

Broadwing Communications Services Inc.

INCOME STATEMENT 9 Months Ending September 30, 2002 Unaudited

Net Revenues	\$ 352,307,717
Operating Expenses:	
Cost of Services	274,643,334
Operations and Administration	97,174,065
Depreciation and Amortization	138,529,372
Other Operating Expenses	20,961,434
Operating Loss	<u>(179,000,488)</u>
Interest Expense	(124,674,592)
Equity Interest	(13,240,901)
Other, Net	<u>(470,651)</u>
Loss Before Income Taxes, Minority Interest and Change in Accounting Principle	<u>(317,386,632)</u>
Benefit for Income Taxes	141,385,945
Minority Interest	245,700
Change in Accounting Principle	<u>(1,649,861,655)</u>
Net Loss	<u>(\$1,825,616,642)</u>

Broadwing Communications Services Inc.

BALANCE SHEET

September 30, 2002

Unaudited

ASSETS

Current Assets

Cash And Cash Equivalents	\$ 12,992,120
Accounts Receivable	105,774,181
I/C Receivables From Affiliates	(1,880,761,057)
Prepaid Assets	7,524,840
Deferred Taxes & Other Current Assets	14,811,284
Total Current Assets	<u>(1,739,658,632)</u>

Fixed Assets, Net

813,163,663

Other Non-Current Assets

798,707,456

Investment In Subsidiaries

(577,454,091)

Total Assets

(705,241,604)

LIABILITIES AND STOCKHOLDERS EQUITY

Current Liabilities

Accounts Payable	108,391,754
Deferred Revenue	30,337,108
Taxes Payable	98,238,623
Current Portion Of Long Term Debt	2,113,609
Other Current Liabilities	(263,038,356)
Total Current Liabilities	<u>(23,957,262)</u>

Non-Current Liabilities

Total Long Term Debt Less Current Portion	1,074,228
Deferred Tax Liability	326,324,410
Total Other Liabilities	356,127,940
Minority Interest	(523,133)
Total Non-Current Liabilities	<u>683,003,445</u>
Total Liabilities	<u>659,046,183</u>

Stockholders Equity

Total Retained Earnings	(3,632,058,370)
Additional Paid In Capital	2,267,770,583
Total Stockholders Equity	<u>(1,364,287,787)</u>

Total Liabilities And Stockholders Equity

(\$705,241,604)

Broadwing Telecommunications Inc.

INCOME STATEMENT 9 Months Ending September 30, 2002 Unaudited

Net Revenues	\$204,453,503
Operating Expenses:	
Cost of Services	126,208,678
Operations and Administration	107,770,788
Depreciation and Amortization	<u>3,255,290</u>
Operating Loss	(32,781,253)
Interest Expense	(4,709,431)
Other, Net	<u>(175,499)</u>
Loss Before Income Taxes & Change in Accounting Principal	(37,666,183)
Benefit for Income Taxes	13,277,465
Change in Accounting Principal	<u>(357,053,444)</u>
Net Loss	<u><u>(\$381,442,162)</u></u>

Broadwing Telecommunications Inc.

BALANCE SHEET

September 30, 2002

Unaudited

ASSETS

Current Assets

Cash and Cash Equivalents	\$ -
Accounts Receivable	7,178,668
Prepaid Assets	2,050,576
Deferred Taxes	2,624,591
Other Assets	2,572,512
Total Current Assets	<u>15,426,347</u>

Fixed Assets, Net	7,597,972
Net Intangible Assets	145,031
Other Non-Current Assets	99,001,799
Total Assets	<u><u>122,171,149</u></u>

LIABILITIES AND STOCKHOLDERS EQUITY

Current Liabilities

Accounts Payable	4,775,663
Accrued Liabilities	355,003,216
Taxes Payable	8,744,641
Other Accrued Liabilities	1,385,852
Total Current Liabilities	<u>369,909,372</u>

Non-Current Liabilities

Deferred Tax Liability	3,389,297
Other Long Term Liabilities	755,848
Total Non-Current Liabilities	<u>4,145,145</u>
Total Liabilities	<u><u>374,054,517</u></u>

Stockholders Equity

Total Retained Earnings	(708,706,095)
Additional Paid In Capital	456,822,727
Total Stockholders Equity	<u><u>(251,883,368)</u></u>

Total Liabilities And Stockholders Equity	<u><u>\$122,171,149</u></u>
---	-----------------------------

Broadwing Communications Services Inc.

