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CORECOMM HOLDCO INC
Form 424B3
July 01, 2002

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FILE NO. 333-82400

CORECOMM HOLDCO, INC.
OFFERS TO EXCHANGE
SHARES OF CORECOMM HOLDCO, INC. COMMON STOCK
FOR SHARES OF CORECOMM LIMITED COMMON STOCK
AND
SHARES OF CORECOMM HOLDCO, INC. COMMON STOCK AND CASH
FOR 6% CONVERTIBLE SUBORDINATED NOTES DUE 2006 OF CORECOMM LIMITED

THE EXCHANGE OFFERS AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 NOON, NEW YORK CITY TIME, ON JULY 1, 2002, UNLESS EXTENDED.

Until December 2001, we were a direct, wholly-owned subsidiary of CoreComm Limited. As a result of prior recapitalization transactions completed as part of CoreComm Limited's recapitalization plan, CoreComm Limited currently owns only approximately 13% of our outstanding common stock with the remaining approximately 87% being owned by former debt and preferred stock holders of CoreComm Limited. The final phase of the recapitalization plan includes the exchange offers, which are being made to all remaining public security holders of CoreComm Limited. In the exchange offers, we are offering to exchange:

- 1/38.9 of a share of CoreComm Holdco common stock for each share of CoreComm Limited common stock, with the number of shares of CoreComm Holdco common stock rounded up to the nearest whole share for each unaffiliated holder; and
- 9.1047 shares of CoreComm Holdco common stock and \$30.00 in cash for each \$1,000 in aggregate principal amount of 6% Convertible Subordinated Notes due 2006 of CoreComm Limited, with the number of shares of CoreComm Holdco common stock rounded up to the nearest whole share for each unaffiliated holder.

We will accept all outstanding shares of CoreComm Limited common stock and all outstanding 6% convertible subordinated notes and will issue up to an aggregate of 3,943,248 shares of CoreComm Holdco common stock in the exchange offers plus additional shares which may be issued (1) as a result of rounding up in the exchange offers and (2) in exchange for shares of CoreComm Limited common stock that are issued upon conversion of convertible securities and tendered in the exchange offer.

Currently, no public market exists for the shares of CoreComm Holdco common stock. CoreComm Limited common stock is currently listed on the Nasdaq National Market under the symbol "COMM." We intend to transfer the listing of CoreComm Limited common stock to CoreComm Holdco common stock. Nasdaq has determined that it will treat us as a successor to CoreComm Limited and will transfer the symbol "COMM" to us upon the satisfaction of the following: (1) our exchange of shares of CoreComm Holdco common stock for at least 90% of the outstanding shares of CoreComm Limited common stock, (2) the transfer of the shares of CoreComm Limited common stock that we accept in the exchange offer to one of our wholly-owned subsidiaries and (3) the merger of this subsidiary into CoreComm Limited. Please refer to the section of the prospectus entitled "The Exchange Offers -- Effect of the Exchange Offers -- Transfer of Nasdaq Listing."

PLEASE REFER TO THE "RISK FACTORS" SECTION OF THIS PROSPECTUS BEGINNING ON PAGE 14 FOR A DISCUSSION OF THE RISKS ASSOCIATED WITH THE EXCHANGE OFFERS BEFORE YOU MAKE YOUR DECISION AS TO WHETHER TO TENDER YOUR SHARES OF CORECOMM LIMITED COMMON STOCK AND/OR 6% CONVERTIBLE SUBORDINATED NOTES.

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NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is July 1, 2002

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QUESTIONS AND ANSWERS ABOUT THE EXCHANGE OFFERS

The following questions and answers, and the summary that follows, are intended to highlight selected information from this document and may not contain all of the information that is important to you. To better understand the exchange offers you should read this entire prospectus, the accompanying letters of transmittal and instructions to the letters of transmittal carefully.

Q: WHY ARE YOU MAKING THE EXCHANGE OFFERS?

A: In late 2001, CoreComm Limited determined that it would be advantageous to recapitalize a significant portion of its debt and preferred stock so that it could continue as a going concern. On October 31, 2001, CoreComm Limited publicly announced a two-phase recapitalization plan, which we refer to as the Holdco recapitalization, to achieve that objective. The exchange offers described in detail in this prospectus comprise part of the second phase of the Holdco recapitalization. We are making the exchange offer for shares of CoreComm Limited common stock because we must obtain at least 90% of the outstanding shares of CoreComm Limited common stock in order to complete the Holdco recapitalization as discussed below. We are making the offer for the 6% Convertible Subordinated Notes due 2006 of CoreComm Limited, which we refer to as public notes, in order to complete the recapitalization of the indebtedness of CoreComm Limited and to reduce CoreComm Limited's debt and interest expense. If the Holdco recapitalization is successfully completed, CoreComm Limited will be a wholly-owned subsidiary of CoreComm Holdco which will be the Nasdaq listed company. Current public stockholders of CoreComm Limited who exchange their shares of CoreComm Limited common stock in the exchange offer for CoreComm Limited common stock will become stockholders in CoreComm Holdco, which will succeed to the Nasdaq listing of CoreComm Limited.

Q: WHAT HAPPENED IN THE FIRST PHASE OF THE HOLDCO RECAPITALIZATION?

A: In the first phase of the Holdco recapitalization, which commenced in early October 2001, CoreComm Limited and CoreComm Holdco exchanged approximately \$600 million of CoreComm Limited's approximately \$786 million of debt and preferred stock for approximately 87% of the outstanding CoreComm Holdco common stock and a cash payment representing an interest payment on the public notes. CoreComm Limited and CoreComm Holdco successfully negotiated with holders representing 97% of the outstanding public notes to exchange their public notes for cash payments equal to an overdue interest payment and common stock representing an aggregate of 5% of the outstanding shares of CoreComm Holdco common stock. Only \$4.75 million in principal amount, or approximately 3% of the \$164.75 million in total principal amount of public notes outstanding, remain outstanding and held by persons other than CoreComm Holdco. The first phase of the Holdco recapitalization also included other debt and preferred securities in an aggregate principal amount/ liquidation preference of \$432.8 million which were exchanged for shares of CoreComm Holdco common stock in December 2001. These holders in the aggregate received approximately 82% of the outstanding shares of CoreComm Holdco common stock as part of the first phase.

Q: WHAT ARE THE CONSEQUENCES IF LESS THAN 90% OF THE OUTSTANDING SHARES OF CORECOMM LIMITED COMMON STOCK ARE TENDERED?

A: Unless at least 90% of the outstanding shares of CoreComm Limited common stock are tendered, CoreComm Holdco will not be able to complete the Holdco recapitalization and therefore will not accept shares of CoreComm Limited common stock in the exchange offer. Nasdaq will not transfer CoreComm

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Limited's Nasdaq National Market listing to CoreComm Holdco until CoreComm Limited becomes a wholly-owned subsidiary of CoreComm Holdco, which would require 90% ownership of CoreComm Limited common stock by CoreComm Holdco to complete a short-form merger under Delaware law. If the Holdco recapitalization is not completed, CoreComm Limited common stock will likely be delisted from the Nasdaq National Market, which could have a negative impact on the trading activity and price of CoreComm Limited common stock. If the exchange offer

is not completed, holders of CoreComm Limited common stock will continue to hold those shares which represent an indirect interest in CoreComm Holdco.

Since less than 90% of the outstanding shares of CoreComm Limited common stock have been tendered as of June 25, 2002, we will convert securities of CoreComm Limited which we currently hold into shares of CoreComm Limited common stock and require CoreComm Limited to pay to us in shares of CoreComm Limited common stock all past due interest payments under CoreComm Limited's Senior Unsecured Notes due September 29, 2003 which we own, and then tender all of these shares of CoreComm Limited common stock into the exchange offer for CoreComm Limited common stock to help achieve satisfaction of the minimum condition that at least 90% of the outstanding shares of CoreComm Limited common stock are tendered. All of the shares of CoreComm Holdco common stock received by CoreComm Holdco under the exchange offers will be cancelled immediately following the merger, and therefore these shares will have no effect on any holders of CoreComm Holdco common stock. Based upon the number of shares of CoreComm Limited common stock tendered as of June 25, 2002, these actions would result in the 90% minimum condition being satisfied. For a discussion of these transactions, see the section of this prospectus entitled "The Exchange Offers -- Conditions for Completion of the Exchange Offers."

Holders of public notes who do not tender their public notes will continue to hold public notes whether or not the merger takes place. If the merger does not take place, CoreComm Limited would probably lack sufficient funds to pay amounts due under the public notes as its only material asset would be its ownership of 13% of the outstanding shares of CoreComm Holdco common stock.

Q: WHAT ARE THE CONSEQUENCES IF 90% OR MORE OF THE OUTSTANDING SHARES OF CORECOMM LIMITED COMMON STOCK ARE TENDERED?

A: If 90% or more of the outstanding shares of CoreComm Limited common stock are tendered, CoreComm Limited will become a wholly-owned subsidiary of CoreComm Holdco through a merger. Stockholders who did not tender their shares of CoreComm Limited common stock in the exchange offer will receive the same number of shares of CoreComm Holdco common stock in the merger that they would have received had they tendered their shares in the exchange offer, unless appraisal is sought. Holders of public notes who do not tender their public notes will continue to hold public notes whether or not the merger takes place. However, the public notes will remain obligations of CoreComm Limited and CoreComm Limited would probably lack sufficient funds to pay amounts due under the public notes as it will have little or no material assets.

Q: WHY HAVE YOU CHANGED THE EXCHANGE RATIO WITH RESPECT TO THE NUMBER OF SHARES OF CORECOMM HOLDCO COMMON STOCK TO BE ISSUED IN THE EXCHANGE OFFERS?

A: On April 12, 2002, the CoreComm Holdco board of directors declared a 3-for-1 stock split of CoreComm Holdco common stock, which was effected in the form of a dividend of shares. The board declared the stock dividend in order to increase the number of shares of CoreComm Holdco common stock that

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will be outstanding to have additional shares available for trading at the completion of the second phase of the Holdco recapitalization and to better reflect the capitalization of CoreComm Holdco.

As a result of the declaration and payment of this stock dividend, the previous exchange ratio of:

- 1/116.7 of a share of CoreComm Holdco common stock for each share of CoreComm Limited common stock has been changed to 1/38.9 of a share, rounded up to the nearest whole share for each unaffiliated holder; and
- 3.0349 shares of CoreComm Holdco common stock for each \$1,000 in aggregate principal amount of public notes has been changed to 9.1047 shares, rounded up to the nearest whole share for each unaffiliated holder.

There will be no change with respect to the cash portion of the public notes exchange offer.

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All references in this prospectus to shares of CoreComm Holdco common stock have been adjusted to reflect this stock dividend. If you have already tendered shares or public notes and not withdrawn them, you will receive the number of shares of CoreComm Holdco common stock based on the new exchange ratios.

Q: DOES THE STOCK DIVIDEND ON SHARES OF CORECOMM HOLDCO COMMON STOCK INCREASE THE NUMBER OF SHARES OF CORECOMM LIMITED COMMON STOCK YOU CURRENTLY OWN?

A: No. The declaration and payment of the stock dividend on shares of CoreComm Holdco common stock has no effect on the number of shares of CoreComm Limited common stock you currently own.

Q: DOES THE STOCK DIVIDEND ON SHARES OF CORECOMM HOLDCO COMMON STOCK AND THE CHANGE TO THE EXCHANGE RATIOS MEAN THAT YOU HAVE INCREASED THE CONSIDERATION YOU ARE PAYING IN THE EXCHANGE OFFERS?

A: No. If you elect to tender in the exchange offers, your ownership percentage in CoreComm Holdco would be the same as under the previous exchange ratios.

Q: DO THE BOARDS OF DIRECTORS OF CORECOMM LIMITED AND CORECOMM HOLDCO SUPPORT THE EXCHANGE OFFERS?

A: Yes. The board of directors of each of CoreComm Limited and CoreComm Holdco unanimously supports the exchange offers and recommends that you tender your shares of CoreComm Limited common stock in the exchange offer for CoreComm Limited common stock so that we can complete the Holdco recapitalization. For more information, see the section of the prospectus entitled "The Exchange Offers -- Recommendation." However, neither CoreComm Limited's nor CoreComm Holdco's respective board of directors takes a position on whether you should tender your public notes or convert your public notes and tender the shares of CoreComm Limited common stock. For information on the decision to tender your public notes or convert your public notes and tender the shares of CoreComm Limited common stock, see the section of the prospectus entitled "The Exchange Offers -- Conditions for Completion of the Exchange Offers."

Q: WHEN DO THE EXCHANGE OFFERS EXPIRE?

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A. If you wish to participate in the exchange offers, you must validly tender your public notes and/or CoreComm Limited common stock, which we refer to collectively as the outstanding securities, so that the exchange agent receives them before 12:00 Noon, New York City time, on July 1, 2002, unless we extend the exchange offers.

Q: HOW WILL I KNOW IF THE EXCHANGE OFFERS ARE EXTENDED?

A: If we extend the exchange offers, we will make a public announcement of the extension not later than 9:00 A.M., New York City time, on the next business day after the day on which the exchange offers were scheduled to expire.

Q: HOW DO I PARTICIPATE IN THE EXCHANGE OFFERS?

A: If you wish to tender your outstanding securities, you should complete and sign the enclosed letter of transmittal and return it with your stock certificates and/or public notes to the designated exchange agent, or, if you hold your outstanding securities in street name through a broker, ask your broker to tender your outstanding securities. If you hold certificates representing shares of CoreComm Limited common stock or public notes, or if you hold shares of CoreComm Limited common stock or public notes through a broker, and cannot deliver required documentation to the exchange agent by the expiration date, you may obtain up to three additional Nasdaq National Market trading days to do so by having an eligible institution guarantee that the missing documentation will be received by the exchange agent within that period. The exchange agent must receive the missing documentation within that period or your outstanding securities will not be validly tendered. For more information on tendering your outstanding securities, see the section of the prospectus entitled "The Exchange Offers -- Procedures for Tendering Outstanding Securities."

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Q: DO I HAVE TO PAY ANY BROKERAGE FEES OR COMMISSIONS?

A: If you are the record owner of your outstanding securities and you tender your outstanding securities in the exchange offers, you will not incur any brokerage fees or commissions. If your outstanding securities are held through a broker or other nominee who tenders the outstanding securities on your behalf, your broker may charge you a commission for doing so. You should consult with your broker or nominee to determine whether any charges will apply.

Q: ARE THERE ANY CONDITIONS TO OUR OBLIGATION TO COMPLETE THE EXCHANGE OFFERS?

A. Yes. We do not have to complete the exchange offers unless all of the conditions outlined in the section of this prospectus entitled "The Exchange Offers -- Conditions for Completion of the Exchange Offers" are satisfied. In particular, there is a condition for the exchange offer relating to the CoreComm Limited common stock that at least 90% of the outstanding shares of CoreComm Limited common stock be tendered. We sometimes refer to this condition as the minimum condition. There is no minimum condition for the exchange offer relating to the public notes. While we may at any time waive any or all of the conditions to one or both of the exchange offers, we do not intend to waive the minimum condition because Nasdaq requires that the merger take place, which requires the tender of 90% of the outstanding shares of CoreComm Limited common stock.

Q: CAN I WITHDRAW PREVIOUSLY TENDERED OUTSTANDING SECURITIES?

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A: You may withdraw tenders of your outstanding securities at any time before the expiration date and, unless we have accepted your tender as provided in this prospectus and the accompanying documents, after the expiration of 40 business days from the commencement of the exchange offers. If you change your mind before the expiration date, you may retender your outstanding securities by following the tender procedures again and retendering before the expiration date.

Q: HOW DO I WITHDRAW PREVIOUSLY TENDERED OUTSTANDING SECURITIES?

A: To withdraw your previously tendered outstanding securities, you must deliver a written notice of withdrawal with the required information to the exchange agent while you still have the right to withdraw outstanding securities.

Q: WHAT IS THE MARKET VALUE OF MY OUTSTANDING SECURITIES?

A: You can obtain quotes for shares of CoreComm Limited common stock in newspapers, over the Internet or from your broker. CoreComm Limited's common stock is currently listed on the Nasdaq National Market under the symbol "COMM." On December 17, 2001, the last trading day before the public announcement of our intention to commence the exchange offers, the per share closing price of CoreComm Limited common stock was \$0.17. On June 25, 2002, the per share closing price of CoreComm Limited common stock was \$0.0422. We encourage you to obtain a recent quotation for CoreComm Limited common stock prior to deciding whether to tender. Currently, no public market exists for the shares of CoreComm Holdco common stock; Nasdaq has determined that it will treat CoreComm Holdco as a successor to CoreComm Limited and will transfer the symbol "COMM" to us following completion of the merger.

The public notes are not currently traded on any national securities exchange or authorized to be quoted in any inter-dealer quotation system of any national securities association. Although some institutions and securities dealers do provide sporadic quotations for and engage in transactions in these securities, there is no established trading market for these securities, other than these sporadic quotations.

Q: DO I HAVE APPRAISAL RIGHTS IN CONNECTION WITH THE EXCHANGE OFFERS OR THE MERGER?

A: Holders of public notes do not have any appraisal rights.

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Holders of CoreComm Limited common stock do not have appraisal rights in connection with the exchange offer, but will have the right, under Section 262 of the Delaware General Corporation Law, to dissent and demand appraisal of their shares of CoreComm Limited common stock in connection with the merger, if they perfect their appraisal rights.

Under Section 262, dissenting stockholders who:

- did not vote in favor of the merger, in the event that a stockholder vote is necessary; and
- comply with the applicable statutory requirements and procedures

may be entitled to receive a judicial determination of the fair value of their shares of CoreComm Limited common stock not tendered nor accepted by us in the exchange offer, exclusive of any element of value arising from the

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accomplishment or expectation of the merger, and to receive payment of this fair value in cash, together with a fair rate of interest, if any.

For more information on appraisal rights, see the section of the prospectus entitled "The Exchange Offers -- Effect of the Exchange Offers -- Appraisal Rights."

Q: WILL I BE TAXED ON THE SHARES OF CORECOMM HOLDCO COMMON STOCK AND, IF APPLICABLE, CASH THAT I RECEIVE?

A: We have received an opinion of Skadden, Arps, Slate, Meagher & Flom (Illinois), special U.S. federal income tax counsel to CoreComm Holdco, that your exchange of CoreComm Limited common stock for CoreComm Holdco common stock should not be a taxable exchange for United States federal income tax purposes and that your exchange of public notes for CoreComm Holdco common stock and cash should cause you to recognize gain, if any, but not loss, to the extent of the cash you receive in the exchange. This gain should be taxed as ordinary income to the extent of any accrued market discount. You should consult your own tax advisor as to the particular tax consequences of the exchange offers to you. For more information, please refer to the section of the prospectus entitled "Material U.S. Federal Income Tax Consequences."

Q: DO THE STATEMENTS ON THE COVER PAGE REGARDING THIS PROSPECTUS BEING SUBJECT TO CHANGE AND THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION NOT YET BEING EFFECTIVE MEAN THAT THE EXCHANGE OFFERS HAVE NOT YET COMMENCED?

A: No. The exchange offers commenced on February 8, 2002 and effectiveness of the registration statement is not necessary for you to tender outstanding securities.

Q: HOW CAN I GET MORE INFORMATION ABOUT THE EXCHANGE OFFERS?

A. You may call the information agent, D.F. King & Co., Inc., to ask any questions or to request additional documents at (800) 848-2998 (toll free) in the United States or at (212) 269-5550 (collect) elsewhere. You also may obtain free copies of other documents publicly filed by us or CoreComm Limited at the Securities and Exchange Commission's website at www.sec.gov. For more information, please refer to the section of the prospectus entitled "Where You Can Find More Information."

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PROSPECTUS SUMMARY

This prospectus and the related letters of transmittal each contain important information which should be read carefully before any decision is made with respect to the exchange offers. The following summary therefore is qualified in its entirety by reference to, and should be read in conjunction with, the information appearing elsewhere in this prospectus and the related letters of transmittal.

CORECOMM OVERVIEW

We are an integrated communications provider offering local exchange carrier and interexchange carrier telephone, Internet and high-speed data services to business and residential customers in targeted markets throughout the Mid-Atlantic and Midwest regions of the United States. We operate three business divisions: business services (ATX), residential services (CoreComm Residential) and Internet services (Voyager). We currently offer services to

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business and residential customers located principally in Pennsylvania, Ohio, New Jersey, Michigan, Wisconsin, Maryland, Illinois, New York, Virginia, Delaware, Massachusetts, Washington, D.C. and Indiana.

CoreComm Holdco is a Delaware corporation that was created by the 1999 merger of two former wholly-owned subsidiaries of CoreComm Limited. Until December 17, 2001, CoreComm Holdco was a wholly-owned subsidiary of CoreComm Limited. We operate the same businesses that CoreComm Limited historically operated. Our only material assets are loans to, and the capital stock of, our subsidiary, CoreComm Communications, Inc., which in turn owns the capital stock of various operating companies.

HOLDCO RECAPITALIZATION

BACKGROUND

From 1998 to 2000, CoreComm Limited was in the process of building infrastructure to support a national roll-out according to its original business plan. This business plan required significant funds for capital expenditures, operating expenses and debt service. In early 2001, CoreComm Limited still required significant funds to complete its business plan as originally intended. However, adverse changes in the capital markets, particularly in the telecommunications sector, made it extremely difficult to raise new capital, and CoreComm Limited could no longer finance its original business plan. As a result, in early 2001 CoreComm Limited significantly revised its business plan to focus on its most profitable businesses and geographic areas, and to reduce its operational costs and need for capital. These changes were generally successful, as evidenced by the significant improvement in financial results during 2001.

Despite the improvement to operations during 2001, CoreComm Limited did not expect that it would generate enough cash from operations to cover all of its debt service and other obligations. In late 2001, CoreComm Limited developed a plan to reduce the amount of its outstanding debt and the significant cash outlays needed to service its debt, as well as its preferred stock and associated dividend payments. The goal was to strengthen its financial position and give CoreComm Limited a chance to participate in future industry consolidation and financings.

In December 2001, the first phase of the recapitalization plan was completed, in which approximately \$600 million of CoreComm Limited's approximately \$786 million of debt and preferred stock was exchanged for approximately 87% of the outstanding CoreComm Holdco common stock and a cash payment representing an interest payment on the public notes. The exchange offers and related transactions described in this prospectus comprise the second phase of the Holdco recapitalization, which is to (1) exchange CoreComm Limited common stock for CoreComm Holdco common stock and (2) exchange \$4.75 million of public notes for CoreComm Holdco common stock and a cash payment.

THE FIRST PHASE OF THE HOLDCO RECAPITALIZATION

In early October 2001, CoreComm Limited began discussions with holders of its public notes regarding the Holdco recapitalization in an attempt to exchange all of its outstanding public notes for shares of CoreComm Holdco common stock. As described further below, CoreComm Limited and

CoreComm Holdco successfully negotiated with 34 of the holders to exchange their public notes for cash payments equal to an overdue interest payment and common stock representing an aggregate of 5% of the outstanding shares of CoreComm

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Holdco common stock. In the aggregate, CoreComm Limited paid \$4.8 million in cash representing this interest payment and CoreComm Holdco issued 1,411,278 shares of its common stock in exchange for \$160 million of the \$164.75 million public notes outstanding.

The first phase of the Holdco recapitalization also included other debt and preferred securities being exchanged for shares of CoreComm Holdco common stock. On December 14, 2001, CoreComm Limited and CoreComm Holdco entered into an exchange agreement with:

(1) all four holders of Senior Unsecured Notes due September 29, 2003 of CoreComm Limited with respect to 100% of the \$105.7 million in principal amount outstanding;

(2) all four holders of 10.75% Senior Unsecured Convertible PIK Notes due 2010 with respect to 100% of the \$16.1 million in principal amount outstanding;

(3) one of the two holders of 10.75% Unsecured Convertible PIK Notes due 2011 with respect to the initial principal amount of \$10 million, representing 40% of the then outstanding principal amount of these notes; and

(4) all five holders of the preferred stock of CoreComm Limited, with respect to the liquidation preference of approximately \$301 million, representing 100% of CoreComm Limited's outstanding preferred stock.

These holders in the aggregate received 24,600,000 shares of CoreComm Holdco common stock which represented approximately 82% of the outstanding shares of CoreComm Holdco common stock. These holders included officers, directors and affiliates of CoreComm Limited who received an aggregate of 11,105,454 shares of CoreComm Holdco common stock which represented approximately 37% of the outstanding shares of CoreComm Holdco common stock. In total in the first phase, including shares issued to holders of public notes, CoreComm Holdco issued approximately 87% of its outstanding common stock to holders of debt of and preferred stock of CoreComm Limited. CoreComm Limited believed that the completion of the first phase of the Holdco recapitalization in December 2001 was imperative because CoreComm Limited faced significant cash obligations in January 2002.

THE SECOND PHASE OF THE HOLDCO RECAPITALIZATION

In the second phase, we are offering to exchange shares of CoreComm Limited common stock for an aggregate of approximately 4 million shares, representing approximately 13% of CoreComm Holdco common stock. The holders of the public notes are being offered \$30.00 in cash, which represents the interest payment that was due on April 1, 2002, and 9.1047 shares of CoreComm Holdco common stock, which represents their proportionate share of the 5% of CoreComm Holdco common stock offered to all holders of public notes, for each \$1,000 principal amount of public notes.

If the exchange offers are completed, stockholders of CoreComm Limited will hold common stock of CoreComm Holdco, a company with the same businesses that CoreComm Limited historically operated, but with approximately \$600 million less debt and preferred stock than CoreComm Limited. Instead of owning 100% of the common stock of CoreComm Limited, which would have no value to common stockholders in the event of liquidation, upon completion of the exchange offers, CoreComm Limited's current stockholders, including holders of warrants exercisable for CoreComm Limited common stock, would own approximately 13% of the outstanding common stock of the recently recapitalized CoreComm Holdco, which would have significantly less debt and an improved financial condition. In addition, Nasdaq has informed us that, upon completion of the second phase,

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CoreComm Limited's Nasdaq listing will be transferred to CoreComm Holdco, and CoreComm Holdco common stock will commence, and CoreComm Limited common stock will cease, trading on the Nasdaq National Market.

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CORPORATE STRUCTURE

The following three charts summarize the corporate structure of CoreComm Limited and CoreComm Holdco at different stages in the Holdco recapitalization. The first chart illustrates our historical corporate structure prior to December 17, 2001. The second chart illustrates our current corporate structure following completion of the first phase of the Holdco recapitalization which, as described below, was completed on December 28, 2001. The third chart illustrates our corporate structure following completion of the second phase of the Holdco recapitalization, assuming 100% of the outstanding public notes have been tendered and accepted in the exchange offer and the merger has been consummated. None of these charts show details of our operating or other intermediate companies or ownership interests in those entities.

[FLOW CHART]

- (1) Based upon the number of shares of CoreComm Holdco common stock and CoreComm Limited common stock outstanding on December 31, 2001.

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- (2) Senior debt and preferred stock of CoreComm Limited are outstanding and held by CoreComm Holdco.
- (3) CoreComm Limited has agreed to surrender that number of shares of our common stock that are issued in the exchange offers and the merger that we request, which would result in CoreComm Limited having little or no material assets.
- (4) Senior debt and/or preferred stock of CoreComm Limited may remain outstanding and held by CoreComm Holdco.

For a more in-depth discussion of the Holdco recapitalization, please refer to the section of the prospectus entitled "The Exchange Offers -- Background and Purpose."

RECENT DEVELOPMENTS

CHANGES IN OUR MANAGEMENT AND BOARD OF DIRECTORS

In January 2002, our board of directors implemented changes to our management and expanded our board to include three new directors. The changes are as follows:

- Barclay Knapp was elected Chairman;
- George S. Blumenthal was elected Chairman Emeritus;
- Thomas J. Gravina was elected President -- Chief Executive Officer and was elected to serve as a director;
- Michael A. Peterson was elected Executive Vice President -- Chief Operating Officer and Chief Financial Officer and was elected to serve as a director; and

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- Ralph H. Booth, II was elected to serve as a director.

Effective February 4, 2002, Richard J. Lubasch resigned as Senior Vice President -- General Counsel and Secretary.

RECEIPT OF GOING CONCERN QUALIFICATION

The auditors of CoreComm Limited have included a going concern explanatory paragraph in their audit report for CoreComm Limited for the year ended December 31, 2001, which states that CoreComm Limited's liquidity position raises substantial doubt about CoreComm Limited's ability to continue as a going concern.

The audit report of CoreComm Holdco for the year ended December 31, 2001 does not contain a going concern explanatory paragraph.

STOCK DIVIDEND

On April 12, 2002, the CoreComm Holdco board of directors declared a 3-for-1 stock split of CoreComm Holdco common stock which was effected in the form of a dividend of shares. This dividend was paid in additional shares of CoreComm Holdco common stock on April 12, 2002 to stockholders of record on April 11, 2002.

PUBLIC NOTES INTEREST PAYMENT

The interest payment that was due under the outstanding public notes on April 1, 2002 has not been made and CoreComm Limited is in default under the public notes. The consideration we are offering in our exchange offer for the public notes includes \$30.00 in cash, which represents the April 1, 2002 interest payment, for each \$1,000 in principal amount outstanding.

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RECEIPT OF NOTICE OF NASDAQ STAFF DETERMINATION

On May 16, 2002, Nasdaq provided CoreComm Limited with notice of a Nasdaq Staff Determination indicating that CoreComm Limited common stock is subject to delisting from the Nasdaq National Market because CoreComm Limited did not comply with the minimum bid price and the minimum market value of publicly held shares requirements for continued listing. On May 23, 2002, CoreComm Limited filed a request for a hearing before a Nasdaq Listing Qualifications Panel to review the Nasdaq Staff Determination. A hearing has been set for June 28, 2002. Under Nasdaq rules, pending a decision by the Panel, CoreComm Limited common stock will continue to trade on the Nasdaq National Market. Please see the section of this prospectus entitled "Risk Factors -- Risk factors relating to the exchange offers -- If you fail to tender your shares of CoreComm Limited common stock we may not be able to complete the Holdco recapitalization and shares of CoreComm Limited common stock will likely be delisted from the Nasdaq National Market."

Our principal executive offices are located at 50 Monument Road, Bala Cynwyd, Pennsylvania 19004 and 110 East 59th Street, 26th Floor, New York, New York 10022, and our telephone number is (212) 906-8485. The address of our Website is www.core.com. The information on our Website is not part of this prospectus. The issuer of the outstanding securities is CoreComm Limited, which is a Delaware corporation, whose principal executive offices are located at 50 Monument Road, Bala Cynwyd, Pennsylvania 19004 and 110 East 59th Street, 26th Floor, New York, New York 10022, and its telephone number is (212) 906-8485.

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COMPARATIVE PER SHARE DATA

CoreComm Holdco historically was a wholly-owned subsidiary of CoreComm Limited and a holding company for the CoreComm businesses. Upon consummation of the merger, the relationship would reverse, with CoreComm Holdco becoming the parent of CoreComm Limited which would have little or no material assets. The pro forma per share data presented below gives effect to the first phase of the Holdco recapitalization, which includes the recapitalization and exchange transactions completed in December 2001 and other transactions that were entered into by December 31, 2001 to eliminate additional amounts of outstanding CoreComm Holdco indebtedness. In addition, the unaudited pro forma per share data gives effect to the second phase of the Holdco recapitalization, which includes the exchange offers for the outstanding securities set forth in this prospectus.

In conjunction with the completion of the first phase of the Holdco recapitalization, we determined that the estimated fair value of CoreComm Holdco's common stock issued in these transactions was \$0.98 per share. Multiplying the CoreComm Holdco estimated fair value per share of \$0.98 by the exchange ratio of 1/38.9 implies that the value of the CoreComm Holdco common stock being offered for each share of CoreComm Limited common stock is approximately \$0.025 per share of CoreComm Limited common stock. The trading price per share of CoreComm Limited common stock today and CoreComm Holdco common stock in the future may be different from these values. As of the date of the exchange agreement entered into on December 14, 2001, the closing bid price of CoreComm Limited common stock was \$0.16. See the section of this prospectus entitled "The Exchange Offers -- Background and Purpose" for a discussion of the value of CoreComm Limited common stock. Our actual financial position and results of operations will differ, perhaps significantly, from the unaudited pro forma amounts reflected in this prospectus.

	AS OF AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2001				
	HOLDCO		LIMITED		EQUIVALENT
	HISTORICAL	PRO FORMA	HISTORICAL	PRO FORMA	PRO FORMA
Book value per share.....	\$ (.03)	\$ (.16)	\$ (4.36)	N/A	N/A
Net (loss) per share.....	(.39)	(.39)	(0.09)	N/A	N/A

	AT AND FOR THE YEAR ENDED DECEMBER 31, 2001				
	HOLDCO		LIMITED		EQUIVALENT
	HISTORICAL	PRO FORMA	HISTORICAL	PRO FORMA	PRO FORMA
Book value per share.....	\$ 0.36	\$.23	\$ (4.24)	N/A	N/A
(Loss) per share before extraordinary items(1).....	(22.15)	(21.34)	(6.77)	\$ (.52)	\$ (.02)

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- (1) The loss per share for Holdco is significantly higher than that of Limited due to the number of shares outstanding of 30,000,000 for Holdco and 140,326,000 for Limited.

We have never paid or declared cash dividends on our common stock.

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SUMMARY HISTORICAL AND PRO FORMA FINANCIAL DATA OF CORECOMM HOLDCO, INC.

The following information is only a summary and you should read it together with the financial information we include elsewhere in this prospectus.

The following summary financial data of CoreComm Holdco has been derived from, and should be read in conjunction with, the historical consolidated financial statements and related notes included in this prospectus.

The following unaudited pro forma financial data as of and for the three months ended March 31, 2002 and for the year ended December 31, 2001, gives effect to the Holdco recapitalization, the other transactions that were entered into by December 31, 2001 to eliminate additional amounts of our outstanding indebtedness. For additional information with respect to the Holdco recapitalization, without giving effect to the exchange offers or merger, refer to the Unaudited Pro Forma Financial Data included elsewhere in this prospectus. This information should be read in conjunction with the unaudited pro forma financial data included elsewhere in this prospectus.

Interim data for the three months ended March 31, 2002 and 2001 are unaudited but include, in our opinion, all adjustments consisting only of normal recurring adjustments necessary for a fair presentation of that data. Results for the three months ended March 31, 2002 are not necessarily indicative of the results that may be expected for any other interim period or the year as a whole.

In 2000, we completed two significant acquisitions. We acquired ATX Telecommunications Services, Inc. and Voyager.net, Inc. In addition, we entered into a senior secured credit facility with The Chase Manhattan Bank and CoreComm Limited issued approximately \$108.7 million aggregate principal amount of senior unsecured notes to the former stockholders of ATX. Also in 2000, we recorded a non-cash compensation expense of approximately \$43.4 million in accordance with APB opinion No. 25, "Accounting for Stock Issued to Employees."

In 1999, we acquired 100% of the stock of MegsINet, Inc. and some of the assets of USN Communications, Inc. In addition, CoreComm Limited issued \$175.0 million in aggregate principal amount of public notes in 1999, of which, as a result of the Holdco recapitalization and prior conversions into CoreComm Limited common stock by holders of the notes, only \$4.75 million in principal amount of public notes is currently held by persons other than CoreComm Holdco.

PRO FORMA THREE-MONTHS ENDED MARCH 31, 2002	PRO FORMA YEAR ENDED DECEMBER 31, 2001	HISTORICAL THREE-MONTHS ENDED MARCH 31, 2002	HISTORICAL THREE-MONTHS ENDED MARCH 31, 2001	HISTORICAL YEAR ENDED DECEMBER 31, 2001
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(IN THOUSANDS EXCEPT PER SHARE DATA)

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INCOME STATEMENT DATA

Revenues.....	\$ 74,419	\$ 293,207	\$ 74,311	\$ 72,811	\$ 292,681
Operating expenses.....	82,297	906,260	82,196	310,886	902,152
(Loss) before extraordinary item.....	(11,682)	(633,955)	(11,654)	(241,552)	(633,413)
Gain from extinguishment of debt.....	--	--	--	--	39,498
Net (loss).....	n/a	n/a	(11,654)	(241,552)	(593,915)
Basic and diluted net (loss) per common share:					
(Loss) before extraordinary item.....	(.39)	(21.34)	(.39)	(8.46)	(22.15)
Gain from extinguishment of debt.....	--	--	--	--	1.38
Net (loss).....	n/a	n/a	(.39)	(8.46)	(20.77)
Basic and diluted weighted average number of common shares(1).....	29,706	29,706	30,000	28,542	28,599

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MARCH 31, 2002

HISTORICAL PRO FORMA

(IN THOUSANDS)

BALANCE SHEET DATA

Working capital (deficiency).....	\$ (87,725)	\$ (91,993)
Fixed assets -- net.....	80,339	80,452
Total assets.....	312,674	310,387
Long-term debt (including current portion), capital leases and notes payable to related parties.....	170,659	170,659
Shareholders' equity.....	(871)	(4,674)

(1) After giving retroactive effect to the 6,342.944-for-1 stock split in December 2001 and the 3-for-1 stock split by way of a stock dividend on April 12, 2002. We have never declared or paid any cash dividends.

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RISK FACTORS

You should consider these risk factors in evaluating whether to tender your outstanding securities and thereby become a holder of CoreComm Holdco common stock. An investment in our common stock involves a high degree of risk. These factors should be considered in conjunction with the other information contained in this prospectus, including the financial statements and the related notes.

RISK FACTORS RELATING TO THE EXCHANGE OFFERS:

IF YOU FAIL TO TENDER YOUR SHARES OF CORECOMM LIMITED COMMON STOCK WE MAY NOT BE ABLE TO COMPLETE THE HOLDCO RECAPITALIZATION AND SHARES OF CORECOMM LIMITED

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COMMON STOCK WILL LIKELY BE DELISTED FROM THE NASDAQ NATIONAL MARKET.

Nasdaq has determined that it will treat us as a successor to CoreComm Limited and will transfer the symbol "COMM" to us following our exchange of shares of CoreComm Holdco common stock for at least 90% of the outstanding shares of CoreComm Limited common stock, the transfer of the shares of CoreComm Limited common stock that we accept in the exchange offers to one of our wholly-owned subsidiaries and the merger of that subsidiary into CoreComm Limited. If less than 90% of the outstanding shares of CoreComm Limited common stock are tendered and accepted, Nasdaq will not transfer the listing and we will not be able to complete the Holdco recapitalization which will adversely affect our ability to continue our business operations and adversely affect the holders of CoreComm Limited common stock and the holders of public notes as described below.

On February 14, 2002, CoreComm Limited received written notification from Nasdaq that CoreComm Limited had failed to comply with the minimum market value of publicly held shares and minimum bid price requirements for continued listing on the Nasdaq National Market and that CoreComm Limited would have until May 15, 2002 to regain compliance. CoreComm Limited did not regain compliance by May 15, 2002. On May 16, 2002, Nasdaq provided CoreComm Limited written notice of a Nasdaq Staff Determination indicating that CoreComm Limited common stock is subject to delisting from the Nasdaq National Market. On May 23, 2002, CoreComm Limited filed a request for a hearing before a Nasdaq Listing Qualifications Panel to review the Nasdaq Staff Determination. A hearing has been set for June 28, 2002. Under Nasdaq rules, pending a decision by the Panel, CoreComm Limited common stock will continue to trade on the Nasdaq National Market. CoreComm Limited will not be notified until the Panel makes a formal decision. There can be no assurance that CoreComm Limited will prevail at the hearing, and that its common stock will not be delisted from the Nasdaq National Market.

If CoreComm Limited common stock is delisted from the Nasdaq National Market prior to the completion of the merger, the Nasdaq listing will not transfer to CoreComm Holdco, it will have a negative impact on the trading activity and price of CoreComm Limited common stock, CoreComm Limited common stock may no longer constitute margin securities for the purposes of the Federal Reserve Board's margin regulations, and it could make obtaining accurate quotations for CoreComm Limited common stock difficult. In addition, it could make it more difficult for CoreComm Limited to raise additional equity capital in the future, which could adversely affect both the public notes and CoreComm Limited common stock and could lead to the possible termination of registration of the shares under the Securities Exchange Act of 1934, as described below.

CORECOMM LIMITED COMMON STOCK'S REGISTRATION UNDER THE EXCHANGE ACT COULD BE TERMINATED IF THE HOLDCO RECAPITALIZATION IS NOT COMPLETED.

Shares of CoreComm Limited common stock are currently registered under the Exchange Act. That registration may be terminated if the outstanding shares are not listed on a national securities exchange or listed on an automated inter-dealer quotation system and if there are fewer than 300 holders of record of shares of CoreComm Limited common stock. Termination of registration of the shares of CoreComm Limited common stock under the Exchange Act would reduce the information that CoreComm Limited must furnish to its stockholders and to the SEC and would make provisions of the Exchange Act, including the short-swing profit recovery provisions of Section 16(b) and the requirement of furnishing a

proxy statement in connection with stockholders meetings under Section 14(a) and the related requirement of furnishing an annual report to stockholders, no longer applicable with respect to shares of CoreComm Limited common stock. In

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addition, if shares of CoreComm Limited common stock are no longer registered under the Exchange Act, the requirements of Rule 13e-3 under the Exchange Act with respect to going-private transactions would no longer be applicable to CoreComm Limited. Furthermore, the ability of affiliates of CoreComm Limited and persons holding restricted securities of CoreComm Limited to dispose of these securities under Rule 144 under the Securities Act of 1933 may be impaired or eliminated. If registration of the shares under the Exchange Act were terminated, CoreComm Limited common stock would no longer be eligible for Nasdaq reporting or for continued inclusion on the Federal Reserve Board's list of margin securities.

If CoreComm Limited common stock is delisted prior to completion of the exchange offer for CoreComm Limited common stock or if the exchange offer is extended and during such extension CoreComm Limited loses its Nasdaq listing, Nasdaq will not permit the transfer of the listing to CoreComm Holdco.

CORECOMM LIMITED HAS RECEIVED A GOING CONCERN QUALIFICATION FROM ITS AUDITORS WHICH RAISES SUBSTANTIAL DOUBT THAT CORECOMM LIMITED CAN CONTINUE AS A GOING CONCERN IF THE HOLDCO RECAPITALIZATION IS NOT COMPLETED.

The auditors of CoreComm Limited have included a going concern explanatory paragraph in their audit report for CoreComm Limited for the year ended December 31, 2001 which raises substantial doubt about CoreComm Limited's ability to continue as a going concern. The receipt of this going concern explanatory paragraph could adversely affect CoreComm Limited's ability to obtain additional financing, could make the terms of any financing that CoreComm Limited is able to obtain more onerous and could adversely affect CoreComm Limited's relationship with its customers and suppliers.

CORECOMM LIMITED WOULD HOLD VIRTUALLY NO MATERIAL ASSETS FOLLOWING THE COMPLETION OF THE HOLDCO RECAPITALIZATION AND MAY NOT BE ABLE TO MEET ITS OBLIGATIONS UNDER THE PUBLIC NOTES.

Holders of public notes own securities in CoreComm Limited. As a result of the first phase of the Holdco recapitalization, CoreComm Limited, which formerly owned 100% of our outstanding capital stock, now owns approximately 13% of our outstanding capital stock as its sole material asset. CoreComm Holdco owns 100% of the business operations which CoreComm Limited formerly owned indirectly through CoreComm Holdco. If you own public notes and do not tender them in the exchange offers, they will continue to be obligations of CoreComm Limited, rather than CoreComm Holdco. CoreComm Limited has agreed that it will surrender to us that number of shares of our common stock that we request. We intend to request that CoreComm Limited surrender, immediately following the merger, all shares of our common stock that it owns, other than the number of shares of our common stock deliverable upon conversion of public notes neither tendered in the exchange offer for public notes nor converted prior to the completion of the merger. Therefore, if the Holdco recapitalization is completed, CoreComm Limited will own little or none of our common stock, and thus will own little or no material assets, since shares of our common stock are CoreComm Limited's only material assets. CoreComm Limited also remains a party liable under our \$156.1 million senior secured credit facility, has no right to withdraw any additional money under that facility, and does not contemplate raising any additional financing in the foreseeable future. CoreComm Holdco is not and will not be an obligor or guarantor of the public notes. However, if the merger occurs, any public notes not tendered or converted will become convertible into CoreComm Holdco common stock, and their conversion price will be adjusted based on the exchange ratio for CoreComm Limited common stock.

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OFFERS.

The public notes are currently not traded on any national securities exchange or authorized to be quoted in any inter-dealer quotation system of any national securities association. Although some institutions and securities dealers do provide quotations for and engage in transactions in these securities, there is no established trading market for these securities, other than through these limited or sporadic quotations. To the extent public notes are tendered and accepted in the exchange offers, these dealers and institutions may less frequently, or no longer, provide quotations for and engage in transactions in these securities.

HOLDERS OF PUBLIC NOTES THAT TENDER IN THE EXCHANGE OFFERS WILL BE GIVING UP THEIR RIGHTS TO RECEIVE INTEREST.

Holders of public notes who tender their public notes will receive shares of our common stock but will lose all rights associated with the public notes. The public notes obligate CoreComm Limited to pay holders of public notes a specified amount of interest on a semi-annual basis, and to pay holders of public notes the face value of those public notes at maturity. Presently, CoreComm Limited cannot predict if it will be able to meet these obligations in the future. However, to the extent that CoreComm Limited may be able to make any or all future payments on the public notes, by tendering your public notes for CoreComm Holdco common stock you will lose the right to any of these payments and instead will hold shares of CoreComm Holdco common stock.

RISK FACTORS RELATING TO OUR COMMON STOCK AND CORPORATE CONTROL:

OUR ANTI-TAKEOVER DEFENSE PROVISIONS MAY DETER POTENTIAL ACQUIRERS AND MAY DEPRESS OUR STOCK PRICE.

Delaware corporate law, our restated certificate of incorporation, as amended, and our amended by-laws contain provisions that could have the effect of making it more difficult for a third party to acquire, or of discouraging a third party from attempting to acquire, control of us. These provisions include the following:

- we may issue preferred stock with rights senior to those of our common stock;
- we have a classified board of directors with terms that do not expire for three years from re-election;
- our charter prohibits action by written consent of stockholders; and
- we require advance notice for nomination of directors and for stockholder proposals.

In addition, under our stockholder rights plan, holders of our common stock are entitled to one right to purchase 1/1000 of a share of our Series A junior participating preferred stock for each outstanding share of common stock they hold, exercisable under defined circumstances involving a potential change of control as discussed in this prospectus. The preferred stock purchase rights have the anti-takeover effect of causing substantial dilution to a person or group that attempts to acquire us on terms not approved by our board of directors. Those provisions could have a material adverse effect on the premium that potential acquirers might be willing to pay in an acquisition or that investors might be willing to pay in the future for shares of our common stock. Please refer to the section of the prospectus entitled "Description of Capital Stock -- The Stockholder Rights Plan."

OUR SIGNIFICANT STOCKHOLDERS, SOME OF WHOM HAVE THE RIGHT TO MAINTAIN SPECIFIED

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OWNERSHIP PERCENTAGES OF OUR VOTING SECURITIES AND A CONTRACTUAL RIGHT TO REPRESENTATION ON OUR BOARD OF DIRECTORS, MAY HAVE INTERESTS THAT CONFLICT WITH OUR INTERESTS AND THE INTERESTS OF OUR OTHER STOCKHOLDERS.

Michael Karp, together with the Florence Karp Trust, currently owns 34.0% of our common stock. Booth American Company currently owns 20.0% of our common stock. Each of Thomas Gravina, who is our CEO, President and a director, and Debra Buruchian currently owns 10.8% of our common stock. Subject to the terms of our stockholder rights plan, each of the above stockholders has the right, together with their affiliates and their associates, to increase their percentage ownership of our voting securities each

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year by the amount equal to 0.0735 times his, her or its original percentage ownership of our common stock. Under the terms of the exchange agreement, in no event are any of the above stockholders permitted to own more than 39.0% of our voting securities. As a result of their ownership of large amounts of our common stock, these stockholders are able to significantly influence all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions. This concentration of ownership may also have the effect of delaying or preventing a change in control of CoreComm Holdco.

Michael Karp has a contractual right to designate that number of directors to our board of directors so that his representation on our board of directors is proportionate to his, together with his affiliates' and associates', ownership percentage of our common stock. Likewise, Booth American Company has the right to designate one director to our board of directors. Booth American Company has designated Ralph H. Booth, II to the board. As of June 25, 2002, Michael Karp had not nominated any directors. Please see the section of this prospectus entitled "Description of Capital Stock -- The Exchange Agreement."

OUR OFFICERS AND DIRECTORS OWN A SIGNIFICANT PORTION OF OUR OUTSTANDING COMMON STOCK AND MAY BE ABLE TO CONTROL THE OUTCOME OF CORPORATE ACTIONS THAT REQUIRE STOCKHOLDER APPROVAL.

As of June 25, 2002, our directors and officers as a group own 11,156,550 shares, representing 37.2% of the outstanding shares of CoreComm Holdco common stock. Our directors and officers obtained all of these shares in the first phase of the Holdco recapitalization. As a result of this significant ownership interest, our directors and officers could exercise significant control over matters requiring stockholder approval, including the election of directors or a change in control of CoreComm Holdco. Please refer to the sections of this prospectus entitled "Security Ownership of Certain Beneficial Owners and Management" and "Description of Capital Stock."

WE MAY ISSUE ADDITIONAL COMMON STOCK OR PREFERRED STOCK, WHICH COULD DILUTE YOUR INTERESTS.

Our charter does not limit the issuance of additional common stock or preferred stock, up to the number of authorized shares of each class. We have already adopted a stock option plan which is described in the section of this prospectus entitled "Management and Executive Compensation -- Executive Compensation -- Stock Option Plan." In January 2002, our board of directors approved an initial grant of options exercisable for 7.74 million shares of our common stock under the plan. In addition, under the terms of the indenture governing the public notes and the warrant agreements of CoreComm Limited, upon completion of the merger, these securities will become convertible or exercisable, as the case may be, into shares of CoreComm Holdco common stock as adjusted based on the exchange ratio for CoreComm Limited common stock. We

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cannot predict the extent to which this potential dilution, the availability of a large amount of shares for sale, and the possibility of additional issuances and sales of our common stock and/or preferred stock will negatively affect the trading price or the liquidity of our common stock.

OUR ABILITY TO PAY DIVIDENDS IS RESTRICTED.

We have never paid cash dividends on our common stock and are currently restricted from doing so by the terms of our senior secured credit facility. We do not presently contemplate paying cash dividends and believe that it is extremely unlikely that we will pay cash dividends in the foreseeable future due to our current financial condition.

THE MARKET PRICE OF OUR COMMON STOCK COULD BE VOLATILE.

The market price of our common stock could fluctuate widely in response to numerous factors and events, including the lack of trading history and the transfer of CoreComm Limited common stock's listing on the Nasdaq National Market to our common stock. Since our common stock has yet to trade on a national securities exchange or on Nasdaq, we cannot predict the extent to which investors' interest in us will lead to the development of a trading market in our common stock or how liquid the market might become. The transfer of the Nasdaq listing from CoreComm Limited to us may confuse investors which could lead to erratic bid and ask prices and increased volatility in our common stock. In addition, the

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stock market in general, and the telecommunications sector specifically, in recent years have experienced broad price and volume fluctuations. We cannot assure you that our common stock will trade at the same levels as the stock of other telecommunications companies or at the level that CoreComm Limited common stock would have traded at had the exchange offers and merger not been consummated.

ASSUMING THE HOLDCO RECAPITALIZATION IS COMPLETED AND CORECOMM LIMITED'S NASDAQ LISTING IS TRANSFERRED TO US, OUR COMMON STOCK COULD BE DELISTED FROM THE NASDAQ NATIONAL MARKET IF WE FAIL TO MEET NASDAQ'S CONTINUED LISTING CRITERIA, WHICH COULD HAVE A NEGATIVE IMPACT ON THE TRADING ACTIVITY AND PRICE OF YOUR COMMON STOCK, AND COULD MAKE IT MORE DIFFICULT FOR US TO RAISE CAPITAL.

The Nasdaq National Market continued listing requirements require that an issuer satisfy Nasdaq's corporate governance standards and meet one of two alternative maintenance standards. The first maintenance standard requires that an issuer have total stockholders' equity of at least \$10.0 million or \$4.0 million in net tangible assets and that an issuer's common stock have a minimum bid price of \$1.00, at least two market makers, at least 400 stockholders that hold 100 or more shares each and at least 750,000 shares held by other than directors, officers and beneficial owners of 10% or more of the shares having a market value of at least \$5.0 million. The second maintenance standard requires that an issuer have either a market value of listed securities of at least \$50.0 million or total assets and total revenues of at least \$50.0 million each and that an issuer's common stock have a minimum bid price of \$3.00, at least four market makers, at least 400 stockholders that hold 100 or more shares each and at least 1.1 million shares held by other than directors, officers and beneficial owners of 10% or more of the shares having a market value of at least \$15.0 million.

While we do believe that, based on the current set of facts known to us, it is reasonably likely that we will be able to satisfy one of the Nasdaq National Market continued listing requirements immediately following the transfer of

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CoreComm Limited's Nasdaq listing to us, there is a risk that we will fail to meet one or more of the continued listing standards, particularly the minimum market value of shares held by non-affiliates requirement of both of the maintenance standards and the stockholders' equity or net tangible assets requirement of the first maintenance standard. In light of the foregoing, we cannot assure you that we will be able to maintain the Nasdaq National Market listing for shares of CoreComm Holdco common stock. If our common stock is delisted from the Nasdaq National Market, it could have a negative impact on the trading activity and price of your common stock and could make obtaining timely and accurate quotations with respect to the trading of our common stock difficult. In addition, the delisting of CoreComm Holdco common stock from the Nasdaq National Market could also make it more difficult for us to raise equity capital in the future.

If CoreComm Holdco common stock is delisted from the Nasdaq National Market, the shares will likely begin trading on the Over-the-Counter Bulletin Board. The Over-the-Counter Bulletin Board is not considered an exchange. Shares that trade on the Over-the-Counter Bulletin Board do not enjoy the same liquidity as shares that trade on the Nasdaq National Market and obtaining timely and accurate quotations is more difficult.

SALES OF LARGE AMOUNTS OF OUR COMMON STOCK OR THE PERCEPTION THAT SALES COULD OCCUR MAY DEPRESS OUR STOCK PRICE.

We issued an aggregate of 26,056,806 shares of our common stock to former holders of preferred stock of CoreComm Limited, former holders of debt securities of CoreComm Limited and former holders of debt securities that were joint obligations of CoreComm Limited and CoreComm Holdco in the first phase of the Holdco recapitalization. These shares represent approximately 87% of our outstanding common stock. None of these shares are subject to any lock up restrictions and may be sold at any time, except that some shares issued in accordance with the exchange agreement may only be transferred in the specified manners. Please refer to the section of the prospectus entitled "Description of Capital Stock -- The Exchange Agreement."

Sales in the public market of the securities acquired in connection with the Holdco recapitalization could lower our stock price and impair our ability to raise funds in additional stock offerings. Future sales

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of a substantial number of shares of our common stock in the public market, or the perception that these sales could occur, could adversely affect the prevailing market price of our common stock and could make it more difficult for us to raise funds through a public offering of our equity securities.

RISK FACTORS RELATING TO OUR BUSINESS:

WE ARE AT RISK OF NOT BEING ABLE TO MEET OUR NEAR TERM CASH REQUIREMENTS.

We will still have significant liabilities even after the completion of the Holdco recapitalization. On a pro forma basis, at March 31, 2002, our current liabilities exceed our current assets by approximately \$92 million. Our operating losses and capital expenditures currently result in negative cash flow. Although we believe that we will have sufficient cash to execute our business plan, we cannot assure you that:

(1) actual costs will not exceed the amounts estimated or that additional funding will not be required;

(2) we will be able to generate sufficient cash from operations to

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meet capital requirements, debt service and other obligations when required;

(3) we will be able to access this cash flow;

(4) we will be able to sell assets or businesses;

(5) we will not be adversely affected by interest rate fluctuations;
or

(6) we will be able to secure additional financing.

These factors may affect our ability to meet our cash requirements, which may have an adverse effect on us, and potentially our viability as an ongoing business.

TO DEVELOP OUR BUSINESS, FUND OUR CAPITAL COMMITMENTS AND SERVICE OUR INDEBTEDNESS AND OTHER OBLIGATIONS, WE WILL REQUIRE A SIGNIFICANT AMOUNT OF CASH.

Our strategy will require capital to build and maintain our network, including potentially building through acquisitions. In addition, our businesses that resell services provided by larger, facilities-based companies will require additional money to acquire new customers and to finance the support of these new customers. Our businesses will also require additional billing, customer service and other back-office expenditures. In addition, we will require significant amounts of capital to meet all of our debt service and other obligations as they become due. We currently have debt which consists of a \$156.1 million senior secured credit facility, approximately \$16.6 million in principal amount of 10.75% Unsecured Convertible PIK Notes due 2011 and approximately \$9.7 million of capital leases. We estimate that our aggregate debt service and capital expenditures will amount to approximately \$30.0 million during 2002 and approximately \$22.3 million during 2003. We anticipate that we and our subsidiaries will not generate sufficient cash flow from operations to repay at maturity the entire principal amount of our outstanding indebtedness.

We intend to fund our requirements from cash and cash equivalents on hand, funds internally generated by operations and future issuances of both public and private debt and equity. We cannot give you any assurance that we will be able to meet these obligations, including the repayment of our present and future indebtedness, with the resources currently on hand or the cash that may be generated by our operations in the future.

If we are unable to repay our present or future indebtedness, we may be required to consider a number of measures, including:

- limiting or eliminating business projects;
- refinancing all or a portion of our debt;
- seeking modifications of the terms of our debt;
- seeking additional debt financing, which may be subject to obtaining necessary lender consents;
- seeking additional equity financing; or

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- a combination of these measures.

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We cannot assure you that any of these possible measures can be accomplished, or can be accomplished in sufficient time to allow us to make timely payments with respect to our indebtedness. In addition, we cannot assure you that any measures can be accomplished on terms which will be favorable to us and our subsidiaries.

WE EXPECT TO INCUR NET LOSSES AND NEGATIVE CASH FLOW FOR SOME TIME.

On a pro forma basis, we would have had net losses before extraordinary items for the three months ended March 31, 2002 and for the year ended December 31, 2001 of approximately \$11.7 million and \$634 million, respectively.

We expect that our capital and operating expenditures will result in negative cash flow until at least the fourth quarter of 2002. We cannot assure you that this will not continue beyond that time.

We expect to incur future operating losses and cannot assure you that we will achieve or sustain profitability in the future. If we fail to become profitable, it could adversely affect our ability to sustain our operations and to obtain additional required funds. In addition, failing to become profitable would adversely affect our ability to make the required payments on our indebtedness.

For more information, please refer to the section of the prospectus entitled "Unaudited Pro Forma Financial Data of CoreComm Holdco, Inc."

UNCERTAINTIES REGARDING OUR FINANCIAL CONDITION MAY ADVERSELY IMPACT OUR ABILITY TO OBTAIN TRADE CREDIT AND VENDOR FINANCING, AND MAY ADVERSELY AFFECT OUR RELATIONSHIPS WITH CREDITORS AND VENDORS.

Our recently experienced financial difficulties and our anticipated cash flow and liquidity problems led to our decision to consummate the Holdco recapitalization. In addition, we have negotiated favorable settlements for less than the full amount owed to many of our trade creditors. These events may cause trade creditors and vendors to view our business prospects with a heightened level of uncertainty, and as a result:

- our existing trade creditors and vendors may be less willing to advance trade credit and vendor financing on the terms or at the levels previously provided; and
- we may have difficulty in securing trade credit and vendor financings from new sources.

If we experience difficulty in obtaining new trade credit and vendor financing, or if the terms of financing become less favorable than those previously provided, our future revenues, cash flows and profitability may be adversely affected, and we may not have sufficient cash to fund our current operations unless we locate alternative sources of this financing, which may not be possible on acceptable terms or at all.

OUR SUBSTANTIAL INDEBTEDNESS COULD ADVERSELY AFFECT OUR FINANCIAL HEALTH.

As of March 31, 2002, we had \$182.4 million in outstanding debt obligations in the form of: our \$156.1 million senior secured credit facility with The Chase Manhattan Bank; approximately \$16.6 million of 10.75% Unsecured Convertible PIK Notes due 2011; and approximately \$9.7 million in capital leases and other notes. In addition, we have approximately \$114.1 million in trade payables and accrued expenses outstanding. This substantial amount of debt, cash interest due to The Chase Manhattan Bank from time to time under the senior secured credit facility and any other trade payables and other debt which we may incur may have important consequences to you. For example, it could:

- limit our ability to obtain additional financing, which may be needed for working capital, capital expenditures, acquisitions, debt service requirements or other purposes;
- increase our vulnerability to adverse economic and industry conditions;

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- require us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing funds available for operations, future business opportunities or other purposes;
- increase our sensitivity to interest rate fluctuations;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we compete; and
- place us at a competitive disadvantage compared to our competitors that may have less debt.

OUR EMPLOYMENT ARRANGEMENTS WITH OUR SENIOR EXECUTIVE OFFICERS REPRESENT A SIGNIFICANT CASH OBLIGATION.

We have significant compensation obligations to our Chief Executive Officer and Chief Operating Officer/Chief Financial Officer. These compensation obligations are higher than we have paid our senior executives in the past. Although a significant portion of these compensation obligations are tied to our performance, we are committed to paying these senior executives substantial base salaries regardless of our performance. Our compensation obligations to these senior executives represent a significant cash obligation regardless of whether such results are achieved. See the section of this prospectus entitled "Management and Executive Compensation" for a discussion of these employment arrangements.

RESTRICTIONS IMPOSED BY OUR DEBT AGREEMENTS MAY SIGNIFICANTLY LIMIT OUR ABILITY TO EXECUTE OUR BUSINESS STRATEGY AND INCREASE THE RISK OF DEFAULT UNDER OUR DEBT OBLIGATIONS.

The credit agreement governing our senior secured credit facility contains a number of covenants which may significantly limit our or our subsidiaries' ability to, among other things:

- borrow additional money;
- make capital expenditures and other investments;
- pay dividends;
- merge, consolidate or dispose of our assets;
- enter into transactions with related entities;
- incur additional liens; and
- refinance junior indebtedness.

It is an event of default under our senior secured credit facility if we experience change of control events including the acquisition by a person or group of more than 35% of our voting power in the circumstances set forth in the senior secured credit facility. In December 2001, the credit agreement governing

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our senior secured facility was amended to permit the Holdco recapitalization to occur.

In addition, the senior secured credit agreement contains financial maintenance covenants. If we fail to comply with these covenants, we will be in default under that credit agreement. A default, if not waived, could result in acceleration of our indebtedness, in which case the debt would become immediately due and payable. If this were to occur today, we would not be able to repay our debt and may not be able to borrow sufficient funds to refinance it. Even if new financing were available, it may not be on terms that are acceptable to us or in sufficient amounts to enable us to continue our operations. In addition, complying with these covenants may cause us to take actions that we otherwise would not take, or not take actions that we otherwise would take.

For more information about these restrictions, please refer to the section of the prospectus entitled "Description of Our Indebtedness."

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WE ARE A HOLDING COMPANY THAT IS DEPENDENT UPON CASH FLOW FROM OUR SUBSIDIARIES TO MEET OUR OBLIGATIONS -- OUR ABILITY TO ACCESS THAT CASH FLOW MAY BE LIMITED IN SOME CIRCUMSTANCES.

We are a holding company with no independent operations or significant assets other than investments in and advances to our subsidiaries. We depend upon the receipt of sufficient funds from our subsidiaries to meet our obligations. The terms of existing and future indebtedness of our subsidiaries and the laws of the jurisdictions under which our subsidiaries are organized generally limit the payment of dividends, repayment of loans and other distributions to them, subject in some cases to exceptions that allow them to service indebtedness in the absence of specified defaults. Our senior secured credit facility contains covenants that restrict our ability and the ability of our subsidiaries to declare dividends and to issue new indebtedness.

WE HAVE MATERIAL DISPUTES WITH VENDORS AND OTHER PARTIES THAT COULD EXPOSE US TO MATERIAL BREACH OF CONTRACT AND OTHER COMMERCIAL CLAIMS.

We purchase goods and services from a wide variety of vendors under contractual and other arrangements that sometimes give rise to litigation in the ordinary course of business. We also provide goods and services to a wide range of customers under arrangements that sometimes lead to disputes over payment, performance and other obligations. Some of these disputes, regardless of their merit, could subject us to costly litigation and divert our technical and/or management personnel. Additionally, any litigation liability that is not covered by our insurance or exceeds our coverage could have a negative effect on our business, financial condition and/or operating results. For a summary of outstanding matters which, if resolved unfavorably to us, could have a material adverse effect on us, please see the section of the prospectus entitled "Information about Holdco -- Our Business -- Legal Proceedings."

ANY DETERMINATION OF NON-COMPLIANCE WITH FCC AND STATE REGULATIONS DEALING WITH OWNERSHIP CHANGES COULD RESULT IN MONETARY PENALTIES OR LOSS OF OUR TELECOMMUNICATIONS AUTHORIZATIONS.

We hold federal and state authorizations to provide international and domestic wireline and wireless telecommunications services. Both the FCC and some of the states in which we operate have regulatory regimes that require authorization holders to obtain the prior approval of the relevant regulatory agency before undergoing changes in ownership or control. At the federal level, for non-substantial or pro forma changes in ownership or control, we are only

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required to notify the FCC after closing the transaction which results in the non-substantial change. In some states, however, the regulatory agencies require prior approval for even pro forma transfers of control.

Based on our review of the relevant regulations and policies, we determined that the Holdco recapitalization was pro forma in nature and that we could complete that transaction without securing prior regulatory approval relating to our FCC telecommunications authorizations. Accordingly, we did not seek any prior approvals from the FCC. Nor did we seek prior approval from any state telecommunications regulatory agency. In the event that we complete the Holdco recapitalization without obtaining the requisite regulatory approvals, either because our determination of the pro forma nature of the transaction was erroneous or because a particular agency requires prior approval even for pro forma transfers of control, we remain subject to enforcement actions from the telecommunications regulatory agencies. These enforcement actions could include monetary penalties, and/or revocation or impairment of our telecommunications authorizations.

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OUR RELIANCE ON INCUMBENT LOCAL EXCHANGE CARRIERS AND OTHER FACILITIES-BASED PROVIDERS OF TELECOMMUNICATIONS SERVICES, AND CHANGES TO OUR AGREEMENTS WITH THESE PROVIDERS, COULD HAVE A MATERIAL ADVERSE EFFECT ON US.

We depend upon our agreements with the incumbent local exchange carriers, who also compete with us in our existing and targeted markets. There are two primary types of agreements that we enter into with these providers:

- interconnection agreements, which specify how we connect our network with, and purchase unbundled elements of, the network of the incumbent local exchange carriers in each of our markets; and
- resale agreements, through which we provide telecommunications services on a resale basis.

The termination of any of our contracts with our carriers or a reduction in the quality, or increase in cost, of their services could have a material adverse effect on our financial condition and results of operations. Similarly, the failure by the incumbent local exchange carriers to comply with their obligations under our interconnection agreements or resale agreements could result in customer dissatisfaction and the loss of existing and potential customers. In addition, the rates charged to us under the interconnection agreements or resale agreements may limit our flexibility to price our services at rates that are low enough to attract a sufficient number of customers and permit us to operate profitably. Further, many of our agreements with our suppliers require us to purchase a minimum commitment of services which we may not be able to resell in a manner which allows us to recover our expenses.

The outcome of regulatory or judicial rulings with respect to these agreements could have a material adverse effect on our financial condition and results of operations. Please refer to the section of the prospectus entitled "Government Regulation of the Telecommunications Services Business."

We rely on telecommunications carriers to transmit our traffic over local and long distance networks. Our dependence on other facilities-based carriers means that we depend on the quality and condition of their networks which could cause interruption in service and/or reduced capacity for our customers.

We may not be able to obtain the facilities and services we require at satisfactory quality levels, deployment levels, rates, or terms and conditions, which could delay the buildout of our networks, degrade the quality of service

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to our subscribers, effect the pricing of our products and services and thus have materially adverse effects on our operating results. Further, several of our telecommunications suppliers have sought the protection of the bankruptcy courts or have indicated that they may not be able to continue operations. It is possible that the failure or liquidation of one or more of our suppliers may negatively impact our ability to provide services to our customers.

In addition, we depend upon suppliers of network services, hardware and software. If these suppliers fail to provide network services, equipment or software in the quantities, at the quality levels or at the times required, or if we cannot develop alternative sources of supply, it will be difficult, if not impossible, for us to provide our services.

OUR LACK OF SUFFICIENT NETWORK CAPACITY TO ACCOMMODATE NEW USERS, TO MAINTAIN NETWORK RELIABILITY OR TO MAINTAIN NETWORK SECURITY COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR ABILITY TO ATTRACT AND RETAIN CUSTOMERS.

Success in our businesses depends, in part, on the capacity, reliability and security of our network infrastructure. Network capacity constraints may occur in the future, both at the local and national levels. These capacity constraints could result in slowdowns, delays or inaccessibility when members try to use a particular service. Poor network performance could cause customers to discontinue service with us. Reducing the incidence of these problems requires constantly expanding and improving our infrastructure, which could be very costly and time consuming.

Our Internet services network infrastructure is composed of a complex system of routers, switches, transmission lines and other hardware used to provide Internet access and other services. This network infrastructure will require continual upgrades and adaptation as the number of customers and the amount

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and type of information they wish to transmit over the Internet increases. This development of network infrastructure will require substantial financial, operational and managerial resources. We cannot be certain that we will be able to upgrade or adapt our network infrastructure to meet additional demand or changing customer requirements on a timely basis and at a commercially reasonable cost, or at all. If we fail to upgrade our network infrastructure on a timely basis or adapt it to an expanding customer base, changing customer requirements or evolving industry standards, our business could be adversely affected.

We also have to protect our infrastructure against fire, power loss, telecommunications failure, computer viruses, security breaches and similar events. While we currently maintain multiple network operations centers with fail-over capability, our network is vulnerable to disruption if any of our operation centers or other network components are impaired. A significant portion of our computer equipment, including critical equipment dedicated to our telephone network and Internet access services, is presently located at four network operating centers: Philadelphia, Pennsylvania; Cleveland, Ohio; East Lansing, Michigan; and New Berlin, Wisconsin. A natural disaster or other unanticipated occurrence at our switch or co-location facilities, network operations center or points-of-presence through which members connect to the Internet, in the networks of telecommunications carriers we use, or in the Internet backbone in general could cause interruptions to our Internet services.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

In this prospectus there are "forward-looking statements" which are usually identified by the use of forward-looking words or phrases, including,

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"anticipates," "believes," "estimates," "expects," "intends," "projects," "plans," "should," "strategy," "will" and similar expressions.

These forward-looking statements reflect current judgments about our plans, strategies and prospects, which are based on the information currently available and on current assumptions as of the date of this prospectus.

Although we believe that our plans, intentions and expectations as reflected in or suggested by these forward-looking statements are reasonable as of the date of this prospectus, we can give no assurance that the plans, intentions or expectations will be achieved in a timely manner, if at all. In reviewing information included in this prospectus, keep in mind that our actual results, performances, or achievements may differ materially from the forward-looking statements made in this prospectus. The risks identified in this section could cause our actual results, performance or achievements to be materially different from the forward-looking statements made in this prospectus. These risks, uncertainties and contingencies also include the following:

- technological developments;
- our ability to attract, retain and compensate key executives and associates;
- our ability to continue to design networks, install facilities, obtain and maintain any required governmental licenses or approvals and finance construction and development, all in a timely manner, at reasonable costs and on satisfactory terms and conditions;
- our assumptions about customer acceptance, churn rates, overall market penetration and competition from providers of alternative services;
- the impact of the Holdco recapitalization and integration actions;
- economic conditions generally and in the competitive local exchange carrier market specifically;
- industry trends in the telecommunications industry generally; and
- availability, terms and deployment of capital.

We disclaim any intent or obligation to update any forward-looking statements, whether as a result of changes in our plans, intentions or expectations, new information, future events or otherwise. In evaluating forward-looking statements, you should consider these risks and uncertainties, together with the other risks

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described from time to time in our reports and documents filed with the SEC, and you should not place undue reliance on these statements, which are not a guarantee of performance and are subject to a number of risks and uncertainties, many of which are outside our control. All written and oral forward-looking statements relating to the exchange offers are expressly qualified in their entirety by the foregoing cautionary statements.

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THE EXCHANGE OFFERS

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BACKGROUND AND PURPOSE

From 1998 to 2000, CoreComm Limited was in the process of building infrastructure to support a national roll-out according to its original business plan. This business plan required significant capital to fund capital expenditures, operating expenses and debt service. In early 2001, CoreComm Limited still required significant funds to complete its business plan as originally intended. However, adverse changes in the capital markets, particularly in the telecommunications sector, made it extremely difficult to raise new capital, and CoreComm Limited could no longer finance its original business plan. As a result, in 2001 CoreComm Limited significantly revised its business plan to focus on its most profitable businesses and geographic areas, and to reduce its operational costs and need for capital. These changes were generally successful, as evidenced by the significant improvement in financial results during 2001.

However, CoreComm Limited still had a significant amount of debt and preferred stock. Despite the improvement to operations, CoreComm Limited did not expect that it would generate enough cash from operations to cover all of its debt service and other obligations. In late 2001, CoreComm Limited developed a plan to reduce the amount of its outstanding debt and the significant cash outlays needed to service its debt, as well as its preferred stock and associated dividend payments. The goal was to strengthen its financial position, give CoreComm Limited a chance to participate in future industry consolidation and financings, and avoid the prospect of a Chapter 11 bankruptcy filing. CoreComm Limited believed that the completion of the first phase of the Holdco recapitalization in December 2001 was imperative because CoreComm Limited faced significant cash obligations in January 2002.

On October 31, 2001, CoreComm Limited first announced a two-phase recapitalization plan whereby it would recapitalize up to approximately \$600 million of its approximately \$786 million of debt and preferred stock. In December 2001, the first phase of this plan was completed, in which CoreComm Holdco issued approximately 87% of its outstanding common stock to holders of debt of CoreComm Limited and CoreComm Holdco and preferred stock of CoreComm Limited. Please see the three charts contained in the section of this prospectus entitled "Prospectus Summary" for an illustration of the corporate structure of CoreComm Limited and CoreComm Holdco, prior to the commencement of the Holdco recapitalization, in their current form and assuming the completion of the Holdco recapitalization.

In addition to the Holdco recapitalization, CoreComm Limited considered other strategic alternatives to improve its financial condition. Of all of the options, CoreComm Limited's board of directors determined that the Holdco recapitalization was the most likely to succeed. Other options CoreComm Limited considered were:

- Business Combinations. CoreComm Limited initiated preliminary talks about possible business combinations with several parties. However, these activities were not expected to be successful due to the fact that nearly all companies in the telecommunications sector were facing similar circumstances, and therefore these transactions would not necessarily improve the financial position of CoreComm Limited. In addition, these transactions would likely have triggered change of control provisions contained in a significant amount of CoreComm Limited's debt securities which would have accelerated a significant amount of CoreComm Limited's debt and worsened CoreComm Limited's financial condition.
- Asset sales. CoreComm Limited has considered, and is continuing to consider, the divestiture of its non-core assets which include the Voyager business and its Local Multipoint Distribution System licenses. Due to the depressed telecommunications market, CoreComm Limited has yet

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to receive an offer that it deems fair for these assets.

The negotiation process relating to the recapitalization began in October 2001, and was completed in December 2001. At the direction of the board of directors of CoreComm Limited, Michael Peterson, our Executive Vice President -- Chief Operating Officer and Chief Financial Officer, held negotiations with large holders of CoreComm Limited's and CoreComm Holdco's debt and preferred securities. These

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negotiations culminated in agreements with holders of the public notes and in the exchange agreement with holders of other debt and preferred securities of CoreComm Limited and CoreComm Holdco as described below. At the time of these agreements, the board of directors and officers of CoreComm Limited and CoreComm Holdco were the same individuals, and these individuals acted in both capacities during the negotiation process with the holders of debt and preferred stock of CoreComm Limited and CoreComm Holdco. In addition, George Blumenthal, our then Chairman, Barclay Knapp, our then Chief Executive Officer, Thomas Gravina, our then Chief Operating Officer, our affiliate Booth American Company and Richard Lubasch, our then Senior Vice President -- General Counsel and Secretary, were among the holders of CoreComm Limited securities who entered into these agreements. As a result of entering into these agreements, these individuals exchanged their CoreComm Limited securities for shares of CoreComm Holdco common stock. During the negotiation process these individuals acted in their capacity as holders of CoreComm Limited securities while also representing the interests of CoreComm Limited and CoreComm Holdco in their respective officer and director capacities. While the board of directors of CoreComm Limited believes this arrangement was in the best interests of the stockholders of CoreComm Limited, there may be potential conflicting demands when individuals serve in multiple capacities representing different constituencies with sometimes differing expectations with respect to the timing, form, terms and success of a transaction.

The board of directors and officers of CoreComm Limited represented the interests of the holders of CoreComm Limited common stock in the negotiation process of the Holdco recapitalization. Under the terms of the exchange agreement described below, the holders of CoreComm Limited common stock, including holders of warrants exercisable for CoreComm Limited common stock, would be entitled to approximately 13% of the recapitalized company. This percentage was negotiated and unanimously approved by CoreComm Limited's entire board of directors including the directors who were not parties to the exchange agreement, and was agreed to by the holders of debt and preferred stock who entered into the exchange agreement. As of September 2001, the CoreComm Limited common stock was junior in CoreComm Limited's capital structure to securities with an aggregate principal amount or liquidation preference of approximately \$786 million, as well as to trade payables which represented additional obligations senior to the CoreComm Limited common stock. In transactions similar to the Holdco recapitalization, holders of junior securities often receive no compensation until senior securities are fully repaid and/or attain their full value, if ever. In a liquidation or bankruptcy scenario, it seemed very likely that CoreComm Limited would be valued at less than the aggregate principal amount/liquidation preference of its senior securities, which would leave no value for the holders of CoreComm Limited common stock. In addition, the common stock of Holdco issued to, or to be issued to, the holders of the \$164.75 million of public notes in the aggregate represents approximately 5% of the recapitalized company as discussed below. For all of the above reasons, CoreComm Limited's board of directors unanimously thought the 13% ownership was fair to the holders of CoreComm Limited common stock.

THE HOLDCO RECAPITALIZATION

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In early October 2001, CoreComm Limited commenced the first phase of the Holdco recapitalization in an attempt to exchange all of its outstanding public notes into equity of a restructured company. CoreComm Limited initially held discussions with a single large holder of public notes regarding the Holdco recapitalization. Following this initial discussion, CoreComm Limited also held discussions with other holders of public notes, some of whom CoreComm Limited contacted and some of whom approached CoreComm Limited. In total, CoreComm Limited offered to exchange 99% of the outstanding public notes. Limited did not give these holders a deadline prior to when they had to decide whether or not to exchange their public notes.

As described below, CoreComm Limited and CoreComm Holdco successfully negotiated with many of these holders to exchange their public notes for a cash payment equal to an overdue interest payment and common stock representing an aggregate of 5% of CoreComm Holdco. By the end of October, CoreComm Limited entered into agreements with 31 of these holders of public notes with respect to approximately \$147.15 million in aggregate principal amount, representing approximately 89% of the

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outstanding public notes. Between November 2001 and December 2001, CoreComm Limited entered into agreements with three additional holders representing \$7.85 million in aggregate principal amount, bringing the total principal amount to \$155.0 million, representing approximately 94% of the outstanding public notes. All of these agreements were on the same material terms. Under the terms of these agreements, these holders received an aggregate of approximately \$4.65 million in cash, which was equivalent to the amount of the October 1, 2001 interest payment due to these holders which had not previously been paid, and 1,411,278 shares of CoreComm Holdco common stock, which represented the holders' proportionate share of 5% of the recapitalized company. Please refer to the section of the prospectus entitled "Description of Capital Stock -- The Public Note Agreements."

In December 2001, SCI Global Hedge Fund, a holder of \$5.0 million in principal amount of public notes, indicated that, rather than accepting the terms described above, it wanted more cash for its public notes. However, CoreComm Limited was unable to pay any additional cash due to restrictions contained in its senior secured credit facility. Therefore, in order to induce SCI to sell its notes, Thomas Gravina, our current President and Chief Executive Officer and a director and Michael Peterson, our current Executive Vice President -- Chief Operating Officer, Chief Financial Officer and a director, agreed to immediately personally fund the additional cash required to satisfy SCI's condition to complete the transaction. In return, CoreComm Holdco agreed that, at the time the other transactions in the first phase of the Holdco recapitalization were completed, it would issue the same number of shares that it would have issued to SCI under the terms of the other public note exchanges, to Messrs. Gravina and Peterson. Under agreements that were entered into, Messrs. Gravina and Peterson paid \$3,750 each to SCI, CoreComm Limited paid the amount of the October 1, 2001 interest payment to SCI, and all of SCI's public notes were transferred to CoreComm Holdco. Upon completion of the first phase of the Holdco recapitalization at the end of December 2001, Messrs. Gravina and Peterson each received 22,764 shares of CoreComm Holdco common stock which, in the aggregate, equals the number of shares of common stock that CoreComm Holdco would have issued to SCI if SCI had exchanged all of its public notes on the terms described in the preceding paragraph. Including this transaction, the total principal amount of public notes exchanged was \$160 million, representing approximately 97% of the outstanding public notes.

The first phase of the Holdco recapitalization also included other debt and

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preferred securities being exchanged for equity of the restructured company. In early November 2001, CoreComm Limited commenced negotiations with holders of its Senior Unsecured Notes due September 29, 2003, holders of the 10.75% Unsecured Convertible PIK Notes due 2011 and 10.75% Senior Unsecured Convertible PIK Notes due 2010, both of which were joint obligations of CoreComm Limited and CoreComm Holdco, and holders of its preferred stock, in an attempt to exchange all of these securities for equity of the restructured company. The terms of the exchanges were determined during extensive negotiations with each of the holders. The relevant factors in these negotiations were the amounts, the seniority and other terms of the securities being exchanged. Since several of these holders held more than one of these securities, the terms of the exchange were negotiated in consideration of these holders' overall holdings rather than on a per security basis. CoreComm Limited did not give a deadline with respect to when these holders had to decide whether or not to exchange their securities. On December 14, 2001, CoreComm Limited and CoreComm Holdco entered into a single exchange agreement with:

(1) all four holders of Senior Unsecured Notes due September 29, 2003 of CoreComm Limited with respect to 100% of the \$105.7 million in outstanding principal amount of these notes, including approximately \$16.8 million in principal amount, held by Thomas Gravina, who was an affiliate of CoreComm Limited at that time;

(2) all four holders of 10.75% Senior Unsecured Convertible PIK Notes due 2010 with respect to 100% of the \$16.1 million in outstanding principal amount of these notes, including approximately \$15.6 million in principal amount held by Barclay Knapp, George Blumenthal and Richard Lubasch, each of whom was an affiliate of CoreComm Limited at that time;

(3) Booth American Company, which was an affiliate of CoreComm Limited at that time and one of the two holders of 10.75% Unsecured Convertible PIK Notes due 2011, with respect to the

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initial principal amount of \$10.0 million, representing 40% of the then outstanding principal amount of these notes; and

(4) all five holders of the preferred stock of CoreComm Limited, with respect to the initial liquidation preference of \$301 million, representing 100% of CoreComm Limited's outstanding preferred stock and including approximately \$51.1 million in liquidation preference held by Booth American Company, which was an affiliate of CoreComm Limited at that time.

Under this exchange agreement, CoreComm Holdco issued 24,600,000 shares of its common stock on December 28, 2001 in exchange for the securities set forth above, representing approximately 82% of the outstanding common stock. This issuance under the exchange agreement included the following shares being issued to our current officers, directors and affiliates:

(1) 10,200,000 shares, including 591,303 shares to The Florence Karp Trust of which Mr. Karp disclaims beneficial ownership, to Michael Karp, currently a holder of over 10% of our common stock;

(2) 6,000,000 shares to Booth American Company, currently a holder of over 10% of our common stock and whose affiliate Ralph H. Booth, II, is currently one of our directors;

(3) 3,240,000 shares to Thomas J. Gravina, currently our President and Chief Executive Officer, one of our directors and currently a holder of over 10% our common stock;

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(4) 3,240,000 shares to Debra Buruchian, currently a holder of over 10% of our common stock;

(5) 1,200,000 shares to Barclay Knapp, currently our Chairman; and

(6) 600,000 shares to George S. Blumenthal, currently our Chairman Emeritus and one of our directors.

The balance of this issuance included 65,454 shares to Richard Lubasch and 54,546 shares to Ted McCourtney. Please refer to the section of the prospectus entitled "Description of Capital Stock -- The Exchange Agreement."

All shares of CoreComm Holdco common stock beneficially owned by our officers as of the commencement of the exchange offers were obtained by them in the first phase of the Holdco recapitalization. Our officers and directors exchanged public notes, as well as other debt and preferred securities, for an aggregate of 3,703,674 shares of CoreComm Holdco common stock. Additionally, each of Mr. Gravina and Mr. Peterson received 22,764 shares of CoreComm Holdco common stock from us for an aggregate of \$3,750 each in order to induce SCI, the holder of \$5.0 million in principal amount of public notes to transfer the public notes that it held as described above. Upon completion of the Holdco recapitalization, we expect our officers, directors and affiliates, together with their affiliates, to have beneficial ownership of our securities as set forth in the following table:

OFFICERS, DIRECTORS AND AFFILIATES	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP			
	COMMON STOCK	EXERCISABLE OPTIONS, AND WARRANTS (1)	TOTAL	PERCENT (2)
All officers as a group.....	4,328,262	879,750	5,208,012	16.87%
All officers and directors as a group.....	11,156,550	912,390	12,068,940	39.04%
All officers, directors and affiliates as a group.....	24,596,550	937,890	25,534,440	82.53%

(1) Includes shares of common stock purchasable upon the exercise of options which are exercisable or become so in the next 60 days and warrants.

(2) Includes common stock, exercisable options and warrants.

Other actions taken as part of the Holdco recapitalization are:

- In December 2001, the credit agreement governing our senior secured facility was amended to permit the Holdco recapitalization to occur.
- On December 17, 2001, Nasdaq granted CoreComm Limited an exception to Nasdaq's stockholder approval requirements, thereby permitting the Holdco recapitalization to proceed without a vote of the stockholders of CoreComm Limited because requiring a stockholder vote would seriously jeopardize the financial viability of CoreComm Limited.

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- In December 2001, we consummated other transactions to eliminate additional amounts of our outstanding indebtedness.
- On December 17, 2001, CoreComm Holdco adopted a stockholder rights plan. Please refer to the section of the prospectus entitled "Description of Capital Stock -- The Stockholder Rights Plan."
- On December 18, 2001, the indenture governing the public notes was amended to:
 - delete the provision requiring that any offer by CoreComm Limited to all holders of public notes to purchase their public notes be made in accordance with the purchase offer procedures originally set forth in the indenture;
 - delete the provision providing that upon any change in control of CoreComm Limited each holder of public notes has the right to require CoreComm Limited to repurchase all or any part of that holder's public notes at the price set forth in the indenture and in accordance with the purchase offer procedures set forth in the indenture; and
 - delete the restriction on CoreComm Limited's ability to dispose of all or substantially all of its properties to another corporation.

The exchange offers and related transactions described in this prospectus comprise the second phase of the Holdco recapitalization, which is to (1) exchange CoreComm Limited common stock for common stock of CoreComm Holdco and (2) exchange \$4.75 million of public notes for a cash payment and common stock of CoreComm Holdco and a cash payment.

RELATED MATTERS

On March 28, 2002, the holders of the \$4.75 million in principal amount of outstanding public notes that were not held by CoreComm Holdco were paid the interest payment that was due on October 1, 2001, together with interest accrued on that payment to March 28, 2002, by CoreComm Holdco. This payment was made to holders of record as of March 18, 2002 and equaled an aggregate of \$30.89 per \$1,000 principal amount of public notes held, for a total payment of \$146,728. CoreComm Holdco waived its right to these payments with respect to the \$160 million in principal amount of public notes that it holds.

The auditors of CoreComm Limited have included a going concern explanatory paragraph in their audit report for CoreComm Limited for the year ended December 31, 2001, which states that CoreComm Limited's liquidity problem raises substantial doubt about CoreComm Limited's ability to continue as a going concern. The auditors of CoreComm Holdco have not included a going concern explanatory paragraph in their audit report of CoreComm Holdco for the year ended December 31, 2001. The credit agreement governing our senior secured credit facility was further amended in March 2002 to permit the completion of the second phase of the Holdco recapitalization.

EFFECT OF THE EXCHANGE OFFERS

CoreComm Holdco plans, as soon as practicable after the completion of the exchange offers, to transfer all shares of CoreComm Limited common stock that it accepts in the exchange offers to a newly formed, wholly-owned subsidiary and to have this subsidiary merge into CoreComm Limited with CoreComm Limited surviving the merger as a wholly-owned subsidiary of CoreComm Holdco. The

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issuance of shares of Holdco common stock in the exchange offers and the merger will not increase the number of shares of Holdco common stock outstanding as we plan to exercise our right granted to us under the intercompany exchange agreement that we entered into with CoreComm Limited on December 14, 2001 requiring CoreComm Limited to deliver to us that number of shares of our common stock that we request. We intend to request that CoreComm Limited surrender, immediately following the merger, all shares of our common stock that it owns, other than the number of shares of our common stock deliverable upon conversion of public notes neither tendered in the exchange offer for public notes nor converted prior to the completion of the merger. Thus, CoreComm Limited will be a wholly-owned subsidiary of CoreComm Holdco and will have little or no material assets following consummation of the exchange offers and the merger. Please refer to the section of the prospectus entitled "Certain Relationships and Related Transactions -- Intercompany Exchange Agreement."

CoreComm Holdco will retain all public notes tendered and accepted in the exchange offers. As described above, CoreComm Holdco will transfer all shares of CoreComm Limited common stock tendered and accepted in the exchange offers to a newly formed, wholly-owned subsidiary in order to consummate the merger.

If the merger is consummated, any shares of CoreComm Limited common stock not tendered and accepted will be converted into shares of CoreComm Holdco common stock in the merger and any public notes not tendered and accepted will remain outstanding obligations solely of CoreComm Limited, which will hold virtually no material assets following the completion of the Holdco recapitalization and may not be able to meet its obligations under the public notes. Immediately following the consummation of the merger, the 10.75% Unsecured Convertible PIK Note due 2011 and the additional notes issued under the terms of that note, all outstanding warrants exercisable into shares of CoreComm Limited common stock and all outstanding public notes will become exercisable or convertible into shares of CoreComm Holdco common stock. None of the outstanding options exercisable into shares of CoreComm Limited common stock will become exercisable into shares of CoreComm Holdco common stock. Please see the sections of the prospectus entitled "-- Change of Control" and "-- Option Plans."

CHANGE OF CONTROL

Upon the consummation of the merger, a change of control of CoreComm Limited will result under the terms of CoreComm Limited's outstanding warrants and outstanding public notes. Under the merger, holders of shares of CoreComm Limited common stock not tendered and accepted into the exchange offers would receive the same consideration as they would have received if their shares were tendered and accepted. Under the terms of the outstanding warrants and outstanding public notes, consummation of the merger would cause the warrants and outstanding public notes to become immediately exercisable for, or convertible into, as the case may be, shares of CoreComm Holdco common stock in an amount equal to the number of shares that each holder would have received in the merger if it had exercised its warrants or converted its public notes for shares of CoreComm Limited common stock immediately prior to the merger. The outstanding warrants to purchase shares of CoreComm Limited common stock entitle their holders to purchase, in the aggregate, 34,189,734 shares of CoreComm Limited common stock.

Upon consummation of the merger, each then outstanding CoreComm Limited warrant and public note would become exercisable into, or convertible into, as the case may be, the number of shares of Holdco common stock determined by dividing the 38.9 exchange ratio into the number of shares of CoreComm Limited common stock into which that warrant or public note was exercisable or convertible immediately prior to the merger, at an exercise price equal to 38.9 times the exercise price of that warrant or public note immediately prior to the merger.

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Under the terms of the outstanding 10.75% Unsecured Convertible PIK Note due 2011 which was issued to NTL Incorporated in the principal amount of \$15.0 million and the additional notes issued under the terms of that note, a change of control occurs when CoreComm Holdco becomes the beneficial owner of more than 50% of the total voting power of all classes of voting stock of CoreComm Limited. These notes provide for preferential conversion terms for thirty days following NTL's receipt of notice of a

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change of control. However, in recent letter agreements regarding the conversion feature of these notes, NTL agreed not to exercise its rights to convert these notes into CoreComm Limited common stock until August 5, 2002. Please see the section of the prospectus entitled "Description of Our Indebtedness -- 10.75% Unsecured Convertible PIK Note due 2011."

We do not believe that the consummation of the exchange offers or the merger will result in a change of control that will materially impact our vendor, customer or other material agreements, nor do we believe that the consummation of the exchange offers or the merger will result in a change of control that will materially impact our ability to maintain regulatory approvals for the conduct of our business. Please refer to the section of the prospectus entitled "-- Regulatory Approvals."

OPTION PLANS

In December 2001, the CoreComm Limited board of directors, in connection with the Holdco recapitalization, accelerated all outstanding options to acquire shares of CoreComm Limited common stock so that they are all presently fully vested and exercisable. As is permitted under CoreComm Limited's option plans, on or around April 11, 2002 CoreComm Limited sent notices to the holders of its options stating CoreComm Limited's intention to consummate the merger and informing these holders that they have at least 30 days to exercise their options before the options terminate on the date when the merger is consummated. If holders of CoreComm Limited options exercise their options prior to the expiration date, they would have the right to tender their shares in the exchange offer for CoreComm Limited common stock. In the event that these holders exercise their options prior to the date of the merger and fail to tender their shares in the exchange offer, they would, at the time of the merger, have the same rights as other holders of Limited common stock to have their shares of Limited common stock converted into shares of our common stock, at the same exchange ratio.

REGULATORY APPROVALS

CoreComm Limited and CoreComm Holdco and/or their various subsidiaries hold federal and state authorizations to provide international and domestic wireline and wireless telecommunications services. Both the FCC and some of the states in which we operate have regulatory regimes that require authorization holders to obtain the approval of the relevant regulatory agency in connection with undergoing changes in ownership or control. CoreComm Limited and CoreComm Holdco do not anticipate any issues related to approvals interfering with the completion of the exchange offers or the merger. Please refer to the section of the prospectus entitled "Risk Factors -- Risk Factors Relating to Our Business -- Any determination of non-compliance with FCC and state regulations dealing with ownership changes could result in monetary penalties or loss of our telecommunications authorizations."

Other than the foregoing and the SEC declaring the registration statement on Form S-4 of which this prospectus forms a part effective, CoreComm Holdco

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does not believe that any additional filings, including any filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, approvals or other actions by or with any governmental authority or administrative or regulatory agency are required with respect to the consummation of the exchange offers or the merger.

THE MERGER

Section 253 of the Delaware General Corporation Law would permit the merger to occur without a vote of CoreComm Limited's stockholders if CoreComm Holdco were to acquire at least 90% of the outstanding shares of CoreComm Limited common stock in the exchange offers or otherwise and contribute the shares immediately prior to the merger to a wholly-owned subsidiary of CoreComm Holdco. If, however, CoreComm Holdco does not acquire at least 90% of the then outstanding shares of CoreComm Limited common stock under the exchange offers or otherwise, a vote of CoreComm Limited's stockholders would be required under the Delaware General Corporation Law and a longer period of time would be required to effect the merger. As discussed below, Nasdaq will not transfer CoreComm Limited's listing on the Nasdaq National Market to us unless we acquire at least 90% of the then-outstanding shares of CoreComm Limited common stock.

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TRANSFER OF NASDAQ LISTING

Nasdaq has informed us that it will treat us as a successor to CoreComm Limited and will transfer CoreComm Limited's listing on the Nasdaq National Market and the symbol "COMM" to us upon us acquiring at least 90% of the outstanding shares of CoreComm Limited common stock in the exchange offers or otherwise, contributing the shares immediately prior to the merger to one of our wholly-owned subsidiaries and consummating the merger. We expect CoreComm Limited's Nasdaq listing to be transferred to us and for CoreComm Holdco common stock to commence, and CoreComm Limited common stock to cease, trading on the Nasdaq National Market within two business days following the date on which the merger is consummated. For information on the requirements for continued listing on the Nasdaq National Market, see "Risk Factors -- Risk factors relating to our common stock and corporate control -- Assuming the Holdco recapitalization is completed and CoreComm Limited's Nasdaq listing is transferred to us, our common stock could be delisted from the Nasdaq National Market if we fail to meet Nasdaq's continued listing criteria, which could have a negative impact on the trading activity and price of your common stock, and could make it more difficult for us to raise capital."

APPRAISAL RIGHTS

Appraisal is a statutory remedy available to stockholders of corporations that object to mergers and other extraordinary and statutorily specified corporate actions. No appraisal rights are or will be available to holders of outstanding securities in connection with the exchange offers.

Holders of CoreComm Limited common stock will have the right, under Section 262 of the Delaware General Corporation Law, to dissent and demand appraisal of their shares in connection with any merger of CoreComm Limited with another entity, regardless of whether CoreComm Holdco acquires 90% of all of the outstanding shares of CoreComm Limited common stock.

Under Section 262, dissenting stockholders who:

- did not vote in favor of the merger, in the event that a stockholder vote is necessary; and

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- comply with the applicable statutory requirements and procedures

may be entitled to receive a judicial determination of the fair value of their shares not tendered nor accepted by us in the exchange offers, exclusive of any element of value arising from the accomplishment or expectation of the merger, and to receive payment of this fair value in cash, together with a fair rate of interest, if any.

ACCOUNTING TREATMENT

Effective with the completion of the Holdco Recapitalization on December 28, 2001, CoreComm Limited began accounting for its ownership of approximately 13% of the outstanding shares of CoreComm Holdco using the equity method. CoreComm Limited accounted for CoreComm Holdco as a consolidated subsidiary prior to that date. CoreComm Holdco accounted for this transaction at historical cost.

TERMS OF THE EXCHANGE OFFERS

CoreComm Holdco is offering to exchange 1/38.9 of a share of CoreComm Holdco common stock for each share of CoreComm Limited common stock, and 9.1047 shares of CoreComm Holdco common stock and \$30.00 in cash, net without interest, for each \$1,000 in aggregate principal amount of public notes, that are validly tendered and accepted by CoreComm Holdco, on the terms and subject to the conditions described below by 12:00 Noon, New York City time, on July 1, 2002. The number of shares of CoreComm Holdco common stock issued to each unaffiliated holder of Limited common stock and the number of shares of CoreComm Holdco common stock issued to each unaffiliated holder of public notes will be rounded up to the nearest whole number in each exchange offer. CoreComm Holdco may extend this deadline for any reason, including under those circumstances specified below. These are voluntary exchange offers, which means that holders of outstanding securities may tender all, some or none of their outstanding securities in the exchange offers. All persons holding outstanding securities are eligible to

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participate in the exchange offers if they validly tender their outstanding securities during the exchange offer period in a jurisdiction where the exchange offers are permitted under the laws of that jurisdiction.

The exchange offers are open to all holders of outstanding securities who tender their securities in a jurisdiction where the exchange offers are permitted under the laws of that jurisdiction. Therefore, any officer, director or affiliate of CoreComm Limited or CoreComm Holdco who is a holder of outstanding securities may participate in the exchange offers.

The exchange ratios of 1/38.9, applicable to the exchange offer for shares of Limited common stock, and 9.1047 per \$1,000 in aggregate principal amount, applicable to the exchange offer for public notes, will be adjusted proportionately for any stock splits, combinations, stock dividends and the like that occurs prior to the expiration date of the exchange offers, including extensions.

CoreComm Holdco will accept up to all of (a) the outstanding shares of Limited common stock and (b) the outstanding public notes for exchange, and will issue up to 3,943,248 shares of Holdco common stock in the exchange offers plus additional shares which may be issued (1) as a result of rounding up in the exchange offers and (2) in exchange for shares of CoreComm Limited common stock that are issued upon conversion of convertible securities and tendered in the exchange offer. CoreComm Holdco's obligation to complete the exchange offers is

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subject to important conditions that are described under "--- Conditions for Completion of the Exchange Offers."

The exchange ratio applicable to the exchange of Limited common stock is based upon the exchange agreement that CoreComm Holdco and CoreComm Limited entered into with (1) holders of a significant portion of CoreComm Limited's debt other than public notes, (2) holders of a significant portion of joint debt of CoreComm Limited and CoreComm Holdco and (3) holders of all of CoreComm Limited's outstanding preferred stock regarding the equity of the recapitalized company. The board of directors and officers of CoreComm Limited represented the interests of the holders of CoreComm Limited common stock in the negotiation process. Under the terms of the exchange agreement, the holders of CoreComm Limited common stock, including holders of warrants to purchase CoreComm Limited common stock, would be entitled to approximately 13% of the restructured company. This percentage was negotiated by CoreComm Limited's board of directors and agreed to by the holders of debt and preferred stock who entered into the exchange agreement. CoreComm Limited's board of directors thought this percentage was fair to the holders of CoreComm Limited common stock because, as of September 2001, the CoreComm Limited common stock was junior in CoreComm Limited's capital structure to securities with an aggregate principal amount or liquidation preference of approximately \$786 million and it seemed likely that CoreComm Limited would be valued at less than this amount in a liquidation or bankruptcy scenario which would leave no value for the CoreComm Limited common stock.

In determining the exchange ratio and the cash consideration applicable to the exchange of public notes, CoreComm Holdco is offering the same ratio and cash consideration that was offered and accepted by the holders of approximately 94% of the outstanding principal amount of the public notes in the first phase of the Holdco recapitalization. The cash consideration that was offered and accepted by those holders represented the October 1, 2001 interest payment that had not been paid at the time of those agreements. Since the October 1, 2001 interest payment was paid on all outstanding public notes on March 28, 2002, other than those held by CoreComm Holdco which waived its right to this payment, the cash consideration component of the exchange offers represents the April 1, 2002 interest payment that has not been paid on the public notes.

CoreComm Holdco will furnish this prospectus and related documents to brokers, banks and similar persons whose names or the names of whose nominees appear on CoreComm Limited's stockholder list or, if applicable, that are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of shares of Limited common stock and/or public notes.

The terms and conditions of the exchange offers are set forth in this prospectus, the letters of transmittal and the instructions to the letters of transmittal. Each holder of outstanding securities that tenders outstanding securities in the exchange offers will be agreeing to the terms and conditions of the

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exchange offers and will be making representations and warranties to, and agreements with, CoreComm Holdco, as described in these documents. We urge you to read these documents carefully before deciding whether to participate in the exchange offers.

FRACTIONAL SHARES

Instead of issuing any fractional shares of Holdco common stock in the exchange offers we will round up to the nearest whole number the number of

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shares of Holdco common stock issued to each unaffiliated holder of Limited common stock and the number of shares of Holdco common stock issued to each unaffiliated holder of public notes.

RECOMMENDATION

The board of directors of each of CoreComm Limited and CoreComm Holdco recommends that you tender your CoreComm Limited common stock in the exchange offer for CoreComm Limited common stock so that we can complete the Holdco recapitalization. However, neither CoreComm Limited's nor CoreComm Holdco's respective board of directors takes a position on whether you should tender your public notes or convert your public notes and tender the shares of CoreComm Limited common stock. For information on the decision to tender your public notes or convert your public notes and tender the shares of CoreComm Limited common stock, see the section of the prospectus entitled "The Exchange Offers -- Conditions for Completion of the Exchange Offers." None of the exchange agent, the information agent or any of their respective officers or directors makes any recommendation as to whether you should tender your outstanding securities in the exchange offers.

ANNOUNCEMENT OF RESULTS

We expect to announce preliminary results of the exchange offers by press release promptly after the expiration date. However, because of the time required and difficulty involved in determining the number of outstanding securities validly tendered for exchange, CoreComm Holdco expects that the final results will not be determined until some time after the expiration date. We will announce the final results of the exchange offers by press release promptly after the results have been determined.

EXCHANGE OF THE OUTSTANDING SECURITIES

If all of the conditions of the exchange offers are satisfied or waived, CoreComm Holdco will exchange 1/38.9 of a share of Holdco common stock for each validly tendered share of Limited common stock and 9.1047 shares of Holdco common stock and \$30.00 in cash for each \$1,000 in aggregate principal amount of validly tendered public notes that were not properly withdrawn before the expiration date, with the number of shares of Holdco common stock issued to each unaffiliated holder of Limited common stock and the number of shares of Holdco common stock issued to each unaffiliated holder of public notes being rounded up to the nearest whole number in each exchange offer. The exchange ratios will be adjusted proportionately for any stock splits, combinations, stock dividends and the like. CoreComm Holdco may, subject to the rules under the Exchange Act, delay accepting or exchanging any outstanding securities in order to comply, in whole or in part, with any applicable law. For a description of CoreComm Holdco's right to delay, terminate or amend the exchange offers, please refer to the section of the prospectus entitled "-- Extension of Tender Period; Termination; Amendment."

If CoreComm Holdco notifies the exchange agent, either orally or in writing, that it has accepted the tenders of shares of outstanding securities for exchange, the exchange of these outstanding securities will be complete. Promptly following the announcement by CoreComm Holdco of the final results of the exchange offers, the exchange agent will deliver the tendered shares of outstanding securities to CoreComm Holdco. Simultaneously, the exchange agent, as agent for the tendering stockholders, will receive from CoreComm Holdco the shares of Holdco common stock that correspond, based on the exchange ratios, to the number of outstanding securities accepted. The exchange agent then will deliver the shares of Holdco common stock to you either by crediting the shares of Holdco common stock,

including fractional shares rounded up to the nearest whole number, to book-entry accounts maintained by CoreComm Holdco's transfer agent for the benefit of the tendering holders, or by physically delivering to you shares, depending on the manner in which you tendered your outstanding securities. In addition, the exchange agent will deliver the cash consideration to the tendering public note holders.

If any tendered outstanding securities are not exchanged for any reason, these unexchanged or untendered outstanding securities will be returned to the tendering holders.

As soon as reasonably practicable following the crediting of shares to your respective book-entry accounts, CoreComm Holdco's transfer agent will send you an account statement evidencing your holdings.

CoreComm Holdco will not pay any interest in connection with the exchange offers, regardless of any delay in making the exchange or crediting or delivering shares.

No alternative, conditional or contingent tenders will be accepted in the exchange offers. Tendering security holders waive any right to receive notice of the acceptance by CoreComm Holdco of their outstanding securities for exchange.

PROCEDURES FOR TENDERING OUTSTANDING SECURITIES

To tender your outstanding securities, you must complete the following procedures so that your tender is received by the exchange agent before the expiration date:

If you have certificates representing shares of Limited common stock, you should send the following documents to the exchange agent by one of the mailing methods described in the yellow letter of transmittal, at the applicable address set forth on the back cover of this prospectus sufficiently in advance of the expiration date for them to be received by the exchange agent before the expiration date:

- a properly completed and executed yellow letter of transmittal indicating the number of shares of Limited common stock to be tendered, along with any other documents required by the instructions to the yellow letter of transmittal; and
- the certificates representing the shares of Limited common stock to be tendered.

If you have certificates representing public notes, you should send the following documents to the exchange agent by one of the mailing methods described in the blue letter of transmittal, at the applicable address set forth on the back cover of this prospectus sufficiently in advance of the expiration date for them to be received by the exchange agent before the expiration date:

- a properly completed and executed blue letter of transmittal indicating the aggregate principal amount of public notes to be tendered, along with any other documents required by the instructions to the blue letter of transmittal; and
- the certificates representing the public notes to be tendered.

In addition, the certificates representing shares of Limited common stock and/or public notes, as applicable, to be tendered must be endorsed or you must enclose an appropriate stock power relating to the delivery of Limited common

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stock or an instrument of assignment relating to the delivery of public notes, as applicable, if:

- that certificate is registered in the name of a person other than the signer of a letter of transmittal;
- delivery of shares of Holdco common stock is to be made to the exchange agent on behalf of a person other than the registered owner of the shares of Limited common stock and/or public notes being tendered; or
- in the event that the shares of Limited common stock and/or public notes are not accepted for exchange, they are to be delivered to CoreComm Limited's transfer agent on behalf of a person other than the registered owner.

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The signature on the letter of transmittal must be guaranteed by an eligible institution unless the shares of Limited common stock and/or public notes, as applicable, tendered under the letters of transmittal are tendered in one of the following ways:

- by the registered holder of the shares of Limited common stock or public notes tendered if the holder has not requested special issuance as described in "Special Issuance Instructions" of the instructions to the letter of transmittal; or
- for the account of an eligible institution.

An eligible institution is a member of a registered national securities exchange or a member of the National Association of Securities Dealers, Inc. or a commercial bank or trust company having an office or a correspondent in the United States. Most banks and financial institutions are eligible institutions.

If the certificate representing your shares of Limited common stock or public notes has been lost, destroyed, mutilated or stolen, please refer to the section of the prospectus entitled "-- Lost, Destroyed, Mutilated or Stolen Certificates" for information regarding special procedures that must be followed.

The exchange agent's address is set forth on the back cover of this prospectus.

BOOK-ENTRY TRANSFER

If you hold your shares of Limited common stock and/or public notes, as applicable, through a broker, you should follow the instructions sent to you separately by your broker. You should not use the letters of transmittal to direct the tender of your shares of Limited common stock or public notes, as applicable. Your broker must notify The Depository Trust Company and cause it to transfer the shares or notes, as applicable, into the exchange agent's account in accordance with The Depository Trust Company's procedures. The broker must also ensure that the exchange agent receives an agent's message from The Depository Trust Company confirming the book-entry transfer of your shares of Limited common stock or public notes, as applicable. An agent's message is a message, transmitted by The Depository Trust Company and received by the exchange agent, that forms a part of a book-entry confirmation, which states that The Depository Trust Company has received an express acknowledgment from the participant in The Depository Trust Company tendering the shares or notes, as applicable, that the participant has received and agrees to be bound by the terms of the letter of transmittal and the instructions to the letters of

transmittal.

If you are an institution that is a participant in The Depository Trust Company's book-entry transfer facility, you should follow the same procedures that are applicable to persons holding shares or notes, as applicable, through a broker as described in the immediately preceding paragraph.

Trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity who sign a letter of transmittal, notice of guaranteed delivery, certificates representing shares of Limited common stock and/or public notes to be tendered or stock powers or other instruments of assignment must indicate the capacity in which they are signing, and must submit evidence, which is current as of a date within 180 days before the date that the applicable letters of transmittal is delivered to the exchange agent, of their power to act in that capacity, unless this requirement is waived by CoreComm Holdco.

If you validly tender your shares of Limited common stock and/or public notes and they are accepted by CoreComm Holdco, there will be a binding agreement between you and CoreComm Holdco on the terms and subject to the conditions set forth in this prospectus and in the applicable letter of transmittal and the instructions to the applicable letter of transmittal. A person who tenders shares of Limited

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common stock and/or public notes for their own account violates U.S. federal securities laws unless the person owns:

- those shares of Limited common stock and/or public notes;
- other securities convertible into or exchangeable for those shares of Limited common stock and/or public notes and intends to acquire shares of Limited common stock and/or public notes for tender by conversion or exchange of those securities; or
- an option, warrant or right to purchase those shares of Limited common stock and/or public notes and intends to acquire shares of Limited common stock and/or public notes for tender by exercise of that option, warrant or right.

U.S. federal securities laws provide a similar restriction applicable to the tender or guarantee of a tender on behalf of another person.

Do not send letters of transmittal, certificates representing shares of Limited common stock and/or public notes or other exchange offer documents to CoreComm Holdco, CoreComm Limited or the information agent. These materials must be submitted to the exchange agent at the address set forth on the back cover of this prospectus as described above and in the instructions to the applicable letter of transmittal in order for you to participate in the exchange offers.

It is up to you to decide how to deliver your shares of Limited common stock and/or public notes, as applicable, and all other required documents to the exchange agent. It is your responsibility to ensure that all necessary materials are received by the exchange agent before the expiration date. If the exchange agent does not receive all of the materials required by this section at one of the addresses set forth on the back cover of this prospectus before the expiration date, your shares of Limited common stock and/or public notes, as applicable, will not be validly tendered in the exchange offers.

CORECOMM HOLDCO'S INTERPRETATIONS ARE BINDING

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CoreComm Holdco will determine, in its sole and absolute discretion, all questions as to the form of documents, including notices of withdrawal, and the validity, form, eligibility, including time of receipt, and acceptance for exchange of any tender of outstanding securities in the exchange offers. This determination will be final and binding on all tendering security holders.

CoreComm Holdco reserves the absolute right to:

- determine whether a tendering security holder is eligible;
- reject any and all tenders of any outstanding securities not validly tendered or the acceptance of which, in the opinion of CoreComm Holdco's counsel, may be unlawful;
- waive any defects or irregularities in the tender of any outstanding security or any conditions of the exchange offers either before or after the expiration date; and
- request any additional information from any record or beneficial owner of outstanding securities that CoreComm Holdco deems necessary or appropriate.

None of CoreComm Holdco, CoreComm Limited, the information agent, the exchange agent or any other person will be under any duty to notify tendering security holders of any defect or irregularity in tenders or notices of withdrawal or incur any liability for failure to give this notification. It is your responsibility to ensure that your outstanding securities are validly tendered in accordance with the procedures described in this prospectus and the related documents before the expiration date.

LOST, DESTROYED, MUTILATED OR STOLEN CERTIFICATES

If any certificate representing your shares of Limited common stock or public notes, as applicable, has been lost, destroyed, mutilated or stolen and you wish to tender your shares or notes represented by that certificate, please complete Box A of the accompanying applicable letter of transmittal. If this occurs,

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CoreComm Limited or CoreComm Holdco may require a bond as indemnity against any claim that may be made with respect to the certificate alleged to have been lost, destroyed, mutilated or stolen.

GUARANTEED DELIVERY PROCEDURES

If you wish to tender your outstanding securities but the shares of Limited common stock and/or public notes, as applicable, are not immediately available, or time will not permit the shares or notes or other required documentation to reach the exchange agent before the expiration date, you may still tender your outstanding securities if:

- the tender is made through an eligible institution;
- the exchange agent receives from the eligible institution before the expiration date, a properly completed and duly executed notice of guaranteed delivery, substantially in the form provided by CoreComm Holdco; and
- the exchange agent receives the certificates representing all physically tendered shares of Limited common stock and/or public notes, as

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applicable, in proper form for transfer and a properly completed applicable letter of transmittal, or a facsimile of the applicable letter of transmittal and all other documents required by the applicable letter of transmittal and the instructions to the applicable letter of transmittal, within three Nasdaq National Market trading days after the date of execution of the notice of guaranteed delivery.

You may deliver the notice of guaranteed delivery by hand, facsimile transmission or mail to the exchange agent at the applicable address set forth on the back cover of this prospectus and you must include a guarantee by an eligible institution in the form set forth in the notice of guaranteed delivery.

WITHDRAWAL RIGHTS

You may withdraw tenders of shares of outstanding securities at any time before the expiration date, and, unless CoreComm Holdco has accepted your tender as provided in this prospectus and the accompanying documents, after the expiration of 40 business days from the commencement of the exchange offers. If CoreComm Holdco:

- delays its acceptance of the shares of Limited common stock or public notes, as applicable, for exchange;
- extends the exchange offers; or
- is unable to accept the shares of Limited common stock or public notes, as applicable, for exchange under the exchange offers for any reason,

then, without prejudice to CoreComm Holdco's rights under the exchange offers, the exchange agent may, on behalf of CoreComm Holdco, retain any outstanding securities tendered, and these outstanding securities may not be withdrawn, except as otherwise provided in this prospectus and the accompanying documents, subject to provisions under the Exchange Act that provide that an issuer making an exchange offer shall either pay the consideration offered or return tendered securities promptly after the termination or withdrawal of the exchange offers.

For a withdrawal to be effective, a written notice of withdrawal must be received by the exchange agent at one of its addresses set forth on the back cover of this prospectus. The notice of withdrawal must:

- specify the name of the person having tendered the shares of Limited common stock and/or public notes, as applicable, to be withdrawn;
- identify the number of the shares of Limited common stock and/or public notes, as applicable, to be withdrawn; and
- specify the name in which certificates representing the shares of Limited common stock and/or public notes, as applicable, are registered, if different from that of the withdrawing holder.

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If certificates representing the shares of Limited common stock or public notes, as applicable, have been delivered or otherwise identified to the exchange agent, then, before the release of these certificates, the withdrawing holder must also submit the serial numbers of the particular certificates to be withdrawn.

If the outstanding securities have been tendered under the procedures for book-entry transfer, any notice of withdrawal must specify the name and number of the account at The Depository Trust Company to be credited with the withdrawn outstanding securities and otherwise comply with the procedures of The

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Depository Trust Company.

Any outstanding securities withdrawn will be deemed not to have been validly tendered for exchange for purposes of the exchange offers. Properly withdrawn outstanding securities may be retendered by following one of the procedures described under "-- Procedures for Tendering Outstanding Securities" at any time on or before the expiration date.

If you withdraw your tender of any outstanding securities, these shares of Limited common stock and/or public notes, as applicable, will be returned to you either by crediting a book-entry account maintained by the Exchange Agent or by delivering to you physical certificates, depending on the form in which you tendered.

Except as otherwise provided above, any tender of outstanding securities made under the exchange offers is irrevocable. No alternative, conditional or contingent tenders will be accepted in the exchange offers.

EXTENSION OF TENDER PERIOD; TERMINATION; AMENDMENT

CoreComm Holdco expressly reserves the right, in its sole and absolute discretion, for any reason, including the non-satisfaction of any of the conditions for completion set forth below, at any time and from time to time, to extend the period of time during which the exchange offers are open or to amend the exchange offers in any respect, including changing the exchange ratios. CoreComm Holdco also expressly reserves the right to extend the period of time during which the exchange offers are open in the event either or both of the exchange offers is undersubscribed -- that is, fewer than all of the outstanding securities are tendered. In any of these cases, CoreComm Holdco will make a public announcement of the extension or amendment.

If CoreComm Holdco materially changes the terms of, or information concerning, the exchange offers, CoreComm Holdco will extend the exchange offers. Depending on the substance and nature of the change, CoreComm Holdco will extend the offers for at least five to 10 business days following the announcement if the exchange offers would have otherwise expired within those five to 10 business days.

If any condition for completion of the exchange offers described below is not satisfied, CoreComm Holdco reserves the right to choose to delay acceptance for exchange of any outstanding securities or to terminate the exchange offers and not accept for exchange any outstanding securities. For more information, please refer to the section of the prospectus entitled "-- Consequences of Unsatisfied Conditions."

If CoreComm Holdco extends the exchange offers, is delayed in accepting any outstanding securities or is unable to accept for exchange any outstanding securities under the exchange offers for any reason, then, without affecting CoreComm Holdco's rights under the exchange offers, the exchange agent may, on behalf of CoreComm Holdco, retain all outstanding securities tendered. These outstanding securities may not be withdrawn except as provided under "-- Withdrawal Rights."

CoreComm Holdco's reservation of the right to delay acceptance of any outstanding security is subject to applicable law, which requires that CoreComm Holdco pay the consideration offered or return the outstanding securities deposited promptly after the termination or withdrawal of the exchange offers.

CoreComm Holdco will issue a press release or other public announcement no later than 9:00 a.m., New York City time, on the next business day following any extension, amendment, non-acceptance or termination of the previously scheduled expiration date.

CONDITIONS FOR COMPLETION OF THE EXCHANGE OFFERS

CoreComm Holdco will not be obligated to complete the exchange offer relating to CoreComm Limited common stock unless at least 90% of the outstanding shares of CoreComm Limited common stock are validly tendered and not withdrawn and all of the other conditions to the exchange offers described below have been satisfied. This minimum condition does not apply to the exchange offer relating to the public notes.

Even if the minimum condition is satisfied, before the expiration date CoreComm Holdco may choose not to accept outstanding securities for exchange and not to complete the exchange offers if:

- CoreComm Holdco or CoreComm Limited does not receive or obtain any consent, authorization, approval or exemption of or from any governmental authority that may be advisable in connection with the completion of the exchange offers;
- the registration statement on Form S-4 of which this prospectus forms a part has not been declared effective under the Securities Act of 1933, as amended, or is the subject of any stop order or proceeding seeking a stop order;
- any action, proceeding or litigation seeking to enjoin, make illegal or delay completion of the exchange offers or otherwise relating in any manner to the exchange offers is or has been threatened or instituted or is pending;
- any order, stay, judgment or decree is issued by any court, government, governmental authority or other regulatory or administrative authority and is in effect, or any statute, rule, regulation, governmental order or injunction shall have been proposed, enacted, enforced or deemed applicable to the exchange offers, any of which would or might restrain, prohibit or delay completion of the exchange offers or impair the contemplated benefits of the exchange offers to CoreComm Holdco or CoreComm Limited;
- any of the following occurs and the adverse effect of which shall, in the judgment of CoreComm Holdco, be continuing:
 - any general suspension of trading in, or limitation on prices for, securities on any national securities exchange, automated inter-dealer quotation system or in the over-the-counter market in the United States;
 - a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States;
 - any limitation, whether or not mandatory, by any governmental authority on, or any other event that would reasonably be expected to materially adversely affect, the extension of credit by banks or other lending institutions;
 - a commencement of a war or other national or international calamity, directly or indirectly, involving the United States, which would reasonably be expected to affect materially and adversely, or to delay materially, the completion of the exchange offers;
- if any of the situations described above existed at the time of commencement of the exchange offers and CoreComm Holdco determines that

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the situation has deteriorated materially subsequent to the time of commencement; or

- any tender or exchange offer, other than the exchange offers by CoreComm Holdco, with respect to some or all of the outstanding public notes, Limited common stock or Holdco common stock, or any merger, acquisition or other business combination proposal involving CoreComm Holdco or CoreComm Limited or a substantial portion of their respective assets, shall have been proposed, announced or made by any person or entity;

the occurrence of which event, in the judgment of CoreComm Holdco, in any case and regardless of the circumstances, makes it inadvisable to proceed with the exchange offers or with the acceptance of outstanding securities tendered for exchange.

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As of June 25, 2002, approximately 102 million shares of CoreComm Limited common stock, representing approximately 73% of the outstanding shares, were tendered and not withdrawn. Since the minimum condition has not been met because less than 90% of the outstanding shares of CoreComm Limited common stock have been tendered as of June 25, 2002, in order to help achieve satisfaction of the minimum condition, we will convert the convertible debt and convertible preferred securities of CoreComm Limited we currently own into shares of CoreComm Limited common stock, and then tender these shares into the exchange offer. In an amendment to an exchange agreement between CoreComm Limited and CoreComm Holdco, CoreComm Limited and CoreComm Holdco agreed that all shares of CoreComm Holdco common stock issued to CoreComm Holdco in the exchange offer for shares of CoreComm Limited common stock will be cancelled following the merger, and therefore will have no effect on any of the holders of CoreComm Limited or CoreComm Holdco common stock.

CoreComm Holdco owns the following securities, which are convertible into CoreComm Limited common stock: (1) 250,000 shares of Series B Senior Convertible Exchangeable Preferred Stock, which currently have a conversion price of \$5.29 as determined under the CoreComm Limited charter; (2) approximately 51,000 shares of 8.5% Senior Convertible Preferred Stock, Series A, which currently have a conversion price of \$1.17 per share as determined under the CoreComm Limited charter; and (3) \$160 million in principal amount of public notes, which, prior to the reduction discussed in the following paragraph, had a conversion price of \$27.39 per share.

On May 30, 2002, in order to induce conversion of public notes into shares of CoreComm Limited common stock to facilitate our meeting the minimum condition and the completion of the short form merger of a wholly-owned subsidiary of CoreComm Holdco into CoreComm Limited, CoreComm Limited entered into a supplemental indenture with the trustee for the public notes that lowered the per share conversion price of the public notes into shares of CoreComm Limited common stock from \$27.39 to \$0.75. Under the terms of the indenture governing the public notes, CoreComm Limited has the right to lower the conversion price of the public notes at any time without the consent of the public notes holders. CoreComm Limited provided notice to the holders of the public notes of the lower conversion price as required by the terms of the indenture. The change in the conversion price will not impact the exchange ratios in the exchange offers. The effect of this reduction of the conversion price is as follows:

- (1) Prior to the lowering of the conversion price of the public notes, the holders of public notes wishing to participate in the exchange offers could have received either (a) 9.1047 shares of CoreComm Holdco common stock and \$30.00 in cash for each \$1,000 in principal amount of public notes they tendered and that were accepted in the public notes exchange offer or (b)

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approximately 0.939 shares of CoreComm Holdco common stock for each \$1,000 in principal amount of public notes they converted into shares of CoreComm Limited common stock, which they then tendered and that were accepted in the CoreComm Limited common stock exchange offer.

(2) Subsequent to the lowering of the conversion price of the public notes, the holders of public notes wishing to participate in the exchange offers can receive either (a) 9.1047 shares of CoreComm Holdco common stock and \$30.00 in cash for each \$1,000 in principal amount of public notes they tender and that are accepted in the public notes exchange offer or (b) approximately 34.276 shares of CoreComm Holdco common stock for each \$1,000 in principal amount of public notes they convert into shares of CoreComm Limited common stock, which they then tender and that are accepted in the CoreComm Limited common stock exchange offer.

Holders of public notes, in deciding to whether to (1) tender their public notes, (2) convert their public notes into shares of CoreComm Limited common stock and tender those shares or (3) hold their public notes and not participate in the exchange offers, should carefully review the different form and amount of consideration offered in the public notes exchange offer and the CoreComm Limited common stock exchange offer. Holders of public notes may also want to consider that in conjunction with the completion of the first phase of the Holdco recapitalization, we determined that the estimated fair value of CoreComm Holdco's common stock issued in these transactions was \$0.98 per share. Please see the section of this prospectus entitled "Comparative Per Share Data." Holders of public notes are cautioned when making their decision to tender, convert and tender or hold their public notes that there can be no assurance that they will be able to sell their shares of CoreComm Holdco common stock or be able to purchase shares of CoreComm Holdco common stock for \$0.98 per share. In fact, shares of CoreComm

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Holdco common stock may trade for lower, higher or the same as \$0.98 per share depending on public float of, and demand for, shares of CoreComm Holdco common stock, as well as the market on which the shares trade and the results of operations, liquidity and business performance of CoreComm Holdco. Although CoreComm Limited's and CoreComm Holdco's respective board of directors supports the public notes exchange offer, each holder of public notes will need to make its own determination of which of the above actions to take. Holders of public notes that decide to hold their public notes will continue to hold debt securities of CoreComm Limited, which will have no material assets following the completion of the CoreComm Limited common stock exchange offer and the merger. Following the completion of the merger, each \$1,000 in principal amount of public notes will be convertible into approximately 34.276 shares of CoreComm Holdco common stock. Please see the sections of this prospectus entitled "Risk Factors -- Risk factors relating to the exchange offers -- CoreComm Limited would hold virtually no material assets following the completion of the Holdco recapitalization and may not be able to meet its obligations under the public notes," "Risk Factors -- Risk factors relating to the exchange offers -- Holders of public notes could face reduced liquidity following the exchange offers" and "Risk Factors -- Risk factors relating to the exchange offers -- Holders of public notes that tender in the exchange offers will be giving up their rights to receive interest."

CoreComm Holdco currently owns approximately \$105.7 million principal amount of CoreComm Limited's Senior Unsecured Notes due September 29, 2003. Interest on these notes is payable in shares of CoreComm Limited common stock. Since less than 90% of the outstanding shares of CoreComm Limited common stock have been tendered as of June 25, 2002, in order to help achieve satisfaction of the minimum condition, we will require CoreComm Limited to issue the unpaid

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interest payment that was due to us on April 1, 2002 in shares of CoreComm Limited common stock, and we will then tender those shares into the CoreComm Limited common stock exchange offer. Based upon the number of shares of CoreComm Limited common stock tendered as of June 25, 2002, the conversion of the securities as described above and the payment of the interest in shares would result in the satisfaction of the minimum condition.

In an amendment to an exchange agreement between CoreComm Limited and CoreComm Holdco, CoreComm Limited and CoreComm Holdco agreed that all shares of CoreComm Holdco common stock issued to CoreComm Holdco in the exchange offer for shares of CoreComm Limited common stock will be cancelled following the merger, and therefore will have no effect on any of the holders of CoreComm Limited or CoreComm Holdco common stock.

CONSEQUENCES OF UNSATISFIED CONDITIONS

If any condition to the exchange offers is not satisfied, subject to applicable rules and regulations, CoreComm Holdco may, in its sole and absolute discretion:

- terminate one or both of the exchange offers and promptly return all outstanding securities tendered in a terminated exchange offer to tendering security holders, except in the case of a failure to achieve the minimum condition, which only applies to the exchange offer for Limited common stock;
- delay acceptance for exchange of any outstanding security, extend one or both of the exchange offers, and, subject to the withdrawal rights described under "-- Withdrawal Rights," retain all tendered outstanding securities until the expiration date;
- amend the terms and conditions of one or both of the exchange offers; or
- waive the unsatisfied condition and, subject to any requirement to extend the period of time during which one or both of the exchange offers are open, complete one or both of the exchange offers.

These conditions are for the sole and exclusive benefit of CoreComm Holdco. CoreComm Holdco may assert these conditions with respect to one or both of the exchange offers regardless of the circumstances giving rise to the conditions. CoreComm Holdco may waive any condition, in whole or in part at any time prior to the expiration date in its sole and absolute discretion, subject to applicable rules and regulations. CoreComm Holdco's failure to exercise its rights under any of the conditions described above does not represent a waiver of these rights. Each right is an ongoing right which may be asserted at

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any time prior to the expiration date. Any determination by CoreComm Holdco concerning the conditions described above will be final and binding upon all parties.

If a stop order issued by the SEC is in effect at any time after the commencement of the exchange offers with respect to the registration statement of which this prospectus is a part, CoreComm Holdco will not accept any outstanding securities tendered and will not exchange shares of Holdco common stock for any outstanding securities during the period in which a stop order is in effect.

LEGAL LIMITATION

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This prospectus is not an offer to sell, and is not soliciting any offer to buy, any Holdco common stock in any jurisdiction in which the offer or sale is not permitted. If CoreComm Holdco learns of any jurisdiction in the United States where making the exchange offers or its acceptance would not be permitted, CoreComm Holdco intends to make a good faith effort to comply with the relevant law of that jurisdiction. If, after a good faith effort, CoreComm Holdco cannot comply with that law, CoreComm Holdco will determine whether the exchange offers will be made to, and whether tenders will be accepted from or on behalf of, persons that are holders of outstanding securities residing in the jurisdiction.

FEES AND EXPENSES

CoreComm Holdco will not pay any fees or commissions to any broker or dealer or any other person for soliciting tenders of outstanding securities under the exchange offers. CoreComm Holdco will, out of its available cash on hand, reimburse brokers, dealers, commercial banks and trust companies, upon request made within a reasonable period of time, for reasonable and necessary costs and expenses incurred by them in forwarding materials to their customers.

INFORMATION AGENT, EXCHANGE AGENT AND DEPOSITARY

CoreComm Holdco has retained D.F. King & Co., Inc. to act as the information agent and Continental Stock Transfer & Trust Company to act as the exchange agent and depositary in connection with the exchange offers. Continental Stock Transfer & Trust Company currently serves as the transfer agent for each of CoreComm Limited and CoreComm Holdco and as the rights agent under the rights agreement entered into with each of CoreComm Limited and CoreComm Holdco and has served as the escrow agent under escrow agreements in connection with the first phase of the Holdco recapitalization.

The information agent may contact holders of outstanding securities by mail, telephone, facsimile transmission and personal interviews and may request brokers, dealers and other nominee stockholders to forward materials relating to the exchange offers to beneficial owners. The information agent and the exchange agent each will receive reasonable compensation for their respective services, will be reimbursed for reasonable out-of-pocket expenses and will be indemnified against liabilities in connection with their services.

The exchange agent has not been retained to make solicitations or recommendations and the information agent has not been retained to make recommendations. However, CoreComm Holdco has retained the information agent to telephonically solicit large stockholders of CoreComm Limited to tender their shares of CoreComm Limited in the exchange offer for CoreComm Limited common stock, for which it is paying the information agent approximately \$10,000. The fees the exchange agent and information agent receive will not be based on the number of outstanding securities tendered under the exchange offers; however, the exchange agent will be compensated in part on the basis of the number of letters of transmittal received and the number of account statements distributed.

SOURCE AND AMOUNT OF FUNDS

The exchange offers are not conditioned upon any financing arrangements. The total amount of funds or other consideration required by CoreComm Holdco to complete the exchange offers is approximately 3,943,248 shares of CoreComm Holdco common stock plus any additional shares required to be issued (1) as a result of rounding up in the exchange offers and (2) in exchange for shares of CoreComm Limited common stock that are issued upon conversion of convertible securities and tendered in the

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exchange offer. This number consists of approximately 3,900,000 shares in exchange for CoreComm Limited common stock, assuming all holders of outstanding warrants to acquire CoreComm Limited common stock were to exercise and tender in the exchange offer, and 43,248 shares in exchange for public notes. In lieu of issuing fractional shares of CoreComm Holdco common stock in the exchange offers, the number of shares of CoreComm Holdco common stock being issued to each holder of Limited common stock and the number of shares of CoreComm Holdco common stock being issued to each holder of public notes will be rounded up to the nearest whole number, which may increase the aggregate number of shares of CoreComm Holdco common stock issued. We will pay up to \$142,500 of cash consideration in the exchange offer for the public notes, plus reimbursements of costs and expenses, plus amounts due to the information agent and exchange agent, out of our available cash on hand.

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UNAUDITED PRO FORMA FINANCIAL DATA OF CORECOMM HOLDCO, INC.

In 2001, CoreComm Limited entered into agreements with holders of its public notes whereby the holders agreed, to exchange their notes as part of the Holdco recapitalization. The exchange for \$160 million principal amount of public notes was completed in December 2001, including the payment of the approximately \$4.8 million by CoreComm Limited.

On December 28, 2001, we completed the exchange of shares of our common stock for substantial amounts of the outstanding indebtedness of CoreComm Limited, substantial amounts of our outstanding indebtedness as co-obligors with CoreComm Limited and all of the outstanding preferred stock of CoreComm Limited. This exchange was completed under an exchange agreement with CoreComm Limited and

(1) holders of 10.75% Unsecured Convertible PIK Notes due 2011 and 10.75% Senior Unsecured Convertible PIK Notes due 2010, which were a joint obligation of CoreComm Holdco and CoreComm Limited, in the initial principal amounts of \$10,000,000 and \$16,100,000, respectively;

(2) the holders of Senior Unsecured Notes due September 29, 2003 of CoreComm Limited in the principal amount of \$105.7 million; and

(3) the holders of all of the preferred stock of CoreComm Limited, with respect to the initial liquidation preference of \$301 million.

The following summarizes the indebtedness and preferred stock that was exchanged for shares of our common stock in December 2001:

DESCRIPTION	DATE ISSUED	ISSUER	PRINCIPAL AMOUNT OR LIQUIDATION PREFERENCE WHEN ISSUED
10.75% Unsecured Convertible PIK Notes due 2011.....	April 2001	CoreComm Limited and CoreComm Holdco	\$ 10.0 million(1)
10.75% Senior Unsecured Convertible PIK Notes due 2010.....	December 2000	CoreComm Limited and CoreComm Holdco	\$ 16.1 million(1)

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Senior Unsecured Notes due September 29, 2003.....	September 2000	CoreComm Limited	\$108.7 million(2)
6% Convertible Subordinated Notes due 2006.....	October 1999	CoreComm Limited	\$175.0 million(3)
Series A and Series A-1 Preferred Stock.....	September 2000	CoreComm Limited	\$ 51.1 million(2)
Series B Preferred Stock.....	September 2000	CoreComm Limited	\$250.0 million(2)

- (1) Entire amount was cancelled following the exchange.
- (2) Entire amount was exchanged and is currently held by CoreComm Holdco.
- (3) \$164.75 million was outstanding as of December 31, 2001, of which \$160 million was exchanged and is currently held by CoreComm Holdco.

As a result of the completion of the first phase of the Holdco recapitalization in December 2001, approximately 87% of our outstanding shares, or 26,056,806 shares, are owned by the former holders of indebtedness of CoreComm Holdco and CoreComm Limited and the former holders of preferred stock of CoreComm Limited, and approximately 13% of our outstanding shares, or 3,943,248 shares, continue to be held by CoreComm Limited. We have filed a shelf registration statement on Form S-1 under the Securities Act to permit the sale of our common stock that was issued in the first phase of the Holdco recapitalization. We hold \$160 million principal amount of public notes, approximately \$105.7 million principal amount of CoreComm Limited's Senior Unsecured Notes due September 29, 2003, approxi-

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mately 51,000 shares of CoreComm Limited's Series A and Series A-1 preferred stock and 250,000 shares of CoreComm Limited's Series B preferred stock as a result of the exchanges. In addition, we exchanged the approximately \$10.0 million principal and \$0.8 million of accrued interest of our 10.75% Unsecured Convertible PIK Notes due 2011 and the approximately \$16.1 million principal and \$1.9 million of accrued interest of our 10.75% Senior Unsecured Convertible PIK Notes due 2010 for shares of our common stock.

The second phase of the Holdco recapitalization includes the exchange offers for shares of CoreComm Limited common stock and the public notes that remained outstanding following the first phase of the Holdco recapitalization. As soon as practicable after the completion of the exchange offers, CoreComm Holdco will transfer all shares of CoreComm Limited common stock that it holds to a wholly-owned subsidiary of CoreComm Holdco which will then be merged into CoreComm Limited with CoreComm Limited surviving the merger as a wholly-owned subsidiary of CoreComm Holdco. On the business day following the day when the merger is consummated, CoreComm Limited's Nasdaq listing will be transferred to CoreComm Holdco and CoreComm Holdco common stock will commence, and CoreComm Limited common stock will cease, trading on the Nasdaq National Market.

Please see the three charts contained in the section of this prospectus entitled "Prospectus Summary" for an illustration of the corporate structure of CoreComm Limited and CoreComm Holdco, prior to the commencement of the Holdco recapitalization, in their current form and assuming the completion of the Holdco recapitalization.

The unaudited pro forma condensed consolidated balance sheet at March 31, 2002 gives effect to second phase of the Holdco recapitalization, which includes the completion of the exchange offer for shares of CoreComm Limited common stock

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and public notes that remained outstanding following the first phase of the Holdco recapitalization as well as the merger transaction between CoreComm Limited and a wholly-owned subsidiary of CoreComm Holdco as if they occurred on March 31, 2002.

The unaudited pro forma condensed consolidated statement of operations for the three months ended March 31, 2002 gives effect to second phase of the Holdco recapitalization, which includes the completion of the exchange offers for shares of CoreComm Limited common stock and public notes that remained outstanding following the first phase of the Holdco recapitalization as well as the merger transaction between CoreComm Limited and a wholly-owned subsidiary of CoreComm Holdco as if they occurred on January 1, 2002.

The unaudited pro forma condensed consolidated statements of operations for the year ended December 31, 2001 gives effect to both the first and second phases of the Holdco recapitalization, which includes the recapitalization and exchange transactions, the other transactions to eliminate additional amounts of our outstanding indebtedness.

The pro forma financial statements do not give effect to the potential conversion of our investment in CoreComm Limited into CoreComm Limited common stock. The effect on CoreComm Holdco's operating results of this conversion would not be significant.

The pro forma adjustments are based upon available information and assumptions that we believe are reasonable. The unaudited pro forma condensed statements of operations do not purport to present the results of operations of CoreComm Holdco had the various transactions or acquisitions occurred on the dates specified, nor are they necessarily indicative of the results of operations that may be achieved in the future. The unaudited pro forma financial statements should be read in conjunction with our financial statements and related notes, and with the financial statements and related notes of CoreComm Holdco appearing elsewhere in this prospectus.

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CORECOMM HOLDCO, INC.

PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED) MARCH 31, 2002

	CORECOMM HOLDCO HISTORICAL	CORECOMM LIMITED AND SUBSIDIARIES HISTORICAL	PRO FORMA MERGER ADJUSTMENTS	CORE HOL RECAPITA PRO F
	-----	-----	-----	-----
	(IN THOUSANDS)			
ASSETS				
Cash and cash equivalents.....	\$ 26,841	\$ 472	\$ (3,515) (b)	\$ 23
Other current assets.....	37,746	37	254 (d)	38
	-----	-----	-----	-----
Total current assets.....	64,587	509	(3,261)	61
Fixed assets, net.....	80,339	113	--	80
Investment in CoreComm Limited.....	3,863	--	42 (a)	
			(3,905) (c)	
Investment in CoreComm Holdco.....	--	2,348	(2,348) (f)	
Goodwill, net.....	147,380	--	(42) (a)	149
			3,905 (c)	

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			(32,088) (e)	
			2,348 (f)	
			(258,087) (g)	
			(4,750) (h)	
			4,537 (i)	
			(288) (l)	
			286,564 (k)	
Intangible assets, net.....	5,622	--	--	5
Other, net.....	10,883	6,653	(4,537) (i)	12
	-----	-----	-----	-----
	\$312,674	\$ 9,623	\$ (11,910)	\$310
	=====	=====	=====	=====
LIABILITIES AND SHAREHOLDERS' DEFICIENCY				
Current portion of debt and capital				
leases.....	\$ 9,426	\$ 4,750	\$ (4,750) (h)	\$ 9
Due to CoreComm Holdco.....	--	31,834	(32,088) (e)	
			254 (d)	
Other current liabilities.....	142,886	1,516	--	144
	-----	-----	-----	-----
Total current liabilities.....	152,312	38,100	(36,584)	153
Debt and capital leases.....	144,992	258,087	(258,087) (g)	144
Notes payable to related parties.....	16,241	--	--	16
Shareholders' deficiency.....	(871)	(286,564)	286,564 (k)	(4
			(288) (l)	
			(3,515) (b)	
	-----	-----	-----	-----
	\$312,674	\$ 9,623	\$ (11,910)	\$310
	=====	=====	=====	=====

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CORECOMM HOLDCO, INC. AND SUBSIDIARIES

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2002

	CORECOMM HOLDCO HISTORICAL	CORECOMM LIMITED AND SUBSIDIARIES HISTORICAL	PRO FORMA ADJUSTMENTS	RE
	-----	-----	-----	-----
		(IN THOUSANDS, EXCEPT PER SHARE DATA)		
REVENUES.....	\$ 74,311	\$ 108	\$ --	
COSTS AND EXPENSES				
Operating.....	48,038	--	--	
Selling, general and administrative.....	22,313	68	--	
Corporate.....	1,698	--	--	
Recapitalization costs.....	1,182	--	--	
Depreciation.....	8,881	33	--	
Amortization.....	84	--	--	
	-----	-----	-----	
	82,196	101	--	
	-----	-----	-----	
Operating (loss).....	(7,885)	7	--	
Other income (expense)				
Interest income and other, net.....	134	7	(42) (a)	

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Equity in net (loss) of CoreComm Holdco.....	--	(1,515)	1,515 (e)
Interest expense.....	(3,903)	(5,651)	5,573 (b)
			78 (d)
	-----	-----	-----
(Loss) before extraordinary item.....	\$ (11,654)	\$ (7,152)	\$7,124
	=====	=====	=====
Basic and diluted (loss) per share before extraordinary item.....	\$ (0.39)		
	=====		
Weighted average shares.....	30,000		(294) (c)
	=====		=====

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CORECOMM HOLDCO, INC.

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2001

	CORECOMM HOLDCO HISTORICAL	FIRST PHASE ADJUSTMENTS	PRO FORMA FOR COMPLETED PORTION OF HOLDCO RECAPITALIZATION AND OTHER	CORECOMM LIMITED & SUBSIDIARIES HISTORICAL (1)	SECO ADJUSTMENTS
	-----	-----	-----	-----	-----
	(IN THOUSANDS, EXCEPT PER SHARE DATA)				
REVENUES.....	\$ 292,681	\$ --	\$ 292,681	\$ 526	\$ --
COSTS AND EXPENSES					
Operating.....	224,807	--	224,807	--	--
Selling, general and administrative.....	96,854	--	96,854	905	--
Corporate.....	5,648	--	5,648	2,687	--
Non-cash compensation.....	21,638	--	21,638	--	--
Other charges.....	39,553	--	39,553	(39)	--
Asset impairments.....	368,288	--	368,288	--	--
Depreciation.....	47,976	--	47,976	134	--
Amortization.....	97,388	--	97,388	1	--
	-----	-----	-----	-----	-----
	902,152	--	902,152	3,688	--
	-----	-----	-----	-----	-----
Operating (loss).....	(609,471)	--	(609,471)	(3,162)	--
Other income (expense)					
Interest income and other, net.....	1,799	(575) (a)	1,224	158	--
Equity in net (loss) of CoreComm Holdco.....	--	--	--	(3,863)	--
Interest expense.....	(25,647)	3,772 (b)			--
		22,044 (c)	169	(22,667)	--
	-----	-----	-----	-----	-----
(Loss) before income taxes and extraordinary item.....	(633,319)	25,241	(608,078)	(29,534)	--
Income tax provision.....	(94)	--	(94)	(4)	--
	-----	-----	-----	-----	-----
(Loss) before extraordinary item.....	\$ (633,413)	\$ 25,241	\$ (608,172)	\$ (29,538)	\$ --
	=====	=====	=====	=====	=====

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Basic and diluted (loss) per share before extraordinary item.....	\$ (22.15)		\$ (20.27)
	=====		=====
Weighted average shares.....	28,599	1,401 (d)	30,000
	=====	=====	=====

- (1) The historical results of operations for CoreComm Limited and subsidiaries exclude the historical results of operations of CoreComm Holdco, Inc. Please refer to the section of this Prospectus entitled "-- CoreComm Limited -- Pro Forma Condensed Consolidated Statement Of Operations (Unaudited) For The Year Ended December 31, 2001."

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CORECOMM HOLDCO, INC.

NOTES TO UNAUDITED PRO FORMA FINANCIAL DATA (IN THOUSANDS, EXCEPT SHARE DATA)

PRO FORMA BALANCE SHEET ADJUSTMENTS

The pro forma adjustments made to our condensed consolidated balance sheet as of March 31, 2002 reflect:

- a) Our additional investment in CoreComm Limited for the exchange of the remaining \$4,750 of principal of CoreComm Limited's 6% convertible subordinated notes for 43,248 of our common shares valued at \$42.
- b) Estimated recapitalization costs of the transactions, which include legal, accounting and other costs of \$1,515 and employee incentives of \$2,000.
- c) The elimination of our \$3,905 investment in CoreComm Limited's notes and preferred stock.
- d) The elimination of our amounts due to CoreComm Limited totaling \$254.
- e) The elimination of amounts due to CoreComm Holdco, which includes interest payable on CoreComm Limited's 6% Convertible Subordinated Notes and Senior Unsecured Notes due 2003 of \$8,238 and dividends payable on CoreComm Limited's preferred stock of \$23,850.
- f) The elimination of CoreComm Limited's \$2,348 investment in CoreComm Holdco.
- g) The elimination of CoreComm Limited's 6% Convertible Subordinated Notes of \$160,000 and Senior Unsecured Notes due 2003 of \$98,087 both of which are due to us.
- h) The elimination of the current portion of CoreComm Limited's 6% Convertible Subordinated Notes of \$4,750.
- i) The elimination of the unamortized portion of deferred financing costs on CoreComm Limited's 6% Convertible Subordinated Notes of \$4,537.
- j) The elimination of CoreComm Limited's Series A and Series B preferred

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stock of \$50,000 and \$74,169.

k) To eliminate CoreComm Limited historical equity of \$286,564

l) Adjustment to record 294,000 shares of our common stock, held by CoreComm Limited, as treasury shares valued at \$288.

PRO FORMA STATEMENT OF OPERATIONS ADJUSTMENTS

The pro forma adjustments for the condensed consolidated statement of operations for the three months ended March 31, 2002 reflect:

a) The reduction in interest income recorded as a result of cash paid to effectuate our recapitalization plans, which would have reduced our cash balance at January 1, 2002.

DESCRIPTION -----	CASH PAID -----	REDUCTION OF INTEREST INCOME -----
Interest payments to the holders of CoreComm Limited's 6% Convertible Subordinated Notes.....	\$ 214	\$ 2
Recapitalization payments for legal, accounting and other transaction costs.....	2,141	21
Recapitalization employee incentive payments.....	1,900	19
	-----	---
	\$4,255	\$42
	=====	===

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CORECOMM HOLDCO, INC.

NOTES TO UNAUDITED PRO FORMA FINANCIAL DATA -- (CONTINUED) (IN THOUSANDS, EXCEPT SHARE DATA)

b) The reduction in interest expense, related to CoreComm Limited's 6% Convertible Subordinated Notes and Senior Unsecured Notes due 2003, as follows:

DESCRIPTION -----	REDUCTION OF INTEREST EXPENSE -----
Interest expense on the \$160 million 6% Convertible Subordinated Notes exchanged (\$160 million X 6% X 3/12 months).....	\$2,400
Amortization of deferred financing costs for the \$160 million 6% Convertible Subordinated Notes exchanged.....	245
Interest expense on Senior Unsecured Notes due 2003 exchanged (\$105,679 X 6.47% X 3/12 months).....	1,709
Amortization of debt discount for the Senior Unsecured Notes due 2003 exchanged. The debt discount on March 31, 2002 is \$7,592.....	1,219

	\$5,573
	=====

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- c) The acquisition of 294,000 of our common shares held by CoreComm Limited, which will become treasury shares upon consolidation of CoreComm Limited with CoreComm Holdco.
- d) The reduction in interest expense, related to the exchange of the remaining \$4.75 million of CoreComm Limited's 6% Convertible Subordinated Notes outstanding as follows:

DESCRIPTION -----	REDUCTION OF INTEREST EXPENSE -----
Interest expense on the \$4.75 million 6% Convertible Subordinated Notes which were not yet exchanged (\$4.75 million X 6% X 3/12 months).....	\$71
Amortization of deferred financing costs for the \$4.75 million 6% Convertible Subordinated Notes which were not yet exchanged.....	7

	\$78
	===

e) The elimination of CoreComm Limited's equity share of our net loss of \$1,515 included in our net loss for the three months ended March 31, 2002.

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CORECOMM HOLDCO, INC.

NOTES TO UNAUDITED PRO FORMA FINANCIAL DATA (IN THOUSANDS, EXCEPT SHARE DATA)

PRO FORMA STATEMENT OF OPERATIONS ADJUSTMENTS

The pro forma adjustments for the condensed consolidated statement of operations for the year ended December 31, 2001, which relate to the first phase of our recapitalization plan, reflect:

- a) The reduction in interest income recorded as a result of cash paid to effectuate our recapitalization plans, which would have reduced our cash balance at January 1, 2001.

DESCRIPTION -----	CASH PAID -----	REDUCTION OF INTEREST INCOME -----
Interest payments to the holders of CoreComm Limited's 6% Convertible Subordinated Notes.....	\$ 5,014	\$200
Recapitalization payments for legal, accounting and other transaction costs.....	2,250	90
Recapitalization employee incentive payments.....	3,950	157
Payments to eliminate notes payable and capital leases under our recapitalization plan.....	3,200	128
	-----	----

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\$14,414 \$575
===== =====

b) The reduction of interest expense for debt that has been exchanged for shares of our common stock as well as other debt that has been eliminated as part of phase one of our recapitalization plan, as follows:

DESCRIPTION -----	REDUCTION OF INTEREST EXPENSE -----
Interest expense on 10.75% unsecured \$10.0 million convertible notes due 2011 from their April 2001 issuance date (\$10 million X 10.75% X 8.5 months/12 months).....	\$ 761
Interest expense on 10.75% senior unsecured \$16.1 million convertible notes due 2010 (\$16.1 million X 10.75%).....	1,731
Interest expense on a working capital note, notes payable and capital leases.....	1,280

	\$3,772
	=====

c) The reduction in interest expense, related to CoreComm Limited's 6% Convertible Subordinated Notes and Senior Unsecured Notes due 2003, as follows:

DESCRIPTION -----	REDUCTION OF INTEREST EXPENSE -----
Interest expense on the \$160 million 6% Convertible Subordinated Notes exchanged (\$160 million X 6%).....	\$ 9,600
Amortization of deferred financing costs for the \$160 million 6% Convertible Subordinated Notes exchanged.....	979
Interest expense on Senior Unsecured Notes due 2003 exchanged (\$105,679 X 6.47%).....	6,837
Amortization of debt discount for the Senior Unsecured Notes due 2003 exchanged. The debt discount at December 31, 2001 is \$8,805.....	4,628

	\$22,044
	=====

d) The issuance of 1,456,806 shares of our common stock in exchange for CoreComm Limited's 6% Convertible Subordinated Notes.

The pro forma adjustments for the condensed consolidated statement of operations for the year ended December 31, 2001, which related to the second

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phase of our recapitalization plan, reflect:

- e) The increase to amortization expense of \$420 as the result of \$2,099 of additional goodwill from the consolidation of CoreComm Limited with an estimated useful life of five years.
- f) The acquisition of 294,000 of our common shares held by CoreComm Limited, which will become treasury shares upon consolidation of CoreComm Limited with CoreComm Holdco.
- g) The reduction in interest expense, related to the exchange of the remaining \$4.75 million of CoreComm Limited's 6% Convertible Subordinated Notes outstanding as follows:

DESCRIPTION -----	REDUCTION OF INTEREST EXPENSE -----
Interest expense on the \$4.75 million 6% Convertible Subordinated Notes which were not yet exchanged (\$4.75 million X 6%).....	\$285
Amortization of deferred financing for the \$4.75 million 6% Convertible Subordinated Notes which were not yet exchanged.....	27

	\$312
	====

h) The elimination of CoreComm Limited's equity share of our loss of \$3,863 included in our pro forma loss before extraordinary item for the year ended December 31, 2001.

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UNAUDITED PRO FORMA FINANCIAL DATA OF CORECOMM LIMITED

In 2001, CoreComm Limited entered into agreements with holders of its public notes whereby the holders agreed, to exchange their notes as part of the Holdco recapitalization. The exchange for \$160 million principal amount of public notes was completed in December 2001, including the payment of the approximately \$4.8 million by CoreComm Limited.

On December 28, 2001, we completed the exchange of shares of our common stock for substantial amounts of the outstanding indebtedness of CoreComm Limited, substantial amounts of our outstanding indebtedness as co-obligors with CoreComm Limited and all of the outstanding preferred stock of CoreComm Limited. This exchange was completed under an exchange agreement with CoreComm Limited and

(1) holders of 10.75% Unsecured Convertible PIK Notes due 2011 and 10.75% Senior Unsecured Convertible PIK Notes due 2010, which were a joint obligation of CoreComm Holdco and CoreComm Limited, in the initial principal amounts of \$10,000,000 and \$16,100,000, respectively;

(2) the holders of Senior Unsecured Notes due September 29, 2003 of CoreComm Limited in the principal amount of \$105.7 million; and

(3) the holders of all of the preferred stock of CoreComm Limited, with respect to the initial liquidation preference of \$301 million.

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The following summarizes the indebtedness and preferred stock that was exchanged for shares of our common stock in December 2001:

DESCRIPTION	DATE ISSUED	ISSUER	PRINCIPAL AMOUNT OR LIQUIDATION PREFERENCE WHEN ISSUED
10.75% Unsecured Convertible PIK Notes due 2011.....	April 2001	CoreComm Limited and CoreComm Holdco	\$ 10.0 million(1)
10.75% Senior Unsecured Convertible PIK Notes due 2010.....	December 2000	CoreComm Limited and CoreComm Holdco	\$ 16.1 million(1)
Senior Unsecured Notes due September 29, 2003.....	September 2000	CoreComm Limited	\$108.7 million(2)
6% Convertible Subordinated Notes due 2006.....	October 1999	CoreComm Limited	\$175.0 million(3)
Series A and Series A-1 Preferred Stock.....	September 2000	CoreComm Limited	\$ 51.1 million(2)
Series B Preferred Stock.....	September 2000	CoreComm Limited	\$250.0 million(2)

(1) Entire amount was cancelled following the exchange.

(2) Entire amount was exchanged and is currently held by CoreComm Holdco.

(3) \$164.75 million was outstanding as of December 31, 2001, of which \$160 million was exchanged and is currently held by CoreComm Holdco.

As a result of the completion of the first phase of the Holdco recapitalization plan in December 2001, approximately 87% of our outstanding shares, or 26,056,806 shares, are owned by the former holders of indebtedness of CoreComm Holdco and CoreComm Limited and the former holders of preferred stock of CoreComm Limited, and approximately 13% of our outstanding shares, or 3,943,248 shares, continue to be held by CoreComm Limited. We have agreed to file, and filed, a shelf registration statement on Form S-1 under the Securities Act to permit the sale of our common stock that was issued in the first phase of the recapitalization plan. We hold \$160 million principal amount of public notes, approximately \$105.7 million principal amount of CoreComm Limited's Senior Unsecured Notes due September 29, 2003, and

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approximately 51,000 shares of CoreComm Limited's Series A and Series A-1 preferred stock and 250,000 shares of CoreComm Limited's Series B preferred stock as a result of the exchanges. In addition we exchanged approximately \$10.8 million principal amount and accrued interest of 10.75% Unsecured Convertible PIK Notes due 2011 and approximately \$18 million principal amount and accrued interest of 10.75% Senior Unsecured Convertible PIK Notes due 2010, which were cancelled upon the exchange.

The unaudited pro forma condensed statement of operations for the year ended December 31, 2001 presented below gives effect to the completed recapitalization and exchange transactions as if they had occurred on January 1,

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2001. The effect of the Holdco recapitalization completed to date is to reduce CoreComm Limited's ownership in CoreComm Holdco from 100% to approximately 13%. Therefore CoreComm Limited would account for CoreComm Holdco on the equity method where as it was previously consolidated. The CoreComm Limited unaudited condensed consolidated pro forma financial statements do not give effect to the exchange offers. The adjustment to the conversion ratio of the convertible debt will result in an extraordinary gain. The pro forma financial statements do not give effect to this extraordinary gain which will approximate the book value of the debt, approximately \$160,000,000.

The pro forma adjustments are based upon available information and assumptions that we believe are reasonable. The unaudited pro forma condensed statements of operations do not purport to present the results of operations of CoreComm Limited had the various transactions or acquisitions occurred on the dates specified, nor are they necessarily indicative of the results of operations that may be achieved in the future. The unaudited pro forma financial statements should be read in conjunction with our financial statements and related notes, and with the financial statements and related notes of CoreComm Limited appearing elsewhere in this prospectus.

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CORECOMM LIMITED

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED) FOR THE YEAR ENDED DECEMBER 31, 2001

	CORECOMM LIMITED AND SUBSIDIARIES HISTORICAL	DECONSOLIDATION OF CORECOMM HOLDCO HISTORICAL	ADJUSTMENTS	COR LIMIT SUBSIDI FO
	-----	-----	-----	-----
	(IN THOUSANDS, EXCEPT PER SHARE DATA)			
REVENUES.....	\$ 293,207	\$ (292,681)	\$ --	\$
COSTS AND EXPENSES				
Operating.....	224,807	(224,807)	--	
Selling, general and administrative.....	97,759	(96,854)	--	
Corporate.....	8,335	(5,648)	--	
Non-cash compensation.....	21,638	(21,638)	--	
Other charges.....	39,514	(39,553)	--	
Asset impairments.....	368,288	(368,288)	--	
Depreciation.....	48,110	(47,976)	--	
Amortization.....	97,389	(97,388)	--	
	-----	-----	-----	-----
	905,840	(902,152)	--	
	-----	-----	-----	-----
Operating (loss).....	(612,633)	(609,471)	--	(
	-----	-----	-----	-----
Other income (expense).....				
Interest income and other, net.....	1,957	(1,799)	--	
Equity in net (loss) of CoreComm				
Holdco.....	--	--	(3,863) a	(
Interest expense.....	(48,314)	25,647	--	(2
	-----	-----	-----	-----
(Loss) before income taxes and				
extraordinary item.....	(658,990)	633,319	(3,863)	(2
Income tax (provision) benefit.....	(98)	94		
	-----	-----	-----	-----

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(Loss) before extraordinary item.....	\$ (659,088)	\$ 633,413	\$ (3,863)	\$ (2
	=====	=====	=====	=====
Basic and diluted (loss) per share before extraordinary item(1).....	\$ (6.77)			\$
	=====			=====
Weighted average shares.....	100,669			10
	=====			=====

(1) After deduction for preferred stock dividends and accretion of \$22,387.

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CORECOMM LIMITED

NOTES TO UNAUDITED PRO FORMA FINANCIAL DATA (IN THOUSANDS)

The pro forma adjustment for the condensed consolidated statement of operations for the year ended December 31, 2001 reflects:

- (a) The recording of CoreComm Limited's equity share of loss before extraordinary item of \$3,863 included in our pro forma loss before extraordinary item of \$608,172 for the year ended December 31, 2001. The amount of the loss was limited to the extent of CoreComm Limited's investment as of December 31, 2001.

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SELECTED HISTORICAL FINANCIAL DATA OF CORECOMM HOLDCO, INC.

The following selected historical financial data should be read in conjunction with the historical consolidated financial statements and related notes included elsewhere in this prospectus. The selected historical financial data as of December 31, 2001, 2000, 1999 and 1998, and for the years ended December 31, 2001, 2000 and 1999, and for the period from April 1, 1998 to December 31, 1998, have been derived from the historical consolidated financial statements of CoreComm Holdco audited by Ernst & Young LLP, independent auditors. The selected historical financial data, for the period from January 1, 1998 to May 31, 1998, and as of and for the year ended December 31, 1997 is that of OCOM Corporation Telecoms Division, a predecessor company and have been derived from its historical financial statements audited by Ernst & Young LLP, independent auditors.

Interim data for the three months ended March 31, 2002 and 2001 are unaudited but include, in our opinion, all adjustments consisting only of normal recurring adjustments necessary for a fair presentation of that data. Results for the three months ended March 31, 2002 are not necessarily indicative of the results that may be expected for any other interim period or the year as a whole.

In 2000, we completed two significant acquisitions. We acquired ATX Telecommunications Services, Inc. and Voyager.net, Inc. In addition, we entered into a senior secured credit facility with The Chase Manhattan Bank and CoreComm Limited issued approximately \$108.7 million aggregate principal amount of senior unsecured notes to the former stockholders of ATX. Also in 2000, we recorded a non-cash compensation expense of approximately \$43.4 million in accordance with APB opinion No. 25, "Accounting for Stock Issued to Employees."

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In 1999, we acquired 100% of the stock of MegsINet Inc. and some of the assets of USN Communications, Inc. In addition, CoreComm Limited issued \$175.0 million in aggregate principal amount of 6% Convertible Subordinated Notes due 2006.

In 1998, we were formed to succeed the businesses and assets that were operated by OCOM. Our operations commenced in April 1998. We acquired the operating assets and related liabilities of OCOM on June 1, 1998.

	THREE-MONTHS ENDED MARCH 31,		YEAR ENDED DECEMBER 31,			FOR THE PERIOD FROM APRIL 1, 1998 (DATE OPERATIONS COMMENCED) TO DECEMBER 31, 1998
	2002	2001	2001	2000	1999	
(IN THOUSANDS, EXCEPT PER SHARE DATA)						
INCOME STATEMENT DATA						
Revenues.....	\$ 74,311	\$ 72,811	\$ 292,681	\$ 131,526	\$ 57,151	\$ 6,713
Costs and expenses						
Operating.....	48,038	63,520	224,807	142,323	57,551	5,584
Selling, general and administrative.....	22,313	30,795	96,854	109,197	72,821	11,940
Corporate.....	1,698	2,098	5,648	11,224	6,686	2,049
Non-cash compensation.....	--	3,234	21,638	43,440	1,056	--
Recapitalization costs.....	1,182	--	--	--	--	--
Other charges.....	--	119	39,553	12,706	--	--
Asset impairments.....	--	167,599	368,288	35,920	--	--
Depreciation and amortization.....	8,965	43,521	145,364	73,037	19,546	980
	82,196	310,886	902,152	427,847	157,660	20,553

	THREE-MONTHS ENDED MARCH 31,		YEAR ENDED DECEMBER 31,			FOR THE PERIOD FROM APRIL 1, 1998 (DATE OPERATIONS COMMENCED) TO DECEMBER 31, 1998
	2002	2001	2001	2000	1999	
(IN THOUSANDS, EXCEPT PER SHARE DATA)						
Operating (loss).....	(7,885)	(238,075)	(609,471)	(296,321)	(100,509)	(13,840)
Other income (expense)						
Interest and other						

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income.....	134	664	1,799	1,134	55	46
Interest expense.....	(3,903)	(4,141)	(25,647)	(5,929)	(2,624)	(21)
	-----	-----	-----	-----	-----	-----
(Loss) before income taxes and extraordinary item...	(11,654)	(241,552)	(633,319)	(301,116)	(103,078)	(13,815)
Income tax provision...	--	--	(94)	(125)	(102)	--
	-----	-----	-----	-----	-----	-----
(Loss) before extraordinary item(2).....	(11,654)	(241,552)	(633,413)	(301,241)	(103,180)	(13,815)
Gain from extinguishment of debt.....	--	--	39,498	--	--	--
	-----	-----	-----	-----	-----	-----
Net (loss) (2).....	\$ (11,654)	\$ (241,552)	\$ (593,915)	\$ (301,241)	\$ (103,180)	\$ (13,815)
	=====	=====	=====	=====	=====	=====
Basic and diluted net (loss) per common share:						
(Loss) before extraordinary item(2).....	\$ (.39)	\$ (8.46)	\$ (22.15)	\$ (10.55)	\$ (3.62)	\$ (.48)
Gain from extinguishment of debt.....	--	--	1.38	--	--	--
	-----	-----	-----	-----	-----	-----
Net (loss) (2).....	\$ (.39)	\$ (8.46)	\$ (20.77)	\$ (10.55)	\$ (3.62)	\$ (.48)
	=====	=====	=====	=====	=====	=====
Weighted average shares(1).....	30,000	28,542	28,599	28,542	28,542	28,542
	=====	=====	=====	=====	=====	=====

						THE PR (O -----
					DECEMBER 31,	
	MARCH 31, 2002	2001	2000	1999	1998	1
	-----	-----	-----	-----	-----	-----
BALANCE SHEET DATA						
Working capital						
(deficiency).....	\$ (87,725)	\$ (83,794)	\$ (100,684)	\$ (43,279)	\$ 1,695	\$
Fixed assets -- net.....	80,339	86,722	179,379	90,347	3,581	1
Total assets.....	312,674	316,620	896,606	216,877	44,596	1
Long-term debt and capital leases.....	161,233	160,487	109,990	18,882	501	
Shareholders' equity						
(deficiency).....	(871)	10,783	599,304	129,990	36,278	
Parent's investment.....	--	--	--	--	--	

(1) After giving retroactive effect to the 6,342.944-for-1 stock split in December 2001 and the 3-for-1 stock split by way of a stock dividend on April 12, 2002.

We have never declared or paid any cash dividends.

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- (2) In June 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (referred to as SFAS) No. 142, "Goodwill and Other Intangible Assets." SFAS No. 142 ends the amortization of goodwill and indefinite-lived intangible assets. Instead, these assets must be reviewed annually (or more frequently under certain conditions) for impairment in accordance with this statement. We adopted SFAS No. 142 on January 1, 2002. The adoption of this new standard

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had no significant effect on our results of operations, financial condition or cash flows, other than amortization of goodwill ceased as of January 1, 2002.

Upon the adoption of SFAS No. 142, we performed an analysis of our intangible assets acquired before July 1, 2001 to determine whether they should be classified and accounted for as part of or separate from goodwill. As a result of the analysis, we determined that our identifiable intangible assets such as customer lists and LMDS licenses do not meet the indefinite life criteria of SFAS No. 142. Additionally, we determined that, with respect to these assets, no changes in the remaining useful lives of these assets were required.

We also performed an evaluation for impairment of our goodwill as of January 1, 2002, and determined that no impairment charge was required. Absent any new indicators of impairment, our next evaluation of impairment will be the annual test on October 1, 2002.

The following table shows our loss before extraordinary item and net loss had SFAS No. 142 been in effect during the three years ended December 31, 2001. Additionally, the table presents the effect on our basic and diluted loss per share before extraordinary item and basic and diluted net loss per share.

	THREE-MONTHS ENDED MARCH 31,		YEAR ENDED DECEMBER 31,		
	2002	2001	2001	2000	1999
	(IN THOUSANDS, EXCEPT PER SHARE DATA)				
Loss before extraordinary item -- as reported.....	\$ (11,654)	\$ (241,552)	\$ (633,413)	\$ (301,241)	\$ (103,180)
Goodwill amortization.....	--	31,369	96,973	39,330	6,841
Workforce amortization.....	--	31	52	532	310
Loss before extraordinary item -- as adjusted.....	\$ (11,654)	\$ (210,152)	\$ (536,388)	\$ (261,379)	\$ (96,029)
Net loss -- as reported.....	\$ (11,654)	\$ (241,552)	\$ (593,915)	\$ (301,241)	\$ (103,180)
Goodwill amortization.....	--	31,369	96,973	39,330	6,841
Workforce amortization.....	--	31	52	532	310
Net loss -- as adjusted.....	\$ (11,654)	\$ (210,152)	\$ (496,890)	\$ (261,379)	\$ (96,029)
Basic and diluted per share information:					
Loss before extraordinary					

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item -- as reported.....	\$ (0.39)	\$ (8.46)	\$ (22.15)	\$ (10.55)	\$ (3.62)
Goodwill amortization.....	--	1.10	3.39	1.38	0.24
Workforce amortization.....	--	--	--	0.02	0.01
	-----	-----	-----	-----	-----
Loss before extraordinary					
item -- as adjusted.....	\$ (0.39)	\$ (7.36)	\$ (18.76)	\$ (9.15)	\$ (3.37)
	=====	=====	=====	=====	=====
Net loss per share -- as					
reported.....	\$ (0.39)	\$ (8.46)	\$ (20.77)	\$ (10.55)	\$ (3.62)
Goodwill amortization.....	--	1.10	3.39	1.38	0.24
Workforce amortization.....	--	--	--	0.02	0.01
	-----	-----	-----	-----	-----
Net loss per share -- as					
adjusted.....	\$ (0.39)	\$ (7.36)	\$ (17.38)	\$ (9.15)	\$ (3.37)
	=====	=====	=====	=====	=====

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SELECTED HISTORICAL FINANCIAL DATA OF CORECOMM LIMITED

The following selected historical financial data should be read in conjunction with the historical consolidated financial statements and related notes included elsewhere in this prospectus. The selected historical financial data as of December 31, 2001, 2000, 1999 and 1998 and for the years ended December 31, 2001, 2000 and 1999 and for the period from April 1, 1998 to December 31, 1998 have been derived from the historical consolidated financial statements of CoreComm Limited audited by Ernst & Young LLP, independent auditors. The selected historical financial data for the period from January 1, 1998 to May 31, 1998 and as of and for the year ended December 31, 1997 is that of OCOM, a predecessor company and have been derived from its historical financial statements audited by Ernst & Young LLP, independent auditors.

Interim data for the three months ended March 31, 2002 and 2001 are unaudited but include, in our opinion, all adjustments consisting only of normal recurring adjustments necessary for a fair presentation of that data. Results for the three months ended March 31, 2002 and not necessarily indicative of the results that may be expected for any other interim period or the year as a whole.

In 2000, we completed two significant acquisitions. We acquired ATX Telecommunications Services, Inc. and Voyager.net, Inc. In addition, we borrowed \$91.1 million under a senior secured credit facility with The Chase Manhattan Bank, issued approximately \$108.7 million aggregate principal amount of senior unsecured notes to the former stockholders of ATX and issued \$16.1 million aggregate principal amount of senior unsecured public notes. Also in 2000, we reduced the carrying amount of goodwill and other intangibles by \$35.9 million; we recorded non-cash compensation expense of approximately \$43.4 million and we recorded restructuring and other charges of \$12.7 million.

In 1999, we acquired 100% of the stock of MegsINet Inc. and the assets of USN Communications, Inc. In addition, we issued \$175 million in aggregate principal amount of 6% Convertible Subordinated Notes due 2006.

During the period from April 1, 1998 (date operations commenced) to December 31, 1998, Cellular Communications of Puerto Rico, Inc., a predecessor company made the following contributions to CoreComm Limited prior to the spin-off: (a) a cash contribution of \$150 million, (b) businesses acquired by Cellular Communications of Puerto Rico, Inc. in April and June 1998 and (c) the subsidiary that owns various LMDS licenses in Ohio that were acquired for an aggregate of \$25,241,000. We acquired the operating assets and related

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liabilities of OCOM on June 1, 1998.

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	THREE-MONTHS ENDED MARCH 31,		YEAR ENDED DECEMBER 31,		
	2002	2001	2001	2000	1999
	(IN THOUSANDS, EXCEPT PER SHARE DATA)				
INCOME STATEMENT DATA:					
Revenues.....	\$ 108	\$ 72,937	\$ 293,207	\$ 132,122	\$ 58,151
Operating expenses.....	101	313,521	905,840	431,449	161,376
(Loss) before extraordinary item(2).....	(7,152)	(249,646)	(658,990)	(313,811)	(103,524)
Gain from early extinguishment of debt.....	--	--	39,498	--	--
Net (loss) (2).....	\$ (7,152)	\$ (249,661)	\$ (619,590)	\$ (313,811)	\$ (103,524)
	=====	=====	=====	=====	=====
Basic and diluted net (loss) per common share:					
(Loss) before extraordinary item(2).....	\$ (0.09)	\$ (3.58)	\$ (6.77)	\$ (6.73)	\$ (3.03)
Gain from early extinguishment of debt.....	--	--	0.39	--	--
Net (loss) (2).....	\$ (0.09)	\$ (3.58)	\$ (6.38)	\$ (6.73)	\$ (3.03)
	=====	=====	=====	=====	=====
Weighted average number of common shares basic and diluted(1):....					
	140,327	71,232	100,669	47,480	34,189
	=====	=====	=====	=====	=====

	THE PREDECESSOR (OCOM)		
	FOR THE PERIOD FROM APRIL 1, 1998 (DATE OPERATIONS COMMENCED) TO DECEMBER 31, 1998	FOR THE PERIOD FROM JANUARY 1, 1998 TO MAY 31, 1998	YEAR ENDED DECEMBER 31, 1997
	-----	-----	-----
	(IN THOUSANDS, EXCEPT PER SHARE DATA)		
INCOME STATEMENT DATA:			
Revenues.....	\$ 6,713	\$ 1,452	\$ 3,579
Operating expenses.....	25,139	4,234	7,954
(Loss) before extraordinary item(2).....	(16,255)	(2,782)	(4,379)
Gain from early extinguishment of debt.....	--	--	--
	-----	-----	-----
Net (loss) (2).....	\$ (16,255)	\$ (2,782)	\$ (4,379)
	=====	=====	=====
Basic and diluted net (loss) per common share:			
(Loss) before extraordinary item(2).....	\$ (.55)	\$ (.09)	\$ (.15)

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Gain from early extinguishment of debt.....	--	--	--
	-----	-----	-----
Net (loss) (2).....	\$ (.55)	\$ (.09)	\$ (.15)
	=====	=====	=====
Weighted average number of common shares basic and diluted(1):....	29,678	29,664	29,419
	=====	=====	=====

	DECEMBER 31,					THE P
	-----					(
	MARCH 31,	2001	2000	1999	1998	-----
	2002	-----	-----	-----	-----	-----
BALANCE SHEET DATA:.....						
Working capital (deficiency)....	\$ (37,591)	\$ (25,545)	\$ (123,712)	\$121,292	\$133,899	
Fixed assets, net.....	113	146	179,651	90,619	3,582	
Total assets.....	9,623	12,423	909,763	392,103	176,526	
Long-term debt.....	258,087	261,624	358,624	179,318	283	
Notes payable to affiliates.....	--	--	16,170	--	--	
Other noncurrent liabilities....	--	--	2,693	14,564	218	
Shareholders' equity.....	(286,564)	(274,900)	316,278	126,926	169,297	
Parent's investment.....	--	--	--	--	--	

(1) After giving retroactive effect to the 3-for-2 stock split by way of stock dividend paid in September 1999 and the 3-for-2 stock split by way of stock dividend paid in February 2000. The weighted average number of common shares prior to September 1998 are equivalent to Cellular Communications of Puerto Rico, Inc.'s historical weighted average shares (since Cellular Communications of Puerto Rico, Inc. stockholders received one share of CoreComm Limited for each Cellular Communications of Puerto Rico, Inc. shared owned).

We have never declared or paid any cash dividends.

(2) In June 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (referred to as SFAS) No. 142, "Goodwill and Other Intangible Assets." SFAS No. 142 ends the amortization of goodwill and indefinite-lived intangible assets. Instead, these assets must be reviewed annually (or more frequently under certain conditions) for impairment in accordance with this statement. We adopted SFAS No. 142 on January 1, 2002. The adoption of this new standard had no significant effect on our results of operations, financial condition or cash flows, other than amortization of goodwill ceased as of January 1, 2002.

Upon the adoption of SFAS No. 142, CoreComm Holdco performed an analysis of its intangible assets acquired before July 1, 2001 to determine whether they should be classified and accounted for

as part of or separate from goodwill. As a result of the analysis, CoreComm Holdco determined that its identifiable intangible assets such as customer

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lists and LMDS licenses do not meet the indefinite life criteria of SFAS No. 142. Additionally, CoreComm Holdco determined that, with respect to these assets, no changes in the remaining useful lives of these assets were required.

CoreComm Holdco also performed an evaluation for impairment of its goodwill as of January 1, 2002, and determined that no impairment charge was required. Absent any new indicators of impairment, CoreComm Holdco's next evaluation of impairment will be the annual test on October 1, 2002.

The following table shows our loss before extraordinary item and net loss had SFAS No. 142 been in effect during the three years ended December 31, 2001. Additionally, the table presents the effect on our basic and diluted loss per share before extraordinary item and basic and diluted net loss per share.

	THREE-MONTHS ENDED		YEAR ENDED DECEMBER 31,		
	MARCH 31,				
	2002	2001	2001	2000	1999
	(IN THOUSANDS, EXCEPT PER SHARE DATA)				
Loss before extraordinary item -- as reported.....	\$ (7,152)	\$ (249,646)	\$ (659,088)	\$ (313,811)	\$ (313,811)
Goodwill amortization.....	--	31,369	96,973	39,354	39,354
Workforce amortization.....	--	31	52	532	532
Loss before extraordinary item -- as adjusted.....	\$ (7,152)	\$ (218,246)	\$ (562,063)	\$ (273,925)	\$ (273,925)
Net loss -- as reported.....	\$ (7,152)	\$ (249,661)	\$ (619,590)	\$ (313,811)	\$ (313,811)
Goodwill amortization.....	--	31,369	96,973	39,354	39,354
Workforce amortization.....	--	31	52	532	532
Net loss -- as adjusted.....	\$ (7,152)	\$ (218,261)	\$ (522,565)	\$ (273,925)	\$ (273,925)
Basic and diluted per share information:					
Loss before extraordinary item -- as reported.....	\$ (0.09)	\$ (3.58)	\$ (6.77)	\$ (6.73)	\$ (6.73)
Goodwill amortization.....	--	0.44	0.96	0.83	0.83
Workforce amortization.....	--	--	--	0.01	0.01
Loss before extraordinary item -- as adjusted.....	\$ (0.09)	\$ (3.14)	\$ (5.81)	\$ (5.89)	\$ (5.89)
Net loss per share -- as reported.....	\$ (0.09)	\$ (3.58)	\$ (6.38)	\$ (6.73)	\$ (6.73)
Goodwill amortization.....	--	0.44	0.96	0.83	0.83
Workforce amortization.....	--	--	--	0.01	0.01
Net loss per share -- as adjusted.....	\$ (0.09)	\$ (3.14)	\$ (5.42)	\$ (5.89)	\$ (5.89)

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OPERATIONS

RESULTS OF OPERATIONS

Until December 2001, we were a direct, wholly-owned subsidiary of CoreComm Limited. As a result of prior recapitalization transactions completed as part of the Holdco recapitalization, CoreComm Limited currently owns only approximately 13% of our outstanding common stock. Prior to the completion of the first phase of the Holdco recapitalization, CoreComm Limited operated the same businesses that we currently operate.

From 1998 to 2000, we were in the process of building infrastructure to support a national roll-out according to our original business plan. This business plan required significant capital to fund capital expenditures, operating expenses and debt service. As a result, we historically experienced substantial operating and net losses. In early 2001, we still required significant funds to complete our business plan as originally intended. However, adverse changes in the capital markets, particularly in the telecommunications sector, made it extremely difficult to raise new capital, and we could no longer finance our original business plan. As a result, in 2001, we significantly revised our business plan to focus on our most profitable businesses and geographic areas, and reduce our operational costs and need for capital.

In 2001, we streamlined our strategy and operations to focus on our two most successful and promising lines of business. The first is integrated communications products and other high bandwidth/data/web-oriented services for the business market. The second is bundled local telephony and Internet products for the residential market, with a focus on using Internet interfaces, as well as our call centers, to efficiently sell, install and service our customers.

We have implemented cost savings through a variety of means, including facility consolidation, efficiency improvements, vendor negotiations, network optimization, and headcount reduction. We have reduced network costs and capital expenditures by converting many of our local access lines to more profitable Unbundled Network Element - Platform pricing from Total Service Resale pricing, which provides higher margins. In addition, we were able to reduce the number of facilities established without substantially affecting our service area by leasing enhanced extended local loops from the incumbent local exchange carriers. We have also improved our operating efficiency through improved pricing terms and the elimination of duplicative or unneeded network facilities.

These efficiencies are reflected in the decrease in our expenses of more than \$140 million on an annualized basis, as shown in the table below:

		THREE MONTHS ENDED (IN THOUSANDS)	
		MARCH 31, 2002	DECEMBER 31, 2000
% REDUCTION Q4'00-Q1'02			
Operating Expenses.....	26%	\$48,038	\$ 65,002
Selling, General and Administrative.....	42%	22,313	38,414
Corporate Expenses.....	55%	1,698	3,759
Total.....	33%	\$72,049	\$107,175
		=====	=====

While reducing expenses in all areas of our business, we implemented new

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low cost revenue initiatives such as launching business communications service to several markets in the Great Lakes region and residential service in the East using existing facilities. As a result of these changes, we are now focused primarily in the Mid-Atlantic and Mid-West regions of the U.S.

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In addition, the recapitalization transactions which were completed in 2001 will reduce interest expense and preferred dividends from an aggregate annual total of approximately \$53.2 million to approximately \$13.7 million, \$10.5 million of which is in cash, based on interest rates as of April 13, 2002.

By the end of 2001, we had completed the implementation of our revised business plan. Going forward, we will continue to monitor all areas of the business for additional cost saving and revenue generating opportunities.

Although we continue to engage in efforts to increase our profitability, we are also investigating other ways to generate cash for our business. In April 2001, as announced by CoreComm Limited, we began evaluating strategic alternatives for our non-CLEC assets and businesses and have retained advisors for the purpose of conducting this review.

THREE MONTHS ENDED MARCH 31, 2002 AND 2001

The increase in revenues to \$74,311,000 from \$72,811,000 is due primarily to customer acquisition, increased pricing and carrier access billing.

Operating costs include direct cost of sales, network costs and salaries and related expenses of network personnel. Operating costs decreased to \$48,038,000 from \$63,520,000 due to a decrease in costs as a result of the implementation of our revised business plan.

Selling, general and administrative expenses decreased to \$22,313,000 from \$30,795,000 due to a decrease in costs as a result of the implementation of our revised business plan.

Corporate expenses include the costs of our officers and headquarters staff, the costs of operating the headquarters and costs incurred for strategic planning and evaluation of business opportunities. Corporate expenses decreased to \$1,698,000 from \$2,098,000 due to a decrease in costs as a result of the implementation of our revised business plan.

In accordance with APB Opinion No. 25, "Accounting for Stock Issued to Employees," in April 2000, we recorded a non-cash compensation expense of approximately \$29.0 million and a non-cash deferred expense of approximately \$31.3 million. From January 1, 2001 to March 31, 2001, \$3.2 million of the deferred non-cash compensation was charged to expense. The remaining portion of deferred non-cash compensation was charged to expense between April 1 and December 31, 2001.

We incurred additional costs, which consist primarily of legal fees, accounting fees and printing fees, in connection with our recapitalization of \$1,182,000 during the three months ended March 31, 2002.

Other charges of \$119,000 for the three months ended March 31, 2001 are for adjustments relating to our announcement in December 2000 of a reorganization of certain of our operations. These charges include additional employee severance and related costs of \$351,000, offset by a reversal of the lease exit provision of \$232,000.

At March 31, 2001, we reduced the carrying amount of goodwill related to

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certain acquisitions by \$167,599,000. In connection with the reevaluation of our business plan and the decision to sell non-CLEC assets and businesses, we were required to report all long-lived assets and identifiable intangibles to be disposed of at the lower of carrying amount or estimated fair value less cost to sell. The carrying amount of goodwill related to these acquisitions was eliminated before reducing the carrying amounts of the other assets. The estimated fair value of these businesses was determined based on the information provided by the investment bank retained for the purposes of conducting this sale.

Depreciation expense decreased to \$8,881,000 from \$12,012,000 primarily as a result of the reduction in the carrying value of our fixed assets as determined by a fair value analysis performed in accordance with SFAS 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of."

Amortization expense decreased to \$84,000 from \$31,509,000 due to the reduction in the carrying value of our intangible assets as determined by a fair value analysis performed in accordance with

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SFAS 121 as well as our adoption of SFAS 142, "Goodwill and Other Intangible Assets" on January 1, 2002, which required us to cease amortizing goodwill. Amortization expense on our goodwill and workforce during the three months ended March 31, 2001 was \$31,369,000 and \$31,000, respectively. Our net loss and our basic and diluted net loss per common share would have been \$210,183,000 and \$7.36, respectively, had SFAS 142 been in effect for the first quarter of 2001.

Interest expense decreased to \$3,903,000 from \$4,141,000 due to the net effect of a reduction in the effective interest rate on our senior secured credit facility and an increase in the amortization of debt discount associated with the senior secured credit facility. The effective interest rate on our senior secured credit facility during the three months ended March 31, 2002 and 2001 was 6.86% and 9.11%, respectively.

YEARS ENDED DECEMBER 31, 2001 AND 2000

Following the completion of the acquisitions of ATX and Voyager in September 2000, we consolidated the results of operations of these businesses from the dates of acquisition. The results of these businesses are not included in the 2000 results prior to October 1, 2000.

The increase in revenues to \$292,681,000 from \$131,526,000 is due to acquisitions in 2000, which accounted for \$166,737,000 of the increase. This increase is offset by a decline in revenue attributed to the customer base associated with the acquisition of assets from USN Communications, Inc. to \$21,340,000 from \$28,174,000. USN Communications, Inc. was a CLEC that operated on a resale basis. CLEC, which stands for competitive local exchange carrier, is a term commonly used for telecommunications companies that entered into competition to provide local exchange services with the incumbent local exchange companies after passage of the Telecommunications Act of 1996. The revenues from the USN customer based peaked in the third quarter of 1999 after our acquisition in May 1999 and, as expected, declined thereafter. The underlying operations, customer relationships and future revenue streams of the resale CLEC business have declined since our acquisition. This trend will affect future operations because, in accordance with our revised business plan, we have substantially reduced our resale business to focus on more profitable services.

Operating costs include direct cost of sales, network costs and salaries and related expenses of network personnel. Operating costs increased to \$224,807,000 from \$142,323,000 due to acquisitions in 2000, which amounted to

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\$111,878,000 of the increase. This increase is offset by a decrease in costs of \$29,394,000 in 2001 primarily as a result of the implementation of our modified business plan as described above.

Selling, general and administrative expenses decreased to \$96,854,000 from \$109,197,000 primarily as a result of the implementation of our modified business plan as described above. These expenses decreased by \$64,791,000 in 2001. This decrease was offset by the increase due to acquisitions in 2000, which amounted to \$52,448,000.

Corporate expenses include the costs of officers and headquarters staff, the costs of operating the headquarters and costs incurred for strategic planning and evaluation of business opportunities. Corporate expenses decreased to \$5,684,000 from \$11,224,000 primarily as a result of the implementation of our modified business plan as described above.

In accordance with APB Opinion No. 25, "Accounting for Stock Issued to Employees," in April 2000, we recorded a non-cash compensation expense of approximately \$29.0 million and a non-cash deferred expense of approximately \$31.3 million due to the issuance of options to employees in 2000 at an exercise price of \$14.55 which was less than the fair value of CoreComm Limited's common stock on the date of the grant. From April 2000 to December 31, 2001, the deferred non-cash compensation was charged to expense, including \$21.6 million and \$9.7 million in the years ended December 31, 2001 and 2000, respectively. Also in 2000, non-cash compensation includes \$4.7 million related to option rescissions.

Other charges in 2001 include reorganization charges of \$37,372,000 and an adjustment to the reserve for notes receivable from former officers of Voyager of \$2,181,000. The reorganization charges relate to CoreComm Limited's announcements in May and July 2001 that it was taking additional actions to reorganize, re-size and reduce operating costs and create greater efficiency in various areas of its business.

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A total of \$21,386,000 of these costs are for equipment and other assets that will not require any future cash outlays. The employee severance and related costs in 2001 were for approximately 630 employees to be terminated, none of whom are still employed by us as of December 31, 2001. The major actions involved in the 2001 reorganization included: (1) consolidation of functions such as network operations, customer service and finance, (2) initiatives to increase gross margins and (3) agreements with vendors to reduce or eliminate purchase commitments. The consolidation of functions resulted in employee terminations and the closing of offices. Employee severance and related costs, lease exit costs and fixed assets and prepayment write-downs include charges related to these actions. Initiatives to increase gross margins resulted in consolidation of network assets and elimination of redundant and less profitable facilities. Charges for these actions include lease exit costs and fixed assets and prepayment write-downs. Finally, reductions or elimination of purchase commitments resulted in agreement termination charges. All of these actions are expected to be completed by June 30, 2002. Fixed assets and prepayments written-off include \$5.3 million related to vacated offices, \$13.4 million for network assets in abandoned markets and \$2.7 million for prepayments in respect of incumbent local exchange carrier facilities in abandoned markets.

Other charges in 2000 include a reserve of \$8,700,000 for notes receivable from former officers of Voyager, and reorganization charges of \$4,006,000. The employee severance and related costs in 2000 were for approximately 250 employees to be terminated, none of whom were still employed by us as of December 31, 2000.

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The following table summarizes the reorganization charges incurred and utilized in 2000 and 2001. As indicated in the table, of the approximately \$4 million of reorganization charges incurred in 2000, and approximately \$38.7 million incurred in 2001, \$31.4 million have been paid, reversed or otherwise utilized, and \$7.3 million remain as a balance as of December 31, 2001. Those charges that remain as a balance represent charges that we and CoreComm Limited have incurred on our statement of operations, but that have not yet been paid, reversed or otherwise utilized:

	EMPLOYEE SEVERANCE AND RELATED COSTS	LEASE EXIT COSTS	AGREEMENT TERMINATIONS	FIXED ASSETS AND PREPAYMENTS	TOT
	-----	-----	-----	-----	-----
	(IN THOUSANDS)				
Charged to expense.....	\$ 2,089	\$ 1,917	\$ --	\$ --	\$ 4
Utilized.....	(775)	(1,396)	--	--	(2)
	-----	-----	-----	-----	-----
Balance, December 31, 2000.....	1,314	521	--	--	1
Charged to expense.....	3,409	6,928	6,572	21,772	38
Adjustments.....	(996)	73	--	(386)	(1)
Utilized.....	(3,218)	(4,416)	(2,914)	(21,386)	(31)
	-----	-----	-----	-----	-----
Balance, December 31, 2001.....	\$ 509	\$ 3,106	\$ 3,658	\$ --	\$ 7
	=====	=====	=====	=====	=====

We performed a review of the recoverability of our goodwill and long-lived assets, which indicated that the carrying value of certain assets would not be recoverable. During 1999 and 2000, acquisitions were made against a background of increasing consolidation and record valuations in the telecommunications industry. Asset impairments in 2001 include a write-down of goodwill of \$186,160,000 and a write-down of fixed assets of \$14,529,000 in the fourth quarter of 2001 prior to the deconsolidation as a result of this evaluation. In addition, at March 31, 2001, we reduced the carrying amount of goodwill related to the Voyager and MegsINet acquisitions by \$167,599,000. In connection with the reevaluation of its business plan and the decision to sell its non-CLEC assets and businesses, we were required to report all long-lived assets and identifiable intangibles to be disposed of at the lower of carrying amount or estimated fair value less cost to sell. The carrying amount of goodwill related to these acquisitions is eliminated before reducing the carrying amounts of the other assets. The estimated fair value of these businesses was determined based on information provided by the investment bank retained for the purpose of conducting this sale.

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At December 31, 2000, we wrote-off the carrying amount of intangible assets from certain business combinations, and reduced the carrying amount of its Local Multipoint Distribution System, or LMDS licenses. Asset impairments in 2000 include goodwill of \$6,690,000, workforce of \$577,000 and customer lists of \$7,517,000. These assets were primarily related to the resale CLEC business, which was acquired in 1999. The underlying operations, customer relationships and future revenue streams had deteriorated significantly since the acquisition. These were indicators that the carrying amount of the resale-related assets was not recoverable. We estimated that the fair value of these assets was zero due to the lack of potential buyers, the overall deterioration of the resale CLEC business environment and because of the negative cash flow of these resale

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businesses for the foreseeable future. Also at December 31, 2000, in connection with the reevaluation of its business plan announced in April 2001, we reduced the carrying amount of its LMDS licenses by \$21,136,000 to reflect their estimated fair value. The estimated fair value was determined based on an analysis of sales of other LMDS licenses.

Depreciation expense increased to \$47,976,000 from \$30,641,000 primarily as a result of an increase in fixed assets due to acquisitions in 2000.

Amortization expense increased to \$97,388,000 from \$42,936,000 due to the amortization of goodwill from the acquisitions in 2000.

Interest income and other, net, increased to \$1,799,000 from \$1,134,000 primarily due to interest income on our cash, cash equivalents and marketable securities.

Interest expense increased to \$25,647,000 from \$5,929,000 primarily due to increased borrowings to fund our acquisitions and operations.

The income tax provision of \$94,000 in 2001 and \$125,000 in 2000 are for state and local income tax.

Extraordinary gains in 2001 of \$39,498,000 relate to the completion of the first phase of the Holdco recapitalization, as well as the successful settlement of various equipment and working capital notes, capital leases and other liabilities for less than the outstanding balance.

YEARS ENDED DECEMBER 31, 2000 AND 1999

Following completion of our acquisitions of ATX and Voyager in September 2000, we consolidated the results of operations of these businesses from the dates of acquisition. The results of these businesses are not included in the 1999 results.

The increase in revenues to \$131,526,000 from \$57,151,000 is primarily due to acquisitions in 2000, which accounted for \$59,164,000 of the increase. The remainder of the increase is primarily due to an increase in CLEC and Internet service revenues from an increase in customers. The revenues from the USN customer base peaked in the third quarter of 1999 after our acquisition in May 1999 and declined thereafter. Additionally, prepaid cellular debit card and cellular long distance revenues declined as a result of our termination of these services in the third quarter of 1999. We had revenues of \$2,379,000 in 1999 from the provision of these services.

Operating costs increased to \$142,323,000 from \$57,551,000 primarily due to acquisitions in 2000, which accounted for \$41,650,000 of the increase. The remainder of the increase is primarily due to an increase in the fixed component of operating expenses due to our migration to a facilities-based infrastructure. In 1999, operating costs included \$2,211,000 related to the prepaid cellular debit card and cellular long distance services.

Selling, general and administrative expenses increased to \$109,197,000 from \$72,821,000 primarily due to acquisitions in 2000, which accounted for \$21,432,000 of the increase. The remainder of the increase is a result of increased selling and marketing costs and increased customer service costs.

Corporate expenses include the costs of our officers and headquarters staff, the costs of operating the headquarters and costs incurred for strategic planning and evaluation of business opportunities. Corporate expenses increased to \$11,224,000 from \$6,686,000 primarily due to increased strategic planning activities.

Non-cash compensation in 2000 of \$43,440,000 includes \$38,652,000 from the grant of options by CoreComm Limited as compensation for services provided to it at an exercise price below fair market value, and \$4,788,000 from the rescission of CoreComm Limited stock option exercises. In April 2000, the CoreComm Limited compensation and option committee of its board of directors approved the issuance of options to purchase approximately 2.7 million shares of CoreComm Limited common stock to various employees at an exercise price of \$14.55, which was less than the fair market value of CoreComm Limited common stock on the date of the grant. In accordance with APB Opinion No. 25, "Accounting for Stock Issued to Employees," in April 2000, CoreComm Limited recorded a non-cash compensation expense of approximately \$29.0 million and a non-cash deferred expense of approximately \$31.3 million. From April 2000 to December 31, 2000, \$9.7 million of the deferred non-cash compensation was charged to expense. We will charge the deferred expense to non-cash compensation expense over the vesting period of the CoreComm Limited stock options. In December 2000, the CoreComm Limited board of directors approved the rescission of some previously exercised CoreComm Limited employee stock options. CoreComm Limited issued notes to employees for the repurchase of the 671,000 shares of common stock for an aggregate of \$6,803,000, which exceeded the fair market value of its common stock on the date of repurchase. The notes earned interest at a rate of 4.5% and were redeemed in December 2000. CoreComm Limited recorded non-cash compensation of \$4.7 million from these transactions.

The non-cash compensation charge of \$1,056,000 in 1999 was recorded in accordance with APB Opinion No. 25, related to a change in employee stock option agreements.

Other charges of \$12,706,000 in 2000 include a reserve of \$8,700,000 for notes receivable from former officers of Voyager, and restructuring costs of \$4,006,000. The restructuring costs relate to our announcements in March and December 2000 of reorganizations of some of our operations. The charge consisted of employee severance and related costs of \$2,089,000 for approximately 250 employees to be terminated and lease exit costs of \$1,917,000. As of December 31, 2000, \$2,171,000 of these provisions had been used, including \$775,000 for employee severance and related costs and \$1,396,000 for lease exit costs. As of December 31, 2000, none of the employees to be terminated were still employed by us. The remaining provision for leases will be used through 2003.

The write-down of intangibles in 2000 of \$35,920,000 is comprised of \$14,784,000 related to business combinations and \$21,136,000 related to our LMDS licenses. At December 31, 2000, we wrote-off the carrying amount of intangible assets from business combinations including goodwill of \$6,690,000, workforce of \$577,000 and customer lists of \$7,517,000. These assets were primarily related to our resale CLEC business, which was acquired in 1999. The underlying operations, customer relationships and future revenue streams had deteriorated significantly since the acquisition. These were indicators that the carrying amount of these resale-related assets was not recoverable. We estimated that the fair value of these assets was zero due to the lack of potential buyers, the overall deterioration of the resale CLEC business environment and because of the negative cash flow of these resale businesses for the foreseeable future. In connection with the reevaluation of our business plan, we reduced the carrying amount of the LMDS licenses at December 31, 2000 by \$21,136,000 to reflect their estimated fair value. The estimated fair value was determined based on an analysis of sales of other LMDS licenses.

Depreciation expense increased to \$30,641,000 from \$10,916,000 primarily as a result of an increase in fixed assets.

Amortization expense increased to \$42,396,000 from \$8,630,000 due to the

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amortization of goodwill from the acquisitions in 2000.

Interest income and other, net, increased to \$1,134,000 from \$55,000 primarily due to interest income on our cash, cash equivalents and marketable securities.

Interest expense increased to \$5,929,000 from \$2,624,000 primarily due to interest on the senior secured credit facility beginning in September 2000, the senior unsecured notes due 2003 issued in September 2000 and the senior unsecured notes due 2010 issued in December 2000.

The income tax provisions of \$125,000 in 2000 and \$102,000 in 1999 are for state and local income tax.

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CRITICAL ACCOUNTING POLICIES

Our consolidated financial statements and related financial information are based on the application of generally accepted accounting principles, referred to as GAAP. GAAP requires the use of estimates, assumptions, judgments and subjective interpretations of accounting principles that have an impact on the assets, liabilities, revenue and expense amounts reported, as well as disclosures about contingencies, risk and financial condition. The following critical accounting policies have the potential to have a more significant impact on our financial statements, either because of the significance of the financial statement item to which they relate, or because they require more judgment and estimation due to the uncertainty involved in measuring, at a specific point in time, transactions which are continuous in nature.

- We have provided estimated allowances for bad debts based on estimates of collectability of our accounts receivable. These allowances were provided based on both the age of outstanding receivable balances and specific identification of customers. We identify customer payment histories and determine if additional allowances are required. Since we have a limited operating history such estimates are based on reviewing current customer balances and economic conditions on a monthly basis. The estimated allowance for doubtful accounts as of January 1, 2001 exceeded the actual write-offs of customer balances for non-payment. In addition, we write off customer balances generally upon bankruptcy or other events where customers receipts are unlikely. We require security deposits in the normal course of business if customers do not meet our criteria established for offering credit. If the financial condition of our customers were to deteriorate resulting in an impairment in their ability to make payments, additions to the allowance may be required.

DESCRIPTION	ALLOWANCE FOR BAD DEBT AT BEGINNING OF PERIOD	ADDITIONS TO ALLOWANCE BASED ON COLLECTIBILITY ESTIMATES	UNCOLLECTIBLE ACCOUNTS WRITTEN-OFF	ADDITIONS TO ALLOWANCE FROM BUSINESS COMBINATIONS	A DE O
Three months ended March 31, 2002.....	\$ 9,759,000	\$2,192,000	\$(3,563,000)	\$ --	\$8
Year ended December 31, 2001.....	11,034,000	7,143,000	(8,418,000)	--	9
Year ended December 31, 2000.....	3,949,000	7,130,000	(9,269,000)	9,224,000	11
Year ended December					

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31, 1999.....	742,000	3,241,000	(24,688,000)	24,654,000	3
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DESCRIPTION -----	AVERAGE ALLOWANCE AS A PERCENTAGE OF ANNUAL REVENUE -----
Three months ended March 31, 2002.....	2.8%(a)
Year ended December 31, 2001.....	3.6%
Year ended December 31, 2000.....	5.7%
Year ended December 31, 1999.....	4.1%

(a) Our revenue for the three months ended March 31, 2002 was annualized to calculate the percentage.

- Our determination of the treatment of contingent liabilities in the financial statements is based on a view of the expected outcome of the applicable contingency. Legal counsel is consulted on matters related to litigation. Experts both within and outside the company are consulted with respect to other matters that arise in the ordinary course of business. Examples of matters that are based on assumptions, judgments and estimates are the amount to be paid to terminate some agreements included in reorganization costs, the amounts to be paid to settle some toll and interconnection liabilities, the amount to be paid as a result of some sales and use tax audits and potential liabilities arising from other sales tax matters. A liability is accrued if the likelihood of an adverse outcome is probable of occurrence and the amount is estimable. At March 31, 2002, the aggregate amount of our pending contingent liabilities was approximately \$125 million. See the section of this prospectus "-- Legal Proceedings."
- We review long-lived assets and goodwill for impairment as described in the Notes to Consolidated Financial Statements. In analyzing potential impairments, projections of future cash flows from the asset are used. The projections are based on assumptions, judgments and estimates of growth rates for the related business, anticipated future economic, regulatory and political conditions, the assignment of discount rates relative to risk and estimates of terminal values. Changes to these

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variables in the future may necessitate impairment charges to reduce the carrying value to fair value.

- Fixed assets and intangible assets are assigned useful lives which impacts the annual depreciation and amortization expense. The assignment of useful lives involves significant judgments and the use of estimates. Changes in technology or changes in intended use of these assets may cause the estimated useful life to change.
- In 2001, reorganization charges were recorded as a result of additional actions to reorganize, re-size and reduce operating costs and create greater efficiency in various areas. These charges, for both severance

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and exit costs, required the use of estimates. Actual results could differ from those estimated for reorganization.

OTHER RESULTS OF OPERATIONS MATTERS

In August 2001, the Financial Accounting Standards Board, referred to as FASB, issued Statement of Financial Accounting Standards, referred to as SFAS, No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," effective for CoreComm Limited on January 1, 2002. This Statement supercedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" and other related accounting guidance. The adoption of this new standard had no significant effect on our results of operations, financial condition or cash flows.

In June 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations," effective for CoreComm Limited on January 1, 2003. This Statement addresses financial accounting and reporting for obligations associated with the retirement of tangible fixed assets and the associated asset retirement costs. We are in the process of evaluating the financial statement impact of the adoption of SFAS No. 143.

In June 2001, the FASB issued SFAS No. 141, "Business Combinations," and No. 142, "Goodwill and Other Intangible Assets." SFAS No. 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. Use of the pooling-of-interests method is no longer permitted. SFAS No. 141 also includes guidance on the initial recognition and measurement of goodwill and other intangible assets acquired in a business combination that is completed after June 30, 2001. SFAS No. 142 ends the amortization of goodwill and indefinite-lived intangible assets. Instead, these assets must be reviewed annually, or more frequently under some conditions, for impairment in accordance with this statement. This impairment test uses a fair value approach rather than the undiscounted cash flow approach previously required by SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." We adopted SFAS No. 142 on January 1, 2002. The adoption of this new standard had no significant effect on our results of operations, financial condition or cash flows.

LIQUIDITY AND CAPITAL RESOURCES

We anticipate that we will have sufficient cash and cash equivalents on hand to fund our operations, capital expenditures and debt service in 2002. By the end of 2002, we anticipate that we will be generating enough cash from our operations, which is net of cash interest expense, to fund our anticipated capital expenditures. However, we anticipate that we and our subsidiaries will not generate sufficient cash from operations to repay at maturity the entire principal amount of our outstanding indebtedness. We intend to repay these amounts through refinancings of this debt, or through other sources of financing. However, our ability to raise additional capital in the future will be dependent on a number of factors, such as our results of operations, the amount of our indebtedness, and also general economic and market conditions, which are beyond our control. If we are unable to obtain additional financing or to obtain it on favorable terms, we may be required to further reduce our operations, forego attractive business opportunities, or take other actions which could adversely affect our business, results of operations and financial condition.

As of March 31, 2002, we had debt, which consists of a \$156.1 million senior secured credit facility, approximately \$16.6 million in principal amount of 10.75% Unsecured Convertible PIK Notes due 2011, and approximately \$9.7

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million of capital leases. Debt service on the senior secured credit facility includes approximately \$10.5 million in interest expense in each of 2002 and 2003 and \$10.2 million in 2004, on an annualized basis, based on the interest rates as of April 13, 2002, as well as quarterly amortization and principal reductions which total \$0 in 2002, \$1,950,000 in 2003, and \$9,750,000 in 2004. We have made interest payments of approximately \$2.7 million for our senior secured credit facility during the three months ended March 31, 2002. The 10.75% Unsecured Convertible PIK Notes due 2011 have no cash interest payments, and are not due until 2011. Our capital leases have \$9.4 million due during the remainder of 2002, and \$0.3 million due for the remainder of their terms. However, approximately \$8.3 million of these capital leases are obligations of our subsidiary, MegsINet, Inc. and are not obligations of CoreComm Holdco. MegsINet, Inc. is currently in settlement discussions with the holders of these leases. In addition, at March 31, 2002, our current liabilities exceed our current assets by approximately \$88 million.

We still have significant expected capital expenditures even after the implementation of our modified business plan. Under our revised business plan, capital expenditures have been significantly reduced from prior levels. Total actual capital expenditures for the three months ended March 31, 2002, described as cash used to purchase of fixed assets in our cash flow statement, were approximately \$2.4 million. According to our current plans, capital expenditures are expected to be approximately \$7.4 million for the remainder of 2002 and \$9.5 million and \$14.2 million in 2003 and 2004, respectively. These future capital expenditures will depend on a number of factors relating to our business, in particular the growth level, geographic location and services provided to new customers added during these years. Capital expenditures in future years will also depend on the availability of capital and the amount of cash, if any, generated by operations, which may impact our capital decisions relating to initiatives such as, for example, network expansion and the implementation of upgrades to our information services platforms.

In the first quarter of 2002, net cash provided by operations was approximately \$4.5 million. Continued execution of our business plan, including revenue growth in more profitable areas and continued expense reduction, are expected to continue to improve our financial results. An inability to generate cash from operations and/or raise additional financing may effect our ability to meet our cash requirements, which may have an adverse affect on us, and potentially our viability as an ongoing business.

In addition, we are a holding company with no significant assets other than cash and securities and investments in, and advances to, our subsidiaries. We are, therefore, likely to be dependent upon receipt of funds from our subsidiaries to meet our own obligations. However, our subsidiaries' debt agreements prevent the payment of dividends, loans or other distributions to us, except in limited circumstances. However, the limited permitted circumstances of distributions from our subsidiaries may be sufficient for our operations, because nearly all of the uses of funds described above are cash requirements of our subsidiaries.

Depending upon the success of the execution of our business plan, additional capital raising may not be necessary in the foreseeable future. However, we cannot assure you that:

- (a) we will be able to refinance our indebtedness as it comes due;
- (b) actual costs will not exceed the amounts estimated in our business plan or that additional funding will not be required;
- (c) we and our subsidiaries will be able to generate sufficient cash from operations to meet capital requirements, debt service and other obligations when required;

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(d) we will be able to access this cash flow;

(e) we will be able to sell assets or businesses, 75% or more of the net proceeds from a sale may be required to be used to repay indebtedness; or

(f) we will not be adversely affected by interest rate fluctuations.

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We anticipate that we and our subsidiaries will not generate sufficient cash flow from operations to repay at maturity the entire principal amount of our outstanding indebtedness. Accordingly, we may be required to consider a number of measures, including: (1) refinancing all or a portion of this indebtedness, (2) seeking modifications to the terms of this indebtedness, (3) seeking additional debt financing, which may be subject to obtaining necessary lender consents, (4) seeking additional equity financing, or (5) a combination of the foregoing. We are currently in compliance with all required ratios and covenants contained in agreements governing our outstanding indebtedness.

The following table shows our aggregate cash interest expense and principal payments on our existing long term debt, anticipated estimated capital expenditures, payments on capital leases and other debt, as well as the sources of funds that we expect to use to meet these cash requirements through 2004.

	NINE MONTHS ENDED DECEMBER 31,			SOURCE OF FUNDS
	2002	2003	2004	
	-----	-----	-----	-----
	(IN MILLIONS)			
Cash Interest Expense on existing Long-term debt(1)...	\$7.8	\$10.5	\$10.2	Cash and cash equivalents on hand and cash from operations
Estimated Capital Expenditures(2).....	7.4	9.5	14.2	Cash and cash equivalents on hand and cash from operations
Principal Payments on existing Long-term debt(3).....	--	1.95	9.75	For 2002 and 2003, Cash and cash equivalents on hand and cash from operations; For 2004, cash and cash equivalents on hand, cash from operations, and, if required, refinancing sources or other sources of financing(4).
Payments on Capital Leases.....	9.4	0.3	--	Approximately \$8.3 million of these capital leases are obligations of our subsidiary, MegsINet, Inc. and are not obligations of CoreComm Holdco. MegsINet, Inc. is currently in settlement discussions with the holders of these leases(5); For the remaining amounts, cash and cash equivalents on hand and cash from operations

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\$24.6	\$22.25	\$34.15
=====	=====	=====

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- (1) The only long term debt of ours that requires cash interest expense is our \$156.1 million senior secured credit facility. The amounts in the table are based on our current interest rate of 6.75%, which is in effect through October 12, 2002, and assume principal reductions as required in the facility.
 - (2) Future capital expenditures will depend on a number of factors relating to our business, in particular the growth level, geographic location and services provided to new customers added during these years.
 - (3) Principal payments indicated are amortization and principal reductions under our senior secured credit facility.
 - (4) Refinancing sources may include, for example, a new bank facility used to repay these amounts; other sources of financing may include capital raised through new debt or equity financing or asset sales. There can be no assurance that we will be able to refinance our indebtedness or raise the required funds.

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- (5) Approximately \$8 million of the capital lease and other debt obligations of MegsINet, Inc. are the subject of current litigation, as described in the section of this prospectus entitled "-- Our Business -- Legal Proceedings."

Although we believe that our plans, intentions and expectations as reflected in or suggested by these forward-looking statements are reasonable as of the date of this prospectus, we can give no assurance that our plans, intentions and expectations will be achieved in a timely manner if at all.

Our outstanding indebtedness is described in further detail in the subsequent paragraphs.

In April 2001, CoreComm Limited entered into a \$156.1 million Amended and Restated Credit Agreement with The Chase Manhattan Bank that amends and restates the term loan facility and revolving credit facility that closed in September 2000. As of January 25, 2002, there was \$106.1 million outstanding under the term loan facility and \$50.0 million outstanding under the revolving credit facility. The term loan facility will amortize in quarterly installments of principal commencing on December 31, 2003 with a final maturity on September 22, 2008. The revolving credit facility shall be automatically and permanently reduced in increasing quarterly installments of principal commencing on December 31, 2003 with a termination date on September 22, 2008. Total annual principal payments are as follows: \$1,950,000 (2003); \$9,750,000 (2004); \$25,350,000 (2005); \$50,700,000 (2006); \$39,000,000 (2007) and \$29,350,000 (2008). In the event that any of the remaining approximately \$4.75 million in principal amount of public notes not owned by us have not been converted or refinanced on or prior to April 1, 2006, then the facilities become payable in full on April 1, 2006. The interest rate on both the term loan facility and the revolving credit facility is, at our option, either 3.5% per annum plus the base rate, which is the higher of the prime rate or the federal funds effective rate plus 0.5% per annum, or the reserve-adjusted London Interbank Offered Rate plus 4.5% per annum. Beginning October 12, 2001 and ending April 12, 2002, the interest rate was 6.86%. Beginning April 13, 2002 and ending October 12, 2002, the interest rate is 6.75%. Interest is payable at least quarterly. The commitment fee on the

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unused portion of the commitments is 1.25% per annum payable quarterly, subject to reduction to 1% per annum based upon the amount borrowed under the facilities.

In April 2001, we and CoreComm Limited issued, as joint and several obligors, to NTL Incorporated a convertible note in the aggregate principal amount of \$15 million. This note will mature in April 2011. Interest on the note is at an annual rate of 10.75% payable semiannually on October 15 and April 15 of each year, commencing October 15, 2001. The interest is payable in kind by the issuance of additional unsecured convertible notes in principal amount equal to the interest payment that is then due. Additional unsecured convertible PIK notes, dated October 15, 2001, and April 15, 2002 were issued in the principal amount of approximately \$0.8 million, and approximately \$0.9 million, respectively, as interest payments. The additional notes issued for interest will have an initial conversion price equal to the greater of \$1.00 and 120% of the weighted average closing price of CoreComm Limited common stock for a specified period. The April 2001 note and the October 2001 note are each convertible into CoreComm Limited common stock prior to maturity at a conversion price of \$1.00 per share, subject to adjustment. However, NTL, which is the holder of these notes, entered into letter agreements with us and with CoreComm Limited relating to the conversion feature of these notes following the acceptance of shares under the exchange offer for CoreComm Limited common stock. Through those letter agreements, consistent with the original terms of the notes, we and CoreComm Limited have agreed to exercise our right under these notes so that, following our accepting shares of CoreComm Limited common stock in the exchange offers, the convertibility feature of these notes will be altered so that rather than the notes being convertible into shares of CoreComm Limited common stock, they will become convertible into shares of our common stock. At that time, the conversion prices of these notes will be equitably adjusted by applying the exchange ratio in the exchange offer for CoreComm Limited common stock, which results in a new conversion price of \$38.90 per share of our common stock for each of these notes. NTL has agreed not to exercise its rights to convert any of these notes into CoreComm Limited common stock until August 5, 2002, unless that right has previously ceased as described above. In the event that we do not accept shares of CoreComm Limited common stock in the exchange offers, the conversion feature of these notes would remain into CoreComm Limited common stock. These notes are redeemable, in whole or in part, at our

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option, at any time after April 12, 2003, at a redemption price of 103.429% that declines annually to 100% in April 2007, in each case together with accrued and unpaid interest to the redemption date.

In October 1999, CoreComm Limited issued \$175 million principal amount of public notes, and received net proceeds of \$168.5 million. In April 2001, \$10,250,000 aggregate principal amount of these notes was converted into approximately 374,000 shares of CoreComm Limited's common stock. As part of the Holdco recapitalization, on December 17, 2001, \$160 million principal amount of the public notes were exchanged for 1,456,806 common shares of our common stock and the payment of the October 2001 interest payment of approximately \$4.8 million. The exchange offer for the public notes is our attempt to exchange the remaining \$4.75 million principal amount of the public notes not owned by us for an aggregate amount of approximately 43,248 shares of our common stock and \$142,500 in cash.

HOLDCO RECAPITALIZATION

In 2001, CoreComm Limited entered into agreements with holders of its public notes whereby the holders agreed, to exchange their notes as part of the Holdco recapitalization. The exchange for \$160 million principal amount of

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public notes was completed in December 2001, including the payment of the approximately \$4.8 million by CoreComm Limited.

On December 28, 2001, we completed the exchange of shares of our common stock for substantial amounts of the outstanding indebtedness of CoreComm Limited, substantial amounts of our outstanding indebtedness as co-obligors with CoreComm Limited and all of the outstanding preferred stock of CoreComm Limited. This exchange was completed under an exchange agreement with CoreComm Limited and

(1) holders of 10.75% Unsecured Convertible PIK Notes due 2011 and 10.75% Senior Unsecured Convertible PIK Notes due 2010, which were a joint obligation of CoreComm Holdco and CoreComm Limited, in the initial principal amounts of \$10,000,000 and \$16,100,000,

(2) the holders of Senior Unsecured Notes due September 29, 2003 of CoreComm Limited in the principal amount of \$105.7 million, and

(3) the holders of all of the preferred stock of CoreComm Limited, with respect to the initial liquidation preference of \$301 million.

In December 2001, in connection with the Holdco recapitalization, we and CoreComm Limited were granted an exception by Nasdaq, absent which we and CoreComm Limited would have had to obtain stockholder approval prior to the completion of the Holdco recapitalization. Accordingly, following the consummation of the merger, we anticipate, based on conversations with Nasdaq, that we will become the Nasdaq listed entity and will be subject to the continued inclusion requirements of the Nasdaq National Market. If we fail to meet the continued inclusion requirements, we believe that not being listed on the Nasdaq National Market would have an adverse effect on the trading prices of our common stock and would adversely affect the liquidity of the shares of common stock held by our stockholders. In addition, not being listed may cause future financing to be more difficult, more expensive or both.

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

On January 22, 2002, the Securities and Exchange Commission issued FR-61, Commission Statement about Management's Discussion and Analysis of Financial Condition and Results of Operations. The release sets forth views of the Securities and Exchange Commission regarding disclosure that should be considered by registrants. Our contractual obligations and commercial commitments are summarized below, and are fully disclosed in the Notes to Consolidated Financial Statements.

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The following table includes aggregate information about our contractual obligations as of March 31, 2002 and the periods in which payments are due:

		PAYMENTS DUE BY PERIOD			
CONTRACTUAL OBLIGATIONS	TOTAL	LESS THAN 1 YEAR	1-3 YEARS	4-5 YEARS	AFTER 5 YEARS
		(IN THOUSANDS)			
Long-Term Debt (1)	\$172,699	\$ --	\$15,600	\$81,900	\$75,199
Capital Lease Obligations.....	9,670	9,426	244	--	--
Operating Leases.....	29,490	7,477	10,684	6,738	4,591

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Unconditional Purchase Obligations.....	none	--	--	--	--
Other Long-Term Obligations.....	none	--	--	--	--
	-----	-----	-----	-----	-----
Total Contractual Cash Obligations.....	\$211,859	\$16,903	\$26,528	\$88,638	\$79,790
	=====	=====	=====	=====	=====

(1) Long-term debt includes the senior secured credit facility of \$156,100,000 and the 10.75% Unsecured Convertible PIK Notes due April 2011 of \$16,599,000 including accrued PIK interest.

The following table includes aggregate information about our commercial commitments as of March 31, 2002 and the periods in which payments are due. Commercial commitments are items that we could be obligated to pay in the future. They are not required to be included in the consolidated balance sheet.

OTHER COMMERCIAL COMMITMENTS	AMOUNT OF COMMITMENT EXPIRATION PER PERIOD			
	TOTAL AMOUNTS COMMITTED	LESS THAN 1 YEAR	1 - 3 YEARS	4 - 5 YEARS
-----	-----	-----	-----	-----
	(IN THOUSANDS)			
Guarantees.....	none	\$ --	--	--
Lines of Credit.....	none	--	--	--
Standby Letters of Credit.....	none	--	--	--
Standby Repurchase Obligations.....	none	--	--	--
Other Commercial Commitments.....	\$5,700	\$5,700	--	--
	-----	-----	-----	-----
Total Commercial Commitments.....	\$5,700	\$5,700	--	--
	=====	=====	=====	=====

CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended March 31, 2002, cash provided by operating activities was \$4,544,000 in comparison to cash used in operating activities of \$18,555,000 for the three months ended March 31, 2001. The change in cash flow is primarily due to the implementation of our revised business plan.

For the three months ended March 31, 2002, cash used to purchase fixed assets increased to \$2,405,000 from \$530,000 in the three months ended March 31, 2001, which reflects increased purchases of operating equipment to improve and expand our network.

Proceeds from borrowings, net of financing costs, of \$9,736,000 was from the borrowings under the senior secured credit facility in January 2001.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The SEC's rule related to market risk disclosure requires that we describe and quantify our potential losses from market risk sensitive instruments attributable to reasonably possible market changes. Market risk sensitive instruments include all financial or commodity instruments and other financial instruments, such as investments and debt, that are sensitive to future changes in interest rates, currency exchange rates, commodity prices or other market factors. We are not exposed to market risks from changes in foreign currency

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exchange rates or commodity prices. We do not hold derivative financial instruments nor

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do we hold securities for trading or speculative purposes. Under our current policies, we do not use interest rate derivative instruments to manage our exposure to interest rate changes.

The fair-market value of long-term fixed interest rate debt is subject to interest rate risk. Generally the fair market value of fixed interest rate debt will increase as interest rates fall and decrease as interest rates rise. The carrying amount of the variable rate senior secured credit facility approximates the fair value. The fair value of our other notes payable are estimated using discounted cash flow analyses, based on our current incremental borrowing rates for similar types of borrowing arrangements.

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INTEREST RATE SENSITIVITY AS OF MARCH 31, 2002

PRINCIPAL AMOUNT BY EXPECTED MATURITY AVERAGE INTEREST RATE

	APRIL 1, 2002 TO DECEMBER 31,					
	FOR THE YEARS ENDING DECEMBER 31,					THEREAFTER
	2002	2003	2004	2005	2006	
	(IN THOUSANDS)					
Long-term debt, including current portion:						
Fixed rate.....	\$ --	\$--	\$--	\$--	\$--	\$16,599
Average interest rate.....						10.75%
Variable rate.....	\$ --	\$1,950	\$9,750	\$25,350	\$50,700	\$68,350
Average interest rate.....		Libor + 4.5% or base rate + 3.5%	Libor + 4.5% or base rate + 3.5%	Libor + 4.5% or base rate + 3.5%	Libor + 4.5% or base rate + 3.5%	Libor + 4.5% or base rate + 3.5%

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CAPITALIZATION

The following table shows our cash and cash equivalents and capitalization as of March 31, 2002 as adjusted to give effect to the second phase of the Holdco recapitalization, which includes the exchange offers. For additional information with respect to the Holdco recapitalization, without giving effect to the public exchange offers, refer to the Unaudited Pro Forma Financial Data included elsewhere in this prospectus. You should read this table together with

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our consolidated financial statements and related notes included in this prospectus and the information in "Unaudited Pro Forma Financial Data of CoreComm Holdco, Inc." and "-- Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources."

	AS OF MARCH 31, 2002	
	ACTUAL	AS ADJUSTED
	(IN THOUSANDS)	
Cash and cash equivalents.....	\$ 26,841	\$ 23,798
Current portion of long-term debt.....	\$ 9,426	\$ 9,426
Long-term debt:		
Capital lease obligations.....	\$ 244	\$ 244
Senior secured credit facility, less unamortized discount of \$11,352,000.....	144,748	144,748
10.75% unsecured convertible PIK notes due 2011, less unamortized discount of \$358,000.....	16,241	16,241
Total long-term debt.....	161,233	161,233
Stockholders' deficiency:		
Preferred stock, par value \$0.01 per share, 10,000,000 shares authorized, none issued or outstanding.....	--	--
Common stock, par value \$0.01 per share; 250,000,000 shares authorized; 30,000,000 issued(1).....	300	300
Additional paid-in capital.....	1,022,634	1,022,634
(Deficit).....	(1,023,805)	(1,027,320)
	(871)	(4,386)
Treasury stock, none (actual) and 294,000 (as adjusted) shares.....	--	(288)
Total stockholders' (deficiency).....	(871)	(4,674)
Total capitalization.....	\$ 160,362	\$ 156,559

(1) Excludes shares issuable upon the possible future conversion of the 10.75% Unsecured Convertible PIK Notes or upon exercise of stock options and warrants.

- The 10.75% Unsecured Convertible PIK Notes due 2011 are convertible into CoreComm Limited common stock prior to maturity at a conversion price of \$1.00 per share subject to adjustment. However, we, the holder of this note and CoreComm Limited have entered into letter agreements relating to the conversion feature of these notes and of the additional notes issued under these notes, following the acceptance of shares under the exchange offer for CoreComm Limited common stock. Through those letter agreements, consistent with the original terms of the notes, we and CoreComm Limited have agreed to exercise our right under the notes so that, following our accepting shares of CoreComm Limited common stock in the exchange offers, the convertibility feature of these notes will be altered so that rather than the notes being convertible into shares of CoreComm Limited

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common stock, they will become convertible into shares of our common stock. At that time, the conversion prices of these notes will be equitably adjusted by applying the exchange ratio in the exchange offer for CoreComm Limited common stock, which results in a new conversion price of \$38.90 per share of our common stock. The holder has agreed not to exercise its rights to convert any of

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these notes into CoreComm Limited common stock until August 5, 2002, unless that right has previously ceased as described above. In the event that we do not accept shares of CoreComm Limited common stock in the exchange offers, the conversion feature of these notes would remain into CoreComm Limited common stock. These notes are redeemable, in whole or in part, at our option, at any time after April 12, 2003, at a redemption price of 103.429% that declines annually to 100% in April 2007, in each case together with accrued and unpaid interest to the redemption date.

- CoreComm Limited's warrants to purchase shares of CoreComm Limited common stock will be exercisable for shares of our common stock, subject to any exchange ratio in the exchange offer for CoreComm Limited common stock, upon the consummation of the merger.
- As of March 31, 2002, there were options to purchase approximately 22.1 million shares of CoreComm Limited common stock outstanding. In December 2001, the CoreComm Limited board of directors, in connection with the Holdco recapitalization, accelerated all outstanding options to acquire shares of CoreComm Limited common stock so that all are presently fully vested and exercisable. As is permitted under CoreComm Limited's option plans, on or around April 11, 2002 CoreComm Limited sent notices to the holders of its options stating CoreComm Limited's intention to consummate the merger and informing these holders that they have to exercise their options prior to the date when the merger is consummated at which time their options will terminate. Between now and the time of the merger, if holders of CoreComm Limited options exercise their options, they would, at the time of the merger, have the same rights as other holders of CoreComm Limited common stock to have their shares of CoreComm Limited converted to shares of our common stock at that exchange ratio.
- In December 2001, we adopted a new stock option plan for our employees. A total of 8.7 million shares of common stock were reserved for issuance under the plan, which represents 22.5% of the total fully diluted shares of our common stock. In January 2002, our board of directors approved a grant of options to purchase an aggregate of approximately 7.74 million shares of our common stock, representing approximately 20% of the total fully diluted shares. The exercise price of these options is the estimated fair market value on the date of grant of \$1.00 per share. The number of shares issuable under the plan and the number of shares into which each outstanding option is exercisable is subject to adjustment for stock splits and other similar transactions.

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OUR BUSINESS

We are an integrated communications provider that offers local exchange carrier and interexchange carrier telephone, Internet and high-speed data

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services to business and residential customers in targeted markets throughout the Mid-Atlantic and Midwest regions of the United States. We operate three business divisions: business services (ATX), residential services (CoreComm Residential) and Internet services (Voyager). We are exploiting the convergence of telecommunications and information services through our network strategy, which involves the ownership of telephone switching equipment and the purchase of local exchange carrier services that connect to homes and businesses, combined with the leasing of a national and international network that carries Internet traffic. This configuration of locally and regionally owned and leased facilities allows us to deliver a wide range of communications services over a wide geography within our regions. We currently offer services to business and residential customers located principally in Pennsylvania, Ohio, New Jersey, Michigan, Wisconsin, Maryland, Illinois, New York, Virginia, Delaware, Massachusetts, Washington, D.C. and Indiana. In local exchange services, we compete against the established local telephone service provider that was the service provider in a region prior to the opening of local telephone service to competition, as well as other local exchange carriers.

In 2001, CoreComm Limited streamlined its strategy and operations to focus on its two most successful and promising lines of business. The first is integrated communications products and other high bandwidth/data/web-oriented services for the business market. The second is bundled local telephony and Internet products for the residential market, with a focus on using Internet-centric interfaces, as well as our call centers, to efficiently sell, install and service our customers. Our strategy is to attractively bundle telephony and data services in our target markets in order to compete with the incumbent local exchange carrier and gain market share.

As of March 31, 2002, we had approximately 277,000 local telephone access lines in service. The following table details our customer base:

	AS OF MARCH 31, 2002

Residential Local Access Lines.....	56,500
Business Local Access Lines.....	220,800
Toll-related Access Line Equivalents.....	497,800
Internet Subscribers.....	307,200
Other Data Customers(1).....	24,400

(1) Other data customers included Point-to-Point data, Frame Relay, Web Development, Web Hosting, E-Commerce, Co-location and other related customers.

For the three months ended March 31, 2002, our revenues were attributable to the following service categories:

	3 MONTHS ENDED
	MARCH 31, 2002

Local Exchange Services.....	35%
Toll-related Telephony Services.....	24%
Internet, Data and Web-related Services.....	32%
Other Revenue.....	9%

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Total.....	---
	100%

We have engaged in significant efforts to increase the profitability of our services. We have capitalized on opportunities such as converting customers from Total Service Resale, where we resell service as purchased from the incumbent local exchange carrier, to the more profitable Unbundled Network Element -- Platform or UNE-P and Enhanced Extended Loops or EEL in order to reduce our existing network costs and capital expenditures and to enhance our gross margins. Under UNE-P, we lease all of the Unbundled Network Elements needed to provide service to a customer from an incumbent local

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exchange carrier so that we do not need to use any of our own facilities to provide the service. With UNE-P, we pay the total cost to lease each network element, which generally provides us a greater gross margin than total service resale. By using Enhanced Extended Loops we are able to lease a combination of local network elements and facilities from the incumbent local exchange carrier to extend the reach of our regional networks to service customers that are outside of service areas of our network. This allows us to put more traffic on our regional networks without needing to build additional infrastructure.

Over the past year, many of our business and residential local access lines have been converted to these more profitable services from total service resale, which we expect to continue. We will also continue to connect telephony customers onto our owned and leased networks where we have facilities in place, while also taking advantage of UNE-P and EEL to expand our service areas.

The following is a description of our three business divisions, as well as a description of our network technology and proprietary systems.

BUSINESS SERVICES (ATX)

Through our business services division, we offer customers a full range of high-speed communications services including local exchange carrier and interexchange carrier telephony services, network services such as network data integration, Internet access and Web consulting, development and hosting, and other related services. In addition, we offer Advanced Communications Solutions products tailored to meet the needs of our business customers, such as conference calling, travel services, pre-paid calling, enhanced fax and PC-based billing. Customers are billed on a single, consolidated invoice, delivered by traditional means or near real time Web-based billing that allows the customer to sort the information to detail calling patterns. Our target markets are the Mid-Atlantic region throughout the New York-Virginia corridor and Midwest markets, including: Cleveland, Ohio; Columbus, Ohio; Chicago, Illinois; and other markets in the Great Lakes region.

BUSINESS PRODUCTS AND SERVICES

Our business division offers our customers a full range of broadband communications services, including:

CoreConnect. We offer a single, simple solution for all of a customer's communications needs -- local, long distance, toll, data and Internet access services bundled over a multi-purpose connection. By combining all of a business' essential communications over the same facilities, we are able to offer an integrated access tool that enables higher speed, greater bandwidth, and significant cost savings, all from a single source. Through this integrated product, we are also able to offer

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custom-tailored bandwidth-intensive data solutions such as internal network connectivity, dedicated point-to-point circuits, frame relay to the Internet, and specialized connections for multimedia applications. We also offer these products on a stand-alone basis.

Local Telephony Services. Local telephony services include local dial tone and a set of custom calling features that business customers can tailor to meet their local telephony needs. A sample of some of the most popular local features include alternate answer, automatic callback, busy line transfer, call blocking, call forwarding, call trace, call waiting, caller ID with name, multi-ring service, repeat dialing, remote access call forwarding, and speed calling.

Toll-related Telephony Services. Toll-related telephony services include inbound/outbound service, international, toll-free service and calling card telephone service. We currently provide intrastate and interstate long distance services nationwide and international long distance worldwide. We also offer a full line of Advanced Communications Solutions along with our toll-related services, such as Internet-based call management, traveling calling cards, fax broadcasting, voice mail, conference calling and enhanced call routing services.

Network Services. We also offer complete high-speed network solutions to our customers. These services include private line and frame relay services.

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Internet Services. We utilize a state-of-the-art network to deliver Internet access designed for business use, ensuring high-speed and stable connectivity to a global resource of information. Our customers are connected via high-speed dedicated lines, from 56K up to DS3.

Web Services/E-commerce. We are able to facilitate many aspects of establishing and maintaining an interactive global presence in Web services. The various segments of Web services we offer include website design, development and hosting, electronic commerce, Intranet development, database integration, Internet marketing and Internet security.

Consulting Services, Local Area Network/Wide Area Network Data Integration. Our network services and integration unit assists organizations in the design, construction, implementation and management of practical local and wide area networks. This business unit manages local area network/wide area network data integration for private line services, Internet network and integrated services digital network, as well as professional consulting services and hardware/software sales. We develop solutions while educating clients on specific business applications and the technology that make them possible. Consulting services include wide area network architecture and implementation, router and consumer premise equipment configuration, local area network switching, electronic commerce, cabling and virtual local area network design and set-up.

Wireless Services. We also offer wireless services primarily as a customer retention tool, consisting of both cellular and paging service. We offer digital and analog cellular services as well as two-way radio and digital cellular service through Nextel.

BUSINESS SALES AND MARKETING

Our sales model is based on our consultative sales approach, our proprietary marketing and training tools, the experience of our sales force, our training and career development program, and our shared vision and incentive

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structure to reward individual and team performance objectives. Each sale begins with a consultation that investigates the needs of the customer. The sales consultant then designs a tailored, integrated and cost-effective platform that addresses the specific customer's communications needs. We have an experienced and long-tenured sales force. Over 25% of our senior sales force professionals have been with us for more than five years, and approximately 80% of the sales management team have been promoted from within our organization.

RESIDENTIAL SERVICES (CORECOMM RESIDENTIAL)

We offer residential customers voice, data and other telecommunications services in Ohio, Illinois, Michigan, Wisconsin and Pennsylvania and Internet access services over a wider area in the Midwest and Mid-Atlantic regions of the United States. Customers who purchase multiple services are billed for their services with one consolidated bill. Customers can also choose to access their billing information and pay their bills online, or they may select automatic bill payment via credit or debit card.

RESIDENTIAL PRODUCTS AND SERVICES

Our residential strategy is to bundle telephony and Internet products and services in convenient and simple ways that are attractive to the customer and distinctive in the marketplace. In general, we currently offer the following voice, data and Internet services to residential customers in our markets:

- Local Telephony Services -- including standard dial tone, local calling, Emergency 911 services, operator assisted calling, access to the long distance network, and other related services.
- Custom Calling Features -- including call waiting, call forwarding, caller ID, voice mail, conference calling, multi-ring, speed calling and other enhanced features.
- Toll-related Telephony Services -- local, long-distance, international calls, 800/888/877 toll free services, calling cards and other related services.

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We typically offer a package of our most popular services and then create ways for customers to purchase other services easily and conveniently. In our current residential offering, which may change over time, we offer a package of local and long distance phone service and Internet access, which is called the CoreComm Unlimited Premium service. Although the details of the offerings vary somewhat by region, the package typically includes:

- Local dial tone;
- Local calls;
- Call waiting;
- Caller-ID with name;
- Personal 800 number;
- Premium Internet service;
- 56K unlimited Internet access;
- 3 e-mail addresses;

- 10 megabytes of personal web space;
- Long distance service; and
- Bundled minutes of long distance.

Additional options and features, such as voice mail, three-way calling, an additional line, and additional web site space, can be easily and flexibly added by the customer. The pricing for CoreComm Unlimited Premium varies by region, but in all areas the price compares favorably to prices offered by the incumbent telephone company and other providers of these services.

RESIDENTIAL SALES AND MARKETING

We focus on a marketing approach that combines targeted direct marketing with partnerships and local organizations. We utilize local media and partner with civic organizations to develop the recognition of the brand and to create a captive potential base of customers. We also target customers in our service area via direct mail, e-mail and telemarketing. All of our sales efforts are designed to drive revenue growth by capitalizing on low cost opportunities in our current markets.

In addition to efforts designed to acquire new customers, we continually engage in efforts to sell additional services to existing customers. For example, we are currently working on upselling our bundled local and toll-related telephony and Internet products to our Internet-only customers.

While residential customers can purchase our services by calling our toll-free number, our residential marketing efforts are intended to drive potential customers to our website, www.core.com. At this website, customers can sign up for service in a fully online process at a low transaction cost for us. Our product offerings are designed to be simple and flexible, so that potential customers can easily perceive their value.

INTERNET SERVICES (VOYAGER)

Our Internet services division provides Internet access and high-speed data communications services and to residential and business subscribers. Services include dial-up Internet access, dedicated telecommunications services to business, cable modem access, Web-hosting, electronic commerce, and co-location services. We operate one of the largest dial-up Internet networks in the Midwest in terms of geographic coverage, with approximately 170 points of presence in Michigan, Wisconsin, Ohio, Illinois, Indiana, Minnesota, Pennsylvania, New York and California.

In April 2001, CoreComm Limited announced that it is evaluating strategic alternatives for its non-CLEC assets and businesses and has retained advisors for the purpose of conducting this review.

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INTERNET PRODUCTS AND SERVICES

Internet Access Services

We offer Internet access services to residential subscribers and dedicated, web hosting, and dial-up Internet access to business customers. By selecting between the various types of access services and pricing plans available, subscribers can select services that fit their specific needs. A majority of our residential subscribers pay their monthly fee automatically by a pre-authorized

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monthly charge to their credit card. Our Internet access options include:

Dial-up Access. Our residential access services are designed to provide subscribers with reliable Internet access through standard dial-up modems.

Dedicated Access. We offer high-speed dedicated connections to both business and residential subscribers at a range of speeds using traditional telecommunications lines and frame relay communications services for those customers requiring greater speed and reliability.

Cable Modems. Through a reseller arrangement with Millennium Digital Media Systems, LLC, we offer high-speed Internet access in some locations through the use of modems integrated with local cable television networks and provide the technical and billing support to this fast-growing segment of the Internet access business.

Web Services

Our Web services help organizations and individuals implement their Web site and e-commerce goals. We offer various Web hosting and other services that enable customers to establish a Web site presence without maintaining their own Web servers and connectivity to the Internet.

Web Hosting. We offer a diverse range of shared, dedicated and co-location Web hosting services for small and medium businesses. Our Web hosting service includes state-of-the-art Web servers, high-speed connections to the Internet at its network operations centers, and registration of our customers' domain name and Internet address. We also offer Web page design, development, maintenance and traffic reporting and consulting services.

Co-location. We offer co-location services, providing telecommunications facilities for customer-owned Web servers for customers who prefer to own and have physical access to their servers but require the reliability, security and performance of our on-site facilities. Co-location customers house their equipment at our secure network operating centers and receive direct high-speed connections to the Internet.

E-commerce. We provide a suite of Web hosting and e-commerce solutions that enable businesses to easily and affordably create Web sites and sell their products and services over the Internet. The product suite includes EasyWeb, which allows a business to quickly create a Web site online through a series of menu-driven screens and templates, and EasyShop, a comprehensive e-commerce solution, which allows businesses to accept real-time credit card purchases via their Web site.

Local Content. Our portal is a web site including personalized local news and weather, sports, entertainment, finance, stock quotes, shopping, classifieds and chat services for our customers. Content is automatically tailored to individual customers using a database driven process that presents customers with location-specific information. Customers can also customize the layout and specific content options available to them. Content is made available through revenue sharing and co-branding agreements with organizations including CMGI Inc.'s MyWay.com, Wizshop.com, Amazon.com, and local media. Customers access the portal page at www.voyager.net.

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We also offer other enhanced communications services to meet the one-stop shopping demands of residential and business customers.

Virtual Private Networks. Our custom virtual private networks solutions provide our customers a secure, managed network over the public Internet. This service is targeted towards organizations that desire a secure wide-area network between locations without building dedicated network infrastructure between these locations.

Long Distance and other Telecommunications. We currently resell long distance telecommunications services as well as a toll-free service, calling cards and prepaid cards to our Internet customers through our VoyagerLink operations. We currently offer this interstate and intrastate long-distance service to our customers at a fixed rate per minute, with no set-up or monthly charges.

INTERNET SALES AND MARKETING

Marketing. Our marketing philosophy is based on the belief that a consumer's selection of an Internet service provider is often strongly influenced by a personal referral. Accordingly, we believe that the customer satisfaction of our subscriber base has led to significant word-of-mouth referrals. Our referral incentive program awards subscribers one month of free service for every customer referred. As a result, over 70% of new sign-ups come from existing subscriber referrals. Our proprietary customer care and billing system automatically tracks and credits the subscriber's account, thus providing valuable marketing information and flexibility with this program. We also market services through strategic relationships with value added resellers in the local communities, such as trade associations, unions, Web development companies, local area network administrators and retail stores which represent and promote us on a commission basis. These relationships are a significant source of new Internet customers. We do not use mass marketing media as a major source of acquiring new customers, but instead believe that by providing superior customer service and developing strong relationships within local communities, particularly in small- and medium-sized markets, we can continue to grow with very low costs per new customer acquired.

Free CDs and Diskettes. Upon the request of prospective customers, we distribute free software via CD and diskettes that contain software configured to facilitate installation and connection to our service.

Business Sales and Support. We have a business sales and support team dedicated to selling and providing customized support to our growing small- and medium-sized business customers. The business teams include support personnel located throughout its target region.

NETWORK AND TECHNOLOGY

Network Strategy. Our network strategy combines the ownership of telephone switching equipment and the leasing of the local telephone lines that run directly to homes and businesses, combined with the leasing of a regional network that carries Internet traffic. This configuration of locally and regionally owned and leased facilities allows us to deliver a wide range of communications services over a wide geography within our regions.

Telephony Network Infrastructure. We currently have Class 5 switches operating in Philadelphia, PA; Columbus, OH; Cleveland, OH; and Chicago, IL. A Class 5 switch connects local calls to the public switched telephone network. These switches are connected via leased local transport to the incumbent local exchange carrier. We minimize the number of co-locations we establish with

incumbent local exchange carriers by utilizing Enhanced Extended Loops that allow us to virtually extend our local networks to service customers well outside of our network area. We also utilize Unbundled Network Element-Platform and Total Service Resale to service our customers. We also operate five Class 4 switches that are responsible for connecting toll-related calls.

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Internet Network Infrastructure. We designed and built our Internet network to specifically service Internet traffic. Our network is comprised primarily of Cisco Systems and Juniper Networks routing and switching equipment, which provides a common platform for increased flexibility and maintenance while allowing for the use of advanced protocols to quickly and dependably deliver customer traffic. We have two Internet network operating centers to oversee traffic flows and general network operations, which ensures a secure and reliable network. Our dial-in points of presence primarily utilize digital access servers manufactured by 3Com Corporation and Lucent Technologies, Inc. These servers allow for a variety of customer connections. Our network has been reconfigured to include redundant data circuits, which will generally be able to automatically re-route customer traffic in the event of a failure, and our network topology offers high levels of performance and security.

Our Internet points of presence are linked to regional network points, or hubs, which are our two Internet-dedicated network operating centers. These network points are linked to the Internet by fiber optic connections and employ asynchronous transfer mode, frame relay and other methods of handling traffic efficiently. Through various relationships with competitive local exchange carriers, we have been able to reduce our overall number of points of presence by consolidating several of them into SuperPOPs with expanded calling areas. The SuperPOP allows us to consolidate equipment into one large modem bank and eliminate various telecommunication links from its points of presence back to the network operating center, thereby creating enhanced network reliability and reducing telecommunication costs.

Network Operations Centers. We currently have 4 network operations centers localized to manage network traffic. These network operations centers are located in Philadelphia, PA, Cleveland, OH, East Lansing, MI and New Berlin, WI. Each network operations center is monitored on a 24 hours per day, seven days per week basis in order to provide the highest level of network performance.

Peering Relationships. Peering is the act of exchanging data across networks, typically at specific, discrete locations. By allowing separate networks to exchange data, users on a particular Internet service provider's network are able to access information and communicate with users on another provider's network. We have relationships at multiple points with several different organizations, including Verio, Inc., NAP.net and MCI and Savvis, thus building network redundancy that allows for better connectivity for our customers.

We are continuously attempting to improve our network infrastructure and connectivity costs.

ELECTRONIC BONDING AND INFORMATION SYSTEMS

We are currently bonded electronically with Ameritech and Verizon. Bonding is an electronic interface that establishes an electronic link between our operating support systems and those of Ameritech and Verizon. Electronic bonding enables us to more timely and accurately service customers. Bonding also allows real-time access to customer information while facilitating order entry and confirmation.

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We provide service to customers through our proprietary systems, which are designed to interface with the incumbent local exchange carriers' systems through a variety of delivery mechanisms. Our systems and processes have been developed to decrease the risk of human error associated with establishing service to customers by manual keying or fax. Our systems also allow for flexibility to accommodate an expanding customer base, efficient entry into new markets, switch-based services, and rapid development of additional functionality. Our proprietary systems handle all pre-ordering activities, including obtaining customer service records, finding and reserving telephone numbers, verifying customer addresses, validating due dates, searching the incumbent local exchange carrier's switches for feature availability, and yellow page listings.

Our recent and ongoing enhancements to our information systems include the following:

- Improving the performance and scalability of our rating and billing engines.
 - Enhancing our provisioning systems for the Ameritech region to support Ameritech's five state region. Our service order management system has been enhanced to allow for validation in real time of the feature availability, the electronic generation of service order data, and automated switch activation software, all within a single system.
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- Automating the migration processes to move customers from resold networks to our networks and from Total Service Resale to Unbundled Network Element -- Platform.
 - Purchasing a platform for our call centers which has introduced skills-based routing of inbound calls with an automated attendant allowing us to service our customers better by ensuring that a call is delivered to a customer service representative with the skills necessary to handle the customer.
 - Integrating an auto-dialer with our collections system, which has significantly increased collection agent productivity and effectiveness.

We have invested in the construction of a series of proprietary software applications and an extensive corporate Intranet in our efforts to achieve a paperless work environment in which all job critical information is readily available online. Our employees use the corporate Intranet to access detailed product and corporate information, industry research and updates, competitive intelligence files, online training and certification, calendars, a personnel directory, community activities, philanthropic organizations, and other important content from the convenience of their desktops. Online forms and sophisticated e-mail applications have further increased productivity by enhancing communications.

We currently utilize internally developed proprietary systems for integrated order management and installation, as well as for customer relations management. For billing, we use a combination of proprietary software and an external service bureau.

We provide customer service and technical support through three call centers located in Philadelphia, PA, Columbus, OH, and East Lansing, MI. We provide 100% of our customer care internally and do not outsource any customer operations to third party providers. We have upgraded our phone systems to route calls, track important call-in data, automatically answer questions and move

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customers quickly through the call-in process. Our comprehensive staff training program and incentive compensation program linked to customer satisfaction has led to significant improvements in the time required to move subscribers through the various calling queues. In addition to using our call centers, customers can also e-mail questions directly to technical support staff, as well as find solutions online through the use of the tutorials found at our web site.

COMPETITION

The telecommunications industry and all of its segments are highly competitive and many of our existing and potential competitors have greater financial, marketing, technical and other resources than we do. Competition for our products and services is based on price, quality, network reliability, service features and responsiveness to customers' needs.

COMPETITIVE LOCAL EXCHANGE CARRIER

In each of our markets, we face competition from incumbent local exchange carriers, including Verizon and Ameritech, as well as other providers of telecommunications services, other competitive local exchange carriers and cable television companies. In the local exchange markets, our principal competitor is the incumbent local exchange carriers. We also face competition or prospective competition from other competitive local exchange carriers. For example, the following companies have begun to offer local telecommunications services in major U.S. markets: AT&T, MCI WorldCom, McLeod USA, Choice One Communications, XO Communications and Sprint.

Some of our competitors, including AT&T, MCI WorldCom and Sprint, have entered into interconnection agreements with Verizon and Ameritech in states in which we operate. These competitors either have begun or in the near future likely will begin offering local exchange service in those states. In addition to these long distance service providers and existing competitive local exchange carriers, entities that currently offer or are potentially capable of offering switched telecommunications services include:

- wireless telephone system operators;
- large customers who build private networks;
- cable television companies; and
- other utilities.

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Competition in our competitive local exchange carrier business will continue to intensify in the future due to the increase in the size, resources and number of market participants. Many facilities-based competitive local exchange carriers have committed substantial resources to building their networks or to purchasing competitive local exchange carriers or inter-exchange carriers with complementary facilities. By building or purchasing a network or entering into interconnection agreements or resale agreements with incumbent local exchange carriers, including regional Bell operating companies and inter-exchange carriers, a provider can offer single source local and long distance services similar to those offered by us. Additional alternatives may provide competitors with greater flexibility and a lower cost structure than ours. Some of these competitive local exchange carriers and other facilities-based providers of local exchange service are acquiring or being acquired by inter-exchange carriers. These combined entities may provide a bundled package of telecommunications products, including local and long distance telephony, that is in direct competition with the products offered or planned to be offered by us.

INTERNET

The Internet services market is also extremely competitive. We compete directly or indirectly with the following categories of companies:

- established online services, such as America Online, the Microsoft Network and Prodigy;
- local, regional and national Internet service providers, such as Earthlink, United Online and Internet America;
- national telecommunications companies, such as AT&T and MCI;
- providers of Web hosting, co-location and other Internet-based business services, such as Verio, Inc.;
- computer hardware and software and other technology companies that provide Internet connectivity with their products, including IBM and Microsoft Corporation;
- regional Bell operating companies, such as Verizon and Ameritech, and local telephone companies;
- cable operators, including Comcast and Time Warner Cable;
- nonprofit or educational Internet service providers;
- online cable services, such as Roadrunner; and
- satellite-based online providers, such as DIRECTV and EchoStar.

We believe that the primary competitive factors determining success as an Internet service provider are:

- accessibility and performance of service;
- quality customer support;
- price;
- access speed;
- brand awareness;
- ease of use; and
- scope of geographic coverage.

Many of the major cable companies and some other Internet access providers offer Internet connectivity through the use of cable modems and wireless terrestrial and satellite-based service

technologies. In addition, several competitive local exchange carriers and other Internet access providers have launched national or regional digital subscriber line programs providing high speed Internet access using the existing copper telephone infrastructure. Several of these competitive local exchange carriers have announced strategic alliances with local, regional and national Internet service providers to provide broadband Internet access. We also believe that

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manufacturers of computer hardware and software products, media and telecommunications companies and others will continue to enter the Internet services market, which will also intensify competition. Any of these developments could materially and adversely affect our business, operating results and financial condition.

Competition will increase as large diversified telecommunications and media companies acquire Internet service providers and as Internet service providers consolidate into larger, more competitive companies. Diversified competitors may bundle other services and products with Internet connectivity services, potentially placing us at a significant competitive disadvantage. As a result, our businesses may suffer.

CUSTOMER DEPENDENCE AND SEASONALITY

We do not depend upon any single customer for any significant portion of our business. Neither our business nor the telecommunications industry are generally characterized as having a material seasonal element, and we do not expect our business or the industry to become seasonal in the foreseeable future.

EMPLOYEES

As of March 31, 2002, we had an aggregate of approximately 1,335 employees. None of our employees are represented by any labor organization. We believe that our relationship with our employees is excellent.

PROPERTIES

Some of our subsidiaries lease switch buildings, technical equipment space and office space which we believe is adequate to serve our present business operations and our needs for the foreseeable future. For information concerning lease commitments, please refer to the Notes to the Consolidated Financial Statements included in this prospectus.

LEGAL PROCEEDINGS

We purchase goods and services from a wide variety of vendors under contractual and other arrangements that sometimes give rise to litigation in the ordinary course of business. We also provide goods and services to a wide range of customers under arrangements that sometimes lead to disputes over payment, performance and other obligations. Some of these disputes, regardless of their merit, could subject us to costly litigation and the diversion of our technical and/or management personnel. Additionally, any liability from litigation that is not covered by our insurance or exceeds our coverage could have a material adverse effect on our business, financial condition and/or operating results. Currently, we have the following outstanding matters which, if resolved unfavorably to us, could have a material adverse effect on us:

- CoreComm Newco, Inc., an indirect, wholly-owned subsidiary of CoreComm Holdco, is currently in litigation with Ameritech Ohio, a supplier from whom it purchases telecommunications products and services, over the adequacy of Ameritech's performance under a 1998 contract between CoreComm Newco and Ameritech, and related issues. This litigation began in June 2001 when Ameritech threatened to stop processing new orders following CoreComm Limited's exercise of its right under the contract to withhold payments for Ameritech's performance failures. In response to this threat, CoreComm Limited sought and received an order from an official of the Public Utilities Commission of Ohio barring Ameritech from refusing to process new CoreComm orders. Ameritech has appealed that order to the PUCO and the appeal is still pending.

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On July 5, 2001, Ameritech filed a claim with the PUCO seeking payment from CoreComm Limited of approximately \$8,600,000 allegedly owed under the contract. On August 8, 2001,

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Ameritech filed a second claim against CoreComm Limited in Ohio state court, seeking an additional approximately \$4,300,000 in allegedly improperly withheld amounts. On August 28, 2001, CoreComm Limited exercised its right to remove the state court claim to the United States District Court for the Northern District of Ohio, and the parties then stipulated to a consolidation of both of Ameritech's claims in the United States District Court. To consolidate the two claims, on October 9, 2001, Ameritech filed an amended complaint in the United States District Court, seeking a total of approximately \$14,400,000.

On December 26, 2001, CoreComm Newco filed its answer to Ameritech's amended complaint and simultaneously filed three counterclaims against Ameritech and some of its affiliates, alleging breach of contract, antitrust violations, and fraudulent or negligent misrepresentation. In lieu of filing an answer to CoreComm Newco's counterclaims, Ameritech filed a series of motions on March 25, 2002, asking the Court to dismiss several of CoreComm Newco's counterclaims. On April 17, 2002, CoreComm Newco filed its opposition in Ameritech's motions for dismissal and these items are now pending before the court for disposition.

We believe that CoreComm Newco has meritorious defenses to Ameritech's amended complaint, and that the amount currently in dispute is substantially less than the \$14,400,000 claimed in Ameritech's amended complaint. For example, the figure specified in Ameritech's complaint does not account for (a) more than \$5.2 million in refunds that Ameritech contends it has already credited to CoreComm Newco's accounts since the filing its complaint, and (b) payments that were made by CoreComm Newco in the ordinary course after the time of Ameritech's submission. However, we cannot be certain how or when the matter will be resolved. We also believe that, to the extent Ameritech prevails with respect to any of its claims, Ameritech's award may be offset in whole or in part by amounts that CoreComm Newco is seeking to obtain from Ameritech under its counterclaims. However, it is impossible at this time to predict the outcome of the litigation.

- On December 3, 2001, General Electric Capital Corp. filed a lawsuit in the Circuit Court of Cook County, Illinois against CoreComm Limited and MegsINet, Inc., an indirect subsidiary of CoreComm Holdco, seeking approximately \$8 million in allegedly past due amounts and return of equipment under a capital equipment lease agreement between Ascend and MegsINet. GECC is seeking all amounts allegedly owed under the lease as well as repossession of the equipment. On February 19, 2002, the defendants filed a motion to dismiss several of GECC's claims. In response, GECC withdrew its original complaint and on May 1, 2002 filed an amended complaint naming CoreComm Holdco as an additional defendant. On June 5, 2002, defendants filed a motion to dismiss and/or stay plaintiff's complaint. Concurrently, on April 12, 2002, GECC filed a second complaint in the Circuit Court of Cook County, Illinois against MegsINet, CoreComm Limited and CoreComm Holdco seeking a court order allowing it to take repossession of its alleged equipment. After a hearing on the matter following the submission of defendants' opposition, GECC withdrew its complaint and filed a new action on May 3, 2002, in an effort to supply the court with additional information regarding its alleged rights to the equipment. Defendants' response to the May 3 complaint was filed on May 29, 2002 asking the court to dismiss plaintiff's complaint. Defendants intend to defend themselves vigorously

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against both complaints and to pursue all available claims and defenses. However, it is impossible at this time to predict the outcome of the foregoing litigation.

- On May 25, 2001, KMC Telecom, Inc. and some of its operating subsidiaries filed an action in the Supreme Court of New York for New York County against CoreComm Limited, Cellular Communications of Puerto Rico, Inc., CoreComm New York, Inc. and MegsINet, Inc. On that same date, KMC filed the same cause of action in the Circuit Court of Cook County, IL. Upon defendant's Motion to Stay the New York action, KMC voluntarily dismissed the Illinois litigation and the matter is currently proceeding in New York. KMC contends that it is owed approximately \$2 million, primarily in respect of alleged early termination liabilities, under a services agreement and a co-location agreement with MegsINet. The defendants have denied KMC's claims and have asserted that the contracts at issue were signed without proper authorization, that KMC failed to perform under the alleged contracts, and that the termination penalties are not enforceable. The

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defendants have served discovery and intend to defend themselves in coordination with one of their insurance carriers. On March 27, 2002, some of the defendants initiated litigation against several former principals of MegsINet seeking indemnification and contribution against KMC's claims.

- On March 1, 2002, Easton Telecom Services, LLC, initiated litigation in the Northern District of Ohio against CoreComm Internet Group, Inc. asserting that Easton Telecom Services, LLC is the assignee of rights of Easton Telecom Services, Inc. under an asset purchase agreement approved as part of the bankruptcy disposition of Teligent, Inc., and demanding payment of approximately \$4.9 million, primarily in respect of early termination penalties, for telecommunications services purportedly provided under alleged contracts between Easton Telecom Services, Inc. and MegsINet, Inc. Subsequently, on April 18, 2002, Easton Telecom Services, LLC filed an amended complaint in the above-referenced matter naming Voyager Information Networks, Inc. as an additional defendant and increasing the amount in dispute to approximately \$5.1 million. On May 7, 2002, defendants filed their answer denying Easton LLC's allegations and asserting multiple defenses, including defenses challenging the validity of the alleged contracts and plaintiff's claims as to alleged damages. Defendants intend to defend themselves vigorously and pursue all available claims and defenses. However, it is impossible at this time to predict the outcome of this litigation.
- We have received correspondence from various operating subsidiaries of Verizon Communications, Inc. claiming that Verizon is owed a total of approximately \$11 million for services allegedly provided in Delaware, Maryland, Virginia, District of Columbia, Massachusetts and New York, and threatening to activate account embargo and service suspension procedures in those states if payment of the alleged amounts is not received by July 22, 2002. We are currently reviewing Verizon's claims against our own billing records, including records reflecting unresolved disputed charges. We intend to pursue all remedies available to us and defend ourselves vigorously against these allegations. However, we cannot presently predict how the matter will be resolved.

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OVERVIEW

The telecommunications services we provide are subject to regulation by federal, state and local government agencies. The following summary does not purport to describe all current and proposed regulations and laws affecting the telecommunications industry, but is intended rather as an overview of material regulatory regimes. Federal and state regulations and legislation are the subject of judicial proceedings, legislative hearings and administrative proposals, which could change in varying degrees the manner in which this industry operates. Neither the outcome of these proceedings nor their impact on the telecommunications industry or our business can be predicted at this time. Future federal or state regulations and legislation may be less favorable to us than current regulation and legislation and therefore may have a material and adverse impact on our business and financial prospects. In addition, we may expend significant financial and managerial resources to participate in proceedings setting rules at either the federal or state level, without achieving a favorable result.

At the federal level, the FCC has jurisdiction over interstate and international services. Interstate services are communications that originate in one state and terminate in another. Intrastate services are communications that originate and terminate in a single state and state public service commissions exercise jurisdiction over intrastate services. Municipalities and other local government agencies may also regulate limited aspects of our business, such as use of government-owned rights-of-way and construction permits. Our networks are also subject to numerous local regulations such as building codes, franchise and right-of-way licensing requirements.

TELECOMMUNICATIONS ACT OF 1996

The federal Telecommunications Act, enacted in 1996, has resulted and will continue to result in substantial changes in the marketplace for telecommunications services. These changes include, at present, opening local exchange services to competition and, in the future, a substantial increase in the addressable services for us. Among its more significant provisions, the Telecommunications Act:

- removes legal barriers to entry into some telecommunications services, such as long distance and local exchange services;
- requires incumbent local exchange carriers such as Verizon or SBC, which we refer to as ILECs, to interconnect with and provide services for resale by competitors;
- permits incumbent local exchange carriers, including Bell regional operating companies in some circumstances to enter into new markets, such as long distance and cable television;
- relaxes regulation of telecommunications services provided by incumbent local exchange carriers and all other telecommunications service providers; and
- directs the FCC to establish an explicit subsidy mechanism for the preservation of universal service. The FCC was also directed by Congress to revise and make explicit subsidies inherent in the access charges paid by interexchange carriers for use of local exchange carriers' services.

REMOVAL OF ENTRY BARRIERS

The provisions of the Telecommunications Act should enable us to provide a full range of telecommunications services in any state. Although we may be

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required to obtain certification from state public service commissions in almost all cases, the Telecommunications Act should limit substantially the ability of a state public service commission to deny a request for certification. The provisions of the Telecommunications Act also reduce the barriers to entry by other potential competitors and therefore increase the level of competition we will likely face in all markets affected by the Act. Please refer to the section of the prospectus entitled "Information about CoreComm Holdco, Inc. -- Our Business -- Competition."

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- UNBUNDLING OF NETWORK ELEMENTS. ILECs must offer access to various unbundled elements of their network. This requirement allows competitors to purchase at cost-based rates elements of an ILEC's network that may be necessary to provide service to CoreComm Holdco's customers.
- DIALING PARITY. All local exchange carriers must provide dialing parity, which means that a customer calling to or from a CLEC network cannot be required to dial more digits than is required for a comparable call originating and terminating on the ILEC's network.
- TELEPHONE NUMBER PORTABILITY. All local exchange carriers must provide telephone number portability, which enables a customer to keep the same telephone number when the customer switches local exchange carriers.
- RECIPROCAL COMPENSATION. The duty to provide reciprocal compensation means that local exchange carriers must terminate calls that originate on competing networks in exchange for a given level of compensation and that they are entitled to termination of calls that originate on their network, for which they must pay a given level of compensation.
- RESALE. All local exchange carriers generally may not prohibit or place unreasonable restrictions on the resale of their services. In addition, ILECs must offer local exchange services to resellers at a wholesale rate that is less than the retail rate charged to end users.
- CO-LOCATION. Subject to space and equipment use limitations, ILECs must permit CLECs to install and maintain some types of their own network equipment in ILECs' central offices and remote terminals. The rates, terms and conditions are subject to negotiation and, failing agreement, to arbitration before state public utility commissions.
- ACCESS TO RIGHTS OF WAY. All ILECs, CLECs and some other utilities must provide access to their poles, ducts, conduits and rights-of-way on a reasonable, nondiscriminatory basis to telecommunications carriers.
- GOOD FAITH NEGOTIATIONS. ILECs are required to negotiate in good faith with other carriers that request any or all of the arrangements discussed above. If a requesting carrier is unable to reach agreement with the ILEC within a prescribed time, either carrier may request arbitration by the applicable state commission.
- RATES. The rates charged by incumbent local exchange carriers for interconnection and Unbundled Network Elements must be calculated using a forward-looking, cost-based methodology, and may vary greatly from state to state. These rates must be approved by state regulatory commissions, which often follows a lengthy and expensive negotiation, arbitration, and review process. Recurring and non-recurring charges for telephone lines and other Unbundled Network Elements may change based on the rates proposed by ILECs and approved by state regulatory commissions from time to time, which creates uncertainty about how interconnection and

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unbundled element rates will be determined in the future and which could have an adverse effect on our operations. The ILECs have appealed aspects of the methodology used to set these rates to the United States Supreme Court. If the appeal is successful, it could result in higher prices for interconnection and Unbundled Network Elements.

While the Telecommunications Act generally requires ILECs to offer interconnection, Unbundled Network Elements and resold services to CLECs, ILEC-to-CLEC interconnection agreements have limited terms, requiring the CLEC to renegotiate the agreements on a periodic basis. ILECs may not provide timely installation or adequate service quality, thereby impairing a CLEC's reputation with customers who can easily switch back to the ILEC.

CURRENT REGULATORY ISSUES

The following regulatory issues are currently before the FCC and various courts and may impact our operations.

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RECIPROCAL COMPENSATION

In March 2000, the U.S. Court of Appeals for the D.C. Circuit overturned the FCC's previous determination that calls to Internet service providers are not local. The court found that the FCC had failed to explain adequately its determination that a call does not terminate at an ISP merely because the ISPs then originate further telecommunications that extend beyond state boundaries. In response to this court ruling, in April 2001 the FCC once again determined that calls to ISPs are jurisdictionally interstate, and thus, not subject to reciprocal compensation under Section 251(b)(5) of the Telecommunications Act. Instead, the FCC adopted an interim graduated rate scheme for ISP-bound traffic in which the compensation rates for ISP-bound traffic decrease on a yearly basis. In addition, the FCC initiated a proceeding to comprehensively review all intercarrier compensation schemes, in which it suggested moving to a bill-and-keep regime for all intercarrier payments. The interim graduate rate regime for ISP-bound traffic will remain in place for the next three years or until FCC concludes its review of all intercarrier compensation schemes.

A number of parties have filed petitions for reconsideration of the FCC's decision regarding compensation for ISP-bound traffic, but the FCC has yet to act on those petitions. In addition, many competitive carriers and state public utility commissions have appealed the FCC's determination to the U.S. Court of Appeals for the D.C. Circuit. The court will hear oral arguments in February 2002. The outcome of this appeal could have an impact on the amount of compensation we receive for ISP-bound traffic. As our existing interconnection agreements expire and as we enter new markets, we must negotiate new reciprocal compensation rates and traffic scope with each incumbent carrier. A reduction in rates payable for Internet service provider reciprocal compensation could have an adverse effect on our future revenues and business strategy.

CO-LOCATION

The FCC has adopted rules requiring incumbent local exchange carriers to provide co-location to competitive local exchange carriers for the purpose of interconnecting their competing networks. In a July 2001 decision, the FCC concluded that collocating equipment is necessary for interconnection or access to Unbundled Network Elements if an inability to deploy that equipment would, as a practical, economic, or operational matter, preclude the requesting carrier from obtaining interconnection or access to Unbundled Network Elements. In addition, the FCC found that multifunction equipment satisfies the necessary standard only if the equipment's primary purpose and function is to provide the

requesting carrier with equal in quality interconnection or nondiscriminatory access to UNEs. Finally, the FCC determined that ILECs are no longer required to permit competitors to construct and maintain cross-connects outside the physical co-location space of the ILEC's premises. However, ILECs must provision cross-connects between collocated carriers upon reasonable request. The ILECs have appealed these findings to the U.S. Court of Appeals for the D.C. Circuit. A successful appeal could provide incumbent carriers with a basis for refusing to collocate multifunction equipment or provide co-location in a timely and efficient manner. This could have a negative impact on our network deployment plans.

LINE SHARING

On December 9, 1999, the FCC released its line sharing order that requires ILECs to offer line sharing as an unbundled network element by June 6, 2000. Line sharing permits CLECs to use a customer's existing line to provide DSL services while the ILEC continues to use the same line to provide voice service. Prices for line sharing will be set by the states based on a cost methodology adopted by the FCC. In January 2001, the FCC clarified that line sharing applies to the entire loop, even when a portion of the loop consists of fiber facilities. Incumbent carriers must also permit competing carriers to self-provision or partner with a data carrier. However, in a February 2001 Clarification Order, the FCC made clear that its prior ruling did not expand an ILEC's obligation to provide access to unbundled packet switching capability. The FCC is currently seeking comment on issues relating to line sharing on fiber facilities.

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On May 24, 2002, the United States Court of Appeals for the District of Columbia Circuit issued a decision vacating the FCC's line sharing rules and remanding them back to the FCC for further consideration. The Court concluded that the FCC failed to give adequate consideration to the issue of whether the line sharing requirements are necessary given the apparent presence of competition in broadband services offered by other cable and satellite providers. As a result of the Court's decision, the line sharing rules will be deemed no longer effective absent a temporary order by the FCC or the Court requiring the rules to remain in affect pending final resolution of the issue on appeal or upon further review by the FCC. Although the ruling should have no direct effect on us because we do not engage in line sharing, it could have a direct affect on the operations of a provider from whom we purchase DSL services for resale to our ISP customers, which could in turn have an adverse impact on us unless the effect of the Court's ruling is stayed pending further review.

LOCAL EXCHANGE CARRIER ENTRY INTO NEW MARKETS

UNE Entry. The FCC has adopted rules that allow competitors to purchase at cost-based rates elements of an ILEC's network that may be necessary to provide service to our customers. The FCC is currently reviewing the framework under which ILECs must make Unbundled Network Elements available to competing carriers. As a result of this review, the FCC may determine that ILECs no longer need to unbundle network elements, which may impact our ability to provide service to our customers. In addition, the FCC is currently considering whether to adopt performance standards for ILECs' provision of Unbundled Network Elements. These standards would ensure that ILECs provision those elements on a timely basis.

On May 24, 2002, the United States Court of Appeals for the District of Columbia Circuit issued a decision overturning the FCC's rules requiring ILECs to provide Unbundled Network Elements to competing carriers and remanding those rules back to the FCC for further consideration. The Court found that under the

"impair" standard set forth in the Telecommunications Act, the FCC failed to adequately justify why it adopted a uniform national list of elements that must be unbundled by ILECs in all geographic and customer markets, as opposed to market-specific rules requiring particular elements to be unbundled only in those markets where the absence of such an element would "impair" competition. Unlike the Court's decision in respect of line sharing, the Court's ruling as to the FCC's unbundling requirements did not vacate the unbundling requirements and, therefore, those rules should remain in effect without alteration pending final resolution upon appeal or upon further review by the FCC.

Section 271 Entry. Our principal competitor in each market is the ILEC. Some of these carriers, the Regional Bell Operating Companies are currently permitted to provide long distance services to customers outside of their local service areas and in conjunction with their mobile telephone services, but are prohibited from providing long distance services that originate in those states where they provide local telephone service, which is referred to as in-region long distance service. Section 271 of the Telecommunications Act established procedures under which ILECs can provide in-region long distance services in a state after receiving approval from the FCC. To obtain approval, the ILEC must comply with a competitive checklist that incorporates, among other things, the interconnection requirements discussed above. Please refer to the section of the prospectus entitled "-- Interconnection with Local Exchange Carrier Facilities."

Approval from the FCC under Section 271 will enable an ILEC to provide customers with a full range of local and long distance telecommunications services. The provision of landline long distance services by ILECs is expected to reduce the market share of the major long distance carriers, which may be significant customers of our services. Consequently, the entry of the ILECs into the long distance market may have adverse consequences on the ability of CLECs both to generate access revenues from the inter-exchange carriers and to compete in offering a package of local and long distance services. Starting in December 1999, the FCC has approved a number of 271 applications, including applications for New York, Texas, Oklahoma, Kansas, Massachusetts, Connecticut, Pennsylvania, Arkansas, Missouri, Georgia and Louisiana, and an application for 271 authority in New Jersey is currently pending before the

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FCC. We anticipate that the ILECs will soon initiate similar proceedings to obtain long distance service authority in every other state in which we operate or plan to operate.

ACCESS CHARGES

In addition to charging other carriers reciprocal compensation for terminating local traffic, we also collect access charges from carriers for originating and terminating inter-exchange traffic. Federal law requires that these charges be just and reasonable. Some inter-exchange carriers have challenged the switched access rates of some competitive local exchange carriers, asserting that these competitive local exchange carriers' service charges for switched access services are higher than those of the incumbent local exchange carriers serving the same territory, and are therefore unjust and unreasonable. These inter-exchange carriers have refused to pay competitive local exchange carriers any originating access charges in excess of the corresponding incumbent rate. In response, the FCC adopted an order in April 2001, which gradually aligns competitors' access charge rates more closely with those of the ILECs. Specifically, the FCC established a benchmark rate of 2.5 cents per minute for the first year, at the end of which, the rate will drop to 1.8 cents per minute, or the ILEC rate, whichever is higher. At the beginning of year three, the benchmark rate drops to 1.2 cents per minute, or the ILEC rate, whichever is higher. At the end of the third year, the benchmark rate drops to

the switched access rate of the competing ILEC. On the effective date of these rules, competitors have the option to tariff their access rates, for those areas where they have previously offered service, at either the benchmark rate or the rate of the corresponding ILEC in the study area of the relevant end-user customer, whichever is higher. Any competitive carrier access charges above the benchmark, will be mandatorily detariffed, although CLECs may negotiate higher rates with inter-exchange carriers. These changes could impair our ability to offer customers lower-cost access services. Moreover, because competitive local exchange carrier access charges are reduced, our revenue could decrease.

In May 2000, the FCC issued an order adopting an integrated interstate access reform and universal service proposal put forth by a coalition of incumbent local exchange carriers and inter-exchange carriers. Specifically, the FCC removed \$650 million in universal service subsidies from interstate access charges paid by long distance carriers and collects that sum through an assessment on all carriers' interstate revenues. In September 2001, the U.S. Court of Appeals for the Fifth Circuit remanded the FCC's decision, concluding that the FCC failed to exercise sufficiently independent judgment in establishing the \$650 million amount. The FCC is currently seeking comment on the remand. While these reforms are aimed primarily at price cap, or incumbent, local exchange carriers, it is too early to assess what impact, if any, they will have on us.

UNIVERSAL SERVICE

Universal service obligations apply to all telecommunications carriers that provide interstate telecommunications services. In May 1997, the FCC issued an order implementing the provisions of the Telecommunications Act relating to the preservation and advancement of universal telephone service. This order requires all telecommunications carriers providing interstate telecommunications services, including us, to contribute to universal service support for schools, libraries and rural health care programs. Our contribution to the federal support funds is calculated based on a percentage of our gross end-user interstate and international telecommunications revenue. The amount of our required contribution changes each quarter, but may be passed on to our end users on a pro rata basis. The FCC is currently seeking comment on whether it should change the manner in which it assesses contributions, such as moving from revenue-based to flat-rate assessment, and the way in which carriers recover USF costs from their customers. Furthermore, we may be eligible to directly or indirectly receive subsidy funds for telecommunications services we provide to some covered end users. Most state public service commissions have adopted rules or are currently considering actions to preserve universal service and promote the public interest. We are currently unable to quantify the amount of subsidy payments that we will be required to make and the effect that these required payments will have on our financial condition.

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RELAXATION OF REGULATION

FORBEARANCE

The Telecommunications Act gives the FCC authority to decide to forebear from regulating carriers if it believes regulation would not serve the public interest. The FCC is charged with reviewing its regulations for continued relevance on a regular basis. As a result of this mandate, a number of regulations that apply to competitive local exchange carriers have been, and others may in the future be, eliminated. We cannot, however, guarantee that any regulations that are now or will in the future be applicable to us will be eliminated.

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DOMINANCE/NON-DOMINANCE

Through a series of proceedings, the FCC has established different levels of regulation for dominant carriers and non-dominant carriers. As a non-dominant carrier, we are subject to relatively limited regulation by the FCC. However, at a minimum, we must offer interstate services at just and reasonable rates in a manner that is not unreasonably discriminatory. One goal of the Telecommunications Act is to increase competition for telecommunications services and thus reduce the need for regulation of these services. To this end, the Telecommunications Act requires the FCC to streamline its regulation of incumbent local exchange carriers and permits the FCC to forbear from regulating particular classes of telecommunications services or providers. In fact, the FCC is currently considering whether to deem ILECs non-dominant in the provision of broadband services. Since we are a non-dominant carrier and, therefore, are not heavily regulated by the FCC, the potential for regulatory forbearance likely will be more beneficial to the incumbent local exchange carriers than to us in the long run.

DETARIFFING

The Telecommunications Act requires all common carriers, including us, to charge just and reasonable rates for their services and to file schedules of these rates with the FCC. These schedules are known as tariffs and they represent a contract between a carrier and its customers. The FCC has used its forbearance authority to eliminate the filing of tariffs in several instances. Most non-dominant carriers must detariff for their interstate inter-exchange services. However, non-dominant carriers are permitted to continue to file tariffs for some dial-around type services. For international services, non-dominant carriers may not file any new or revised contract tariffs or tariffs for other long-term international service arrangements and most non-dominant carriers were required to detariff by January 28, 2002. Rather, non-dominant carriers must now post their rates, terms and conditions in a publicly available form, such as on a website. Furthermore, as explained above, the FCC has recently adopted permissive detariffing for the access charges competitive carriers levy on interstate long distance carriers for completing calls to competitive local exchange carriers' customers. The FCC's preclusion of non-dominant interstate carriers from filing tariffs may increase our exposure to litigation. Currently, tariffs contain provisions limiting the liability of providers on