, and amortizes under a

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schedule providing for four equal quarterly reductions of \$50 million each in 2005 in an aggregate amount equal to \$200 million.

Fees

We have paid or will pay commitment fees to the lenders on the undrawn portions of their commitments at rates payable quarterly ranging from 37.5 basis points to 75 basis points of the unused amount of borrowings of the revolving credit facility. In 2002, these commitment fees amounted to approximately \$1 million. In the first quarter of 2003, these commitment fees were immaterial.

We have also paid and will pay letter of credit fees on the available amount under all outstanding letters of credit, a commission to each bank of 0.25% per annum based on its letter of credit commitment, and customary fees for the issuance of letters of credit. These fees are paid quarterly and in 2002, amounted to approximately \$0.2 million.

In connection with the March 26, 2003 amendment of the terms of our credit facilities, we agreed to pay an amendment fee in an amount equal to 75 basis points for the revolving credit facility and 37.5 basis points for each of the term loan A, B, and C credit facilities.

Prepayments

Subject to certain limited exceptions, borrowings under the credit facilities are required to be pre-paid:

- (1) in an amount equal to 75% of excess cash flow for each fiscal year commencing with the fiscal year ended December 31, 2003;
- (2) in an amount equal to 100% of net cash proceeds of certain sales, leases, transfers or other dispositions of assets by us or our subsidiaries subject to reinvestment rights in certain cases;
- (3) in an amount equal to 100% of net cash proceeds from the issuance of certain debt obligations by us or any Subsidiary Guarantor (as defined in the credit facilities); and
- (4) in an amount equal to 50% of the net cash proceeds from issuances of Cincinnati Bell Common Stock or our preferred stock to the extent such net cash proceeds exceed \$50 million.

Voluntary prepayments of borrowings under the credit facilities and voluntary reductions of the unutilized parts of the credit facilities commitments are, subject to proper notice, permitted at any time.

Guarantees

We and our subsidiaries (other than Cincinnati Bell Telephone and certain Cincinnati Bell Wireless subsidiaries), guarantee borrowings made by us and BCSI Inc. under the credit facilities. BRCOM and its subsidiaries (other than our Mutual Signal subsidiaries) guarantee borrowings by BCSI Inc., but not borrowings by Cincinnati Bell, under the credit facilities.

Security

Our obligations under the financing documents governing the credit facilities are secured by perfected first priority pledges and security interests in the following:

- (1) substantially all of the equity interests of our subsidiaries (other than Cincinnati Bell Wireless LLC and our Mutual Signal subsidiaries); and
- (2) substantially all of our and each of our subsidiaries (other than Cincinnati Bell Telephone, certain Cincinnati Bell Wireless subsidiaries and our Mutual Signal subsidiaries), other tangible and intangible assets, including, without limitation, real

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property and fixtures, accounts receivable, inventory, contract rights, equipment, intellectual property, general intangibles, investment property and proceeds of the foregoing; provided that the assets of BRCOM and its subsidiaries only secure borrowings by BCSI Inc., but not borrowings by Cincinnati Bell, under the credit facilities.

Covenants

The financing documents governing the credit facilities contain financial covenants that require us to maintain certain debt to EBITDA, senior secured debt to EBITDA and interest coverage ratios, as well as limit us to certain maximum capital expenditures. The credit facilities also contain restrictive covenants that, among other things, limit our ability to incur additional debt or liens; pay dividends; repurchase Cincinnati Bell Common Stock; sell, lease, transfer or dispose of assets; and make investments and merge with another company. As of March 31, 2003, we were in compliance with all of the covenants of the credit facilities.

Events of Default

The credit facilities provide for events of default customary to facilities of this type, including non-payment of principal, interest or other amounts; incorrectness of representations and warranties in any material respect; violation of covenants; cross-default and cross-acceleration; certain events of bankruptcy or insolvency; certain material judgments; invalidity of any loan or security document; change of control and certain ERISA events.

Our credit facilities provide that a bankruptcy or insolvency of BRCOM or any of its subsidiaries, a judgment against BRCOM or any of its subsidiaries and breaches by BRCOM or any of its subsidiaries of the negative covenants would not constitute an event of default with respect to Cincinnati Bell. These terms continue to allow remedies to be exercised against BRCOM and are treated as BRCOM events of default, but not events of default of Cincinnati Bell.

BRCOM Arrangements

Pursuant to the amendment we obtained in March 2003, future net cash investments or other cash infusions in BRCOM and its subsidiaries after October 1, 2002, will be limited (subject to certain exceptions) to an aggregate amount not to exceed the sum of (a) \$118 million plus (b) the aggregate amount of net cash dividends and distributions paid by BRCOM and its subsidiaries to us after October 1, 2002 plus or minus (c) the net position of BRCOM and its subsidiaries under our centralized cash management system. Also, corporate separateness covenants require us to maintain legal and operational separation between BRCOM and its subsidiaries, on one hand, and Cincinnati Bell and its other subsidiaries, on the other hand.

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Cincinnati Bell

16% Senior Subordinated Discount Notes due 2009

On March 26, 2003, we received \$350 million of gross cash proceeds from the issuance of 16% Senior Subordinated Discount Notes Due 2009 as part of the mezzanine financing transaction led by Goldman Sachs & Co. Interest on the 16% Notes will be payable on each June 30 and December 31 of 2003 through 2006 and then on each of June 30, 2007, January 20, 2008 and on the maturity date on January 20, 2009. Of the 16% interest, 12% is paid in cash and 4% is accreted on the aggregate principal amount. The 16% Notes may be redeemed at our option, in whole or in part, at the redemption prices (expressed as a percentage of the accreted value of the 16% Notes being prepaid as of the redemption date) set forth below, plus accrued and unpaid interest to the date of redemption, during the twelve-month period beginning on March 26, 2006:

Period	Redemption Price
March 26, 2006 to March 25, 2007	108%
March 26, 2007 to March 25, 2008	106%
March 26, 2008 to January 19, 2009	104%

In addition, purchasers of the 16% Notes received 17.5 million warrants, subject to antidilution provisions, each to purchase one share of Cincinnati Bell Common Stock at \$3.00 per share.

If we default in the payment of the principal of, interest on, or other amounts payable in respect of our other indebtedness in the aggregate principal amount of \$20 million or more and such default permits the holder thereof to declare such indebtedness immediately due and payable, the holders of at least 25% of the aggregate principal amount at maturity of the 16% Notes may declare the principal thereunder immediately due

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and payable. Certain other customary events of default include payment defaults, failure to observe or perform the affirmative and negative covenants, including those relating to the restrictions on our dealings with BRCOM, material breaches of representations and warranties, judgments for payments exceeding \$30 million in the aggregate and voluntary and involuntary bankruptcy proceedings. Certain of the events of default fall away or become less restrictive upon either the 16% Notes being widely distributed or Cincinnati Bell attaining specified credit ratings.

Upon the occurrence of a change of control, we are required to repurchase the 16% Notes at a purchase price equal to 101% of the accreted value thereof, plus accrued and unpaid interest to the date of repurchase.

The indenture governing the 16% Notes also restricts our ability to make investments or other cash infusions in BRCOM and its subsidiaries. Specifically, we may not, among other things:

- (1) make any restricted payments to,
- (2) issue capital stock to,
- (3) make any investment in (including guaranteeing obligations or purchasing assets for BRCOM or making any payments in respect of operating expenses or net operating losses of BRCOM), or
- (4) allow any tax reimbursement for the benefit of,

BRCOM beyond an aggregate amount of \$118 million (plus net cash dividends or net cash distributions made by BRCOM to us) after October 1, 2002. As of May 31, 2003, we had the ability to invest or otherwise provide an additional \$30.7 million in BRCOM. This restriction does not apply to:

certain permitted obligations, as defined under the terms of our credit facilities;

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any customary non-cash transition arrangements or other related services provided for the benefit of a buyer in connection with a disposition of any properties or assets of BRCOM or its subsidiaries;

the accrual and capitalization of interest on intercompany notes issued by BRCOM and its subsidiaries to us;

the issuance of capital stock and a limited amount of cash pursuant to the exchange offer and the BRCOM debt exchange offer;

guarantees by us of certain BRCOM borrowings under the credit facilities;

liens on our assets securing certain BRCOM borrowings under the credit facilities;

scheduled principal and interest payments made or guaranteed by us in respect of certain BRCOM borrowings under the credit facilities, scheduled interest payments with respect to the 9% Notes and the 12¹/₂% Notes and the redemption of the 12¹/₂% Notes at the applicable redemption premium;

payments made by us under the guarantee of certain BRCOM borrowings under the credit facilities;

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non-cash payments made in the form of reductions in the principal amount of any intercompany notes issued by BRCOM to us in respect of net operating losses of BRCOM used by us or other investments in the form of reductions of any intercompany notes; and

payments by BRCOM of non-cash managements fees to us of up to \$2 million per quarter.

The indenture also imposes several affirmative covenants on Cincinnati Bell to maintain corporate and financial separateness from BRCOM. These affirmative covenants are intended to reduce the likelihood that in a Chapter 11 bankruptcy proceeding in which either Cincinnati Bell or BRCOM is the debtor, a court would disregard the corporate separation between Cincinnati Bell or BRCOM and cause the substantive consolidation of the assets of the two companies.

The indenture governing the 16% Notes contains certain customary covenants for notes of this type, including, without limitation, with respect to Cincinnati Bell and its subsidiaries (excluding BRCOM and its subsidiaries), limitations on dividends and other restricted payments, dividend and other payment restrictions affecting its subsidiaries, indebtedness, asset dispositions, transactions with affiliates, liens, issuances and sales of capital stock of subsidiaries, issuances of senior subordinated debt, restrictions on dealing with BRCOM and its subsidiaries, and mergers and consolidations. Certain of these covenants fall away or become less restrictive when either of the following events occur:

- (1) the initial purchasers no longer hold more than 50% of the 16% Notes and we believe the number of beneficial holders exceeds 25; or
- (2) we receive a senior implied debt rating of at least BB+ from S&P and Ba1 from Moody's and senior subordinated debt rating of at least BB- from S&P and Ba3 from Moody's.

So long as the Goldman Sachs-affiliated purchasers own 25% of the aggregate principal amount at maturity of the 16% Notes originally acquired by them, GS Mezzanine Partners II, L.P. will be entitled to designate a non-voting observer to attend and participate in (but not vote at) all meetings of the board of directors of Cincinnati Bell.

7¹/₄% Senior Notes due 2013

On July 11, 2003, we issued \$500 million aggregate principal amount of 7¹/₄% Senior Notes due 2013. Interest on the 7¹/₄% Senior Notes will be payable semiannually in cash in arrears on each January 15 and July 15, commencing on January 15, 2004. The 7¹/₄% Senior Notes will be guaranteed

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on a senior unsecured basis by each of Cincinnati Bell's current and future subsidiaries that is a guarantor of Cincinnati Bell's borrowings under the credit facilities. The 7¹/₄% Senior Notes may be redeemed at our option, in whole or in part, at any time on or after July 15, 2008 at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest and additional interest thereon, if any, to the redemption date, if redeemed during the 12-month period commencing on July 15 of the years set forth below:

Year	Redemption Price
2008	103.625%
2009	102.417%
2010	101.208%
2011 and thereafter	100.000%

Prior to July 15, 2006, we may, on one or more occasions, also redeem up to a maximum of 35% of the aggregate principal amount of the 7¹/₄% Senior Notes with the net cash proceeds of one or more equity offerings by us, at a redemption price equal to 107.250% of the principal amount thereof, plus accrued and unpaid interest and additional interest thereon, if any, to the redemption date; provided, however, that after giving effect to any such redemption:

- (1)

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at least 65% of the original aggregate principal amount of the 7¹/₄% Senior Notes remains outstanding; and

(2)

any such redemption by us must be made within 60 days of such equity offering and must be made in accordance with certain procedures set forth in the 7¹/₄% Senior Notes indenture.

If we experience specific kinds of changes in control, holders of the 7¹/₄% Senior Notes will have the right to require us to purchase their 7¹/₄% Senior Notes, in whole or in part, at a price equal to 101% of the principal amount, together with any accrued and unpaid interest to the date of such purchase.

The indenture governing the 7¹/₄% Senior Notes contains certain covenants that will limit, among other things, our ability and the ability of our restricted subsidiaries to:

incur additional indebtedness;

create liens;

make investments;

enter into transactions with affiliates;

sell assets;

declare or pay dividends or other distributions to shareholders;

repurchase equity interests;

redeem debt that is junior in right of payment to the 7¹/₄% Senior Notes;

enter into agreements that restrict dividends or other payments from subsidiaries;

issue or sell capital stock of certain of our subsidiaries; and

consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis.

The 7¹/₄% Senior Notes indenture also contains other restrictive covenants, including provisions that restrict our ability to make future investments or other cash infusions in BRCOM and its subsidiaries and impose legal and operational separations between BRCOM and its subsidiaries, on one

hand, and us and any of our other subsidiaries, on the other hand; provided that such covenants may be amended without the consent of the holders to the extent the equivalent covenants contained in the 16% Notes are amended.

Convertible Subordinated Notes

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In July 1999, we entered into an agreement with Oak Hill Capital Partners, L.P. pursuant to which Oak Hill Partners agreed to purchase \$400 million of our 6³/₄% Convertible Subordinated Notes Due 2009. On March 26, 2003, we entered into a supplemental indenture with The Bank of New York, as Trustee and, with the consent of the holders of the Convertible Subordinated Notes, amended certain terms governing the Convertible Subordinated Notes.

Prior to July 21, 2004, cash interest will not accrue or be payable on the Convertible Subordinated Notes, but the Convertible Subordinated Notes will accrete on a daily basis, compounded semi-annually on January 21 and July 21 of each year, at the rate of 6³/₄% per annum of the accreted value from July 21, 1999 through March 26, 2003, at the rate of 9.00% per annum of the accreted value from March 27, 2003 through July 21, 2004 and at the rate of 2.25% per annum of the accreted value from July 21, 2004 through July 21, 2009. Beginning on July 21, 2004, we will pay cash interest at the rate of 6³/₄% on \$1,393.65 for each \$1,000 of original issue price of the Convertible Subordinated Notes semi-annually on January 21 and July 21 of each year, commencing on January 21, 2005. In addition, beginning on July 21, 2004, we will have the option to elect to pay cash interest semi-annually on January 21 and July 21 of each year in lieu of the 2.25% accretion.

For the fiscal year ended December 31, 2002 and the quarter ended March 31, 2003, we recorded noncash interest expense of approximately \$32.3 million and \$8.5 million, respectively, related to the Convertible Subordinated Notes.

At the option of the holder, the Convertible Subordinated Notes are convertible into Cincinnati Bell Common Stock at an initial conversion price of \$29.89 per common share, subject to customary antidilution provisions. We may redeem all of the Convertible Subordinated Notes, or any portion of the Convertible Subordinated Notes in minimum multiples of \$100,000,000 of original issue price, at any time on or after July 21, 2005, at the following redemption prices (expressed in percentages of the full accreted value of the Convertible Subordinated Notes on the redemption date), plus accrued and unpaid interest to the date of redemption:

Period	Redemption Prices
From July 21, 2005 through July 20, 2006	104.500%
From July 21, 2006 through July 20, 2007	102.250%
From July 21, 2007 through July 20, 2008	101.125%
July 21, 2008 and thereafter	100.000%

If a change of control occurs before July 21, 2004 in which all or a portion of the consideration received by our shareholders is in cash, then the holder of each Convertible Subordinated Note may elect to receive an amount equal to the product of (i) the ratio (expressed as a percentage) of cash to total consideration received by our shareholders and (ii) the difference between the full accreted value of such Convertible Subordinated Notes and the accreted value of such note on the date the change of control occurs (the "full cash payment"). Upon the occurrence of a change of control, we are required to offer to repurchase the Convertible Subordinated Notes at a cash price equal to the greater of (i) the sum of 101% of the accreted value of the Convertible Subordinated Notes and the full cash payment and (ii) the fair market value of the Convertible Subordinated Notes as if they had been converted into Cincinnati Bell Common Stock immediately prior to the change of control, in each case plus any accrued and unpaid cash interest thereon to the date of repurchase. The supplemental indenture provides that neither the sale of our broadband business nor any other sale of the operating

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assets of BRCOM or its subsidiaries would constitute a change of control. The supplemental indenture also amended the definition of change of control by increasing the ownership threshold deemed to be a change of control from 20% of the outstanding shares to 45% of the outstanding shares.

On March 26, 2003, we entered into a supplemental indenture to provide that the commencement of or consent to any involuntary or voluntary bankruptcy proceeding with respect to BRCOM or any of its subsidiaries would not constitute an event of default under the Convertible Subordinated Notes.

If we default in the observance or performance of any agreement relating to senior indebtedness in an amount in excess of \$250 million, the effect of which has resulted in an acceleration of such senior indebtedness, then the holders of 25% of the aggregate accreted value of the Convertible Subordinated Notes may declare the accreted value of the Convertible Subordinated Notes immediately due and payable.

The supplemental indenture contains covenants restricting our and our restricted subsidiaries' ability to incur debt and issue preferred stock and to consummate asset dispositions.

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So long as Oak Hill Capital Partners, L.P., OHCP Ocean I, LLC, OHCP Ocean III, LLC, OHCP Ocean IV, LLC, OHCP Ocean V LLC, Oak Hill Securities Fund, L.P. and Oak Hill Securities Fund II, L.P. hold in the aggregate at least two-thirds of the Convertible Subordinated Notes issued, they shall be entitled to designate one director to our board of directors.

7¹/₄% Notes due 2023

In July 1993, we issued \$50.0 million in aggregate principal amount of 7¹/₄% Notes due 2023. The indenture related to these 7¹/₄% Notes does not subject us to restrictive financial covenants. However, the 7¹/₄% Notes do contain a covenant that provides that if we incur certain liens on our property or assets, we must secure the outstanding 7¹/₄% Notes equally and ratably with the indebtedness or obligations secured by such liens. The 7¹/₄% Notes are secured with our assets by virtue of the lien granted under our credit facilities.

As of March 31, 2003, \$49.6 million in aggregate principal amount of the 7¹/₄% Notes (\$50.0 million face amount, net of unamortized discount of \$0.4 million) remains outstanding. Interest on the 7¹/₄% Notes is payable semi-annually on June 15 and December 15. The 7¹/₄% Notes may not be redeemed by us prior to maturity. The indenture governing the 7¹/₄% Notes contains a covenant that provides that if we incur certain liens on our property or assets, we must secure the outstanding bonds equally and ratably with the indebtedness or obligations secured by such liens.

If we or our subsidiary, Cincinnati Bell Telephone, default in the payment of the principal of, interest on, or other amounts payable in respect of or fail to perform or comply with any of our other agreements in respect of, and of our other indebtedness instruments in the aggregate principal amount of \$20 million or more and such default or failure permits the holder thereof to declare such indebtedness immediately due and payable, then the holders of at least 25% of the aggregate principal amount of the 7¹/₄% Notes may declare the principal of the 7¹/₄% Notes immediately due and payable.

Cincinnati Bell Telephone 6.30% Unsecured Senior Debentures due 2028

In November 1998, Cincinnati Bell Telephone issued \$150 million in aggregate principal amount of 6.30% unsecured senior debentures due 2028. Interest on the 6.30% Debentures is payable semi-annually on June 1 and December 1 of each year. The 6.30% Debentures are redeemable, as a whole or in part, at the option of Cincinnati Bell Telephone, at any time or from time to time, at the redemption price equal to the greater of (i) 100% of the principal amount and (ii) the sum of the present values of the remaining scheduled payments of principal and interest discounted to the redemption date on a semi-annual basis at the Treasury Rate plus 20 basis points.

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If we or Cincinnati Bell Telephone default in the payment of the principal of, interest on, or other amounts payable in respect of, or fail to perform or comply with any of our other agreements in respect of, any of our other indebtedness in the aggregate principal amount of \$20 million or more and such default or failure permits the holder thereof to declare such indebtedness immediately due and payable, the holders of at least 25% of the aggregate principal amount of the 6.30% Debentures may declare the principal of the 6.30% Debentures immediately due and payable.

The 6.30% Debentures also contain a covenant that provides that if Cincinnati Bell Telephone incurs certain liens on its property or assets, Cincinnati Bell Telephone must secure the relevant debt securities equally and ratably with the indebtedness or obligations secured by such liens. The Cincinnati Bell Telephone indenture also limits certain sales of assets.

Cincinnati Bell Telephone Guaranteed Medium Term Notes

At March 31, 2003, Cincinnati Bell Telephone had \$120.0 million in corporate notes outstanding that are guaranteed by us. These notes, which are not guaranteed by other subsidiaries of ours, have original maturities of 30 to 40 years and mature at various intervals between 2003 and 2028. In August 2002, \$20 million of the Cincinnati Bell Telephone notes matured and were retired by us. As of March 31, 2003, \$99.5 million (\$100 million face amount, net of unamortized discount of \$0.5 million) was considered long-term indebtedness and \$20 million due December 30, 2003 was classified as short term debt. Interest rates on this indebtedness range from 6.24% to 7.27%. These notes also contain a covenant that provides that if Cincinnati Bell Telephone incurs certain liens on its property or assets, it must secure the outstanding notes equally and ratably with the indebtedness or obligations secured by such liens.

If we or Cincinnati Bell Telephone default in the payment of the principal of, interest on, or other amounts payable in respect of, or fail to perform or comply with any of our other agreements in respect of, any of our other indebtedness in the aggregate principal amount of \$20 million or more and such default or failure permits the holder thereof to declare such indebtedness immediately due and payable, the holders of at least 25% of the aggregate principal amount of each medium term note may declare the principal of that medium term note immediately

due and payable.

BRCOM

9% Senior Subordinated Notes due 2008

We are currently offering to exchange 241.06 shares of Cincinnati Bell Common Stock for each \$1,000 principal amount of BRCOM's 9% senior subordinated notes due 2008 in the BRCOM debt exchange offer. See "Background of the Exchange Offer, Consent Solicitation and Merger The Restructuring Plan and Recent Developments BRCOM debt exchange offer" for more details.

In 1998, the former IXC (now BRCOM) issued \$450 million of 9% Notes. In January 2000, \$404 million of these 9% Notes were redeemed through a tender offer as a result of the change of control provision of the indenture governing the 9% Notes. Accordingly, approximately \$46 million of the 9% Notes remain outstanding at March 31, 2003. The 9% Notes are general unsecured senior subordinated obligations of BRCOM and are not guaranteed by Cincinnati Bell. The 9% Notes are subordinate in right of payment to all existing and future senior indebtedness of BRCOM and its subsidiaries. The 9% Notes indenture includes a limitation on the amount of indebtedness that BRCOM can incur based upon the maintenance of either debt to operating cash flow or debt to capital ratios. The 9% Notes indenture also provides that if BRCOM incurs any additional indebtedness secured by liens on its property or assets that are subordinated to or equal in right of payment with the 9% Notes, then BRCOM must secure the outstanding 9% Notes equally and ratably with such indebtedness. As of December 31, 2002, BRCOM had the ability to incur additional debt. Interest on the 9% Notes is payable semi-annually on each April 15 and October 15.

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The 9% Notes may be redeemed at BRCOM's option, in whole or in part, at the redemption prices (expressed as a percentage of the principal amount) set forth below, plus accrued and unpaid interest to the date of redemption, during the twelve-month period beginning on April 15 of the years set forth below:

Period	Redemption Prices
2003	104.500%
2004	103.000%
2005	101.500%
2006 and thereafter	100.000%

If BRCOM defaults in the payment of any of its indebtedness after final maturity or if any of its indebtedness is accelerated by the holders thereof because of a default and the total amount of such unpaid or accelerated indebtedness exceeds \$5.0 million or if BRCOM commences or consents to any involuntary or voluntary bankruptcy, the holders of at least 25% of the aggregate principal amount of the 9% Notes may, upon the earliest of (1) five business days following delivery of a notice of such acceleration to the representatives under the Credit Agreement and (2) the acceleration of any indebtedness under the Credit Agreement, declare the principal of and accrued but unpaid interest on the 9% Notes to be immediately due and payable.

12¹/₂% Senior Notes due 2005

On June 16, 2003, we permanently retired the \$0.8 million aggregate principal amount outstanding of 12¹/₂% Senior Notes due 2005.

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COMPARISON OF BRCOM PREFERRED STOCK AND CINCINNATI BELL COMMON STOCK

The following summary highlights material differences between the current rights and features of the BRCOM Preferred Stock and the Cincinnati Bell Common Stock. This summary does not purport to be a complete discussion of the articles of incorporation and by-laws of BRCOM and Cincinnati Bell and the certificate of designation governing the BRCOM Preferred Stock and is qualified in its entirety by reference to these documents. Copies of each company's certificate of incorporation and regulations and the certificate of designation governing the BRCOM Preferred Stock have been filed with the SEC and will be sent to holders of BRCOM Preferred Stock upon request. See "Where You Can Find More Information." The proposed amendments to the certificate of designation will eliminate many protections intended for the

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benefit of holders of the BRCOM Preferred Stock.

	BRCOM Preferred Stock	Cincinnati Bell Common Stock
Dividends	Cumulative quarterly dividends of 12 ¹ / ₂ % of the liquidation preference per share, payable on each February 15, May 15, August 15 and November 15 of each year, if, when and as declared by the board of directors out of funds legally available therefor.	The board of directors may declare dividends out of legally available funds on the Cincinnati Bell Common Stock if Cincinnati Bell's dividend obligations on its preferred stock have been paid. Ohio law provides that a corporation may pay cash dividends only out of surplus and must notify its shareholders if a dividend is paid out of capital surplus.
Rights on Failure to Pay Dividends	If BRCOM fails to pay dividends on the BRCOM Preferred Stock for six or more quarters (whether or not consecutive), the holders of the BRCOM Preferred Stock, voting together as a single class, have the right to elect two additional members of the BRCOM board of directors.	None.
Liquidation Rights	Liquidation preference of \$1,000 per share, plus accumulated and unpaid dividends, before any distribution is made on any junior stock. If assets available for distribution are insufficient to pay the full liquidation preference, the holders of the BRCOM Preferred Stock are entitled to share ratably in any distribution of the assets of BRCOM.	After the amounts payable upon liquidation on any outstanding preferred stock have been paid, our remaining net assets, if any, would be distributed pro rata to the holders of Cincinnati Bell Common Stock.
Voting Rights	<p>The holders of BRCOM Preferred Stock are entitled to one-tenth of one vote per share on all matters for BRCOM, voting together with the holders of common stock of BRCOM as a single class.</p> <p>Also, the holders of BRCOM Preferred Stock, voting together as a single class, will have the right to elect two additional members of the board of directors if:</p> <ul style="list-style-type: none"> (a) Dividends on the BRCOM Preferred Stock are in arrears and unpaid for six or more quarters (whether or not consecutive); (b) BRCOM fails to redeem the BRCOM Preferred Stock on August 15, 2009; (c) A breach in certain covenants contained in the certificate of designation occurs, including: SEC reporting obligations, limitations on indebtedness, limitations on restricted payments, limitations on restrictions on distributions from restricted subsidiaries, limitations on affiliate transactions and when BRCOM may merge or transfer assets; 	Holders of Cincinnati Bell Common Stock are entitled to one vote per share for all purposes.
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	<ul style="list-style-type: none"> (d) BRCOM fails to pay at final maturity the principal amount of any of its indebtedness that exceeds \$5 million, or any of its indebtedness exceeding \$5 million is accelerated because of a default. <p>Holders of at least two-thirds of the outstanding shares of the BRCOM Preferred Stock, voting as a class, must approve in order for BRCOM to authorize, create or</p>	

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increase the authorized amount of any class or series of senior stock. Holders of at least two-thirds of the outstanding shares of the BRCOM Preferred Stock voting as a class, must approve in order for BRCOM to: (i) amend the certificate of designation so as to affect adversely the specified rights, preferences, privileges or voting rights of the holders of BRCOM Preferred Stock and (ii) authorize the issuance of any additional shares of BRCOM Preferred Stock, among other matters.

Optional Redemption

On or after August 15, 2002, each share of the BRCOM Preferred Stock may be redeemed at any time, in whole or in part, at BRCOM's option, at the redemption prices below, plus, without duplication, an amount in cash equal to all accrued and unpaid dividends to the date fixed for redemption if redeemed during the 12-month period beginning August 15 of each of the years set forth below:

Period	Redemption Price
2002	106.250%
2003	105.000%
2004	103.750%
2005	102.500%
2006	101.250%
2007 and thereafter	100.000%

Also, BRCOM may at its option, on any scheduled dividend payment date, exchange the BRCOM Preferred Stock, in whole but not in part, for exchange debentures.

Mandatory Redemption

Each share of BRCOM Preferred Stock will be subject to mandatory redemption on August 15, 2009 at a price equal to 100% of the liquidation preference, plus, without duplication, all accrued and unpaid dividends thereon.

Covenants

Certain covenants with respect to BRCOM and its subsidiaries include SEC reporting obligations, limitations on incurring indebtedness, limitations on restricted payments, limitations on restrictions on