INCOME STATEMENT 12 Months Ending December 31, 2001 Unaudited

Net Revenues	\$ 617,242,503
Operating Expenses:	
Cost of Services	467,098,508
Operations and Administration	132,767,681
Depreciation and Amortization	264,265,142
Other Operating Expenses	<u>212,305,187</u>
Operating Loss	(459,194,015)
Interest Expense	(111,794,342)
Equity Interest	2,985,494
Other, Net	<u>3,829,467</u>
Loss Before Income Taxes and Minority Interest	(564,173,396)
Benefit for Income Taxes	213,057,553
Minority Interest	<u>192,124</u>
Net Loss	<u><u>(\$350,923,719)</u></u>

Broadwing Communications Services Inc.

BALANCE SHEET

December 31, 2001

Unaudited

ASSETS

Current Assets

Cash And Cash Equivalents	\$ 11,961,100
Accounts Receivable	69,872,252
I/C Receivables From Affiliates	(1,506,181,154)
Prepaid Assets	8,966,310
Deferred Taxes	8,043,714
Total Current Assets	<u>(1,407,337,778)</u>

Fixed Assets, Net	933,867,725
Other Non-Current Assets	2,348,247,327
Investment In Subsidiaries	(440,070,430)
Total Assets	<u>1,434,706,844</u>

LIABILITIES AND STOCKHOLDERS EQUITY

Current Liabilities

Accounts Payable	172,003,740
Deferred Revenue	39,937,742
Taxes Payable	(7,324,388)
Current Portion Of Long Term Debt	2,887,592
Other Current Liabilities	(78,400,415)
Total Current Liabilities	<u>129,104,271</u>

Non-Current Liabilities

Total Long Term Debt Less Current Portion	44,646,155
Deferred Tax Liability	290,499,169
Total Other Liabilities	425,384,851
Minority Interest	(277,432)
Total Non-Current Liabilities	<u>760,252,743</u>
Total Liabilities	<u>889,357,014</u>

Stockholders Equity

Total Retained Earnings	(1,670,735,545)
Additional Paid In Capital	2,216,085,376
Total Stockholders Equity	<u>545,349,831</u>

Total Liabilities And Stockholders Equity	<u>\$1,434,706,845</u>
---	------------------------

Broadwing Telecommunications Inc.

INCOME STATEMENT 12 Months Ending December 31, 2001 Unaudited

Net Revenues	\$ 246,772,451
Operating Expenses:	
Cost of Services	154,965,477
Operations and Administration	156,540,464
Depreciation and Amortization	24,319,967
Operating Loss	<u>(89,053,457)</u>
Interest Expense	(14,476,105)
Other, Net	<u>(1,857,993)</u>
Loss Before Income Taxes	<u>(105,387,555)</u>
Benefit for Income Taxes	<u>32,956,974</u>
Net Loss	<u><u>(\$ 72,430,581)</u></u>

Broadwing Telecommunications Inc.

BALANCE SHEET

December 31, 2001

Unaudited

ASSETS

Current Assets

Cash And Cash Equivalents	\$ 47,322
Accounts Receivable	(60,862,453)
Prepaid Assets	1,814,189
Deferred Taxes	3,162,796
Other Assets	(12,355,382)
Total Current Assets	<u>(68,193,528)</u>

Fixed Assets, Net	11,645,403
Net Intangible Assets	359,131,210
Other Non-Current Assets	80,917,949
Total Assets	<u>383,501,034</u>

LIABILITIES AND STOCKHOLDERS EQUITY

Current Liabilities

Accounts Payable	3,181,269
Accrued Liabilities	246,857,682
Taxes Payable	803,940
Other Accrued Liabilities	400,953
Total Current Liabilities	<u>251,243,844</u>

Non-Current Liabilities

Deferred Tax Liability	2,324,534
Other Long Term Liabilities	744,859
Total Non-Current Liabilities	<u>3,069,393</u>
Total Liabilities	<u>254,313,237</u>

Stockholders Equity

Total Retained Earnings	(327,634,930)
Additional Paid In Capital	456,822,727
Total Stockholders Equity	<u>129,187,797</u>

Total Liabilities And Stockholders Equity	<u>\$ 383,501,034</u>
---	-----------------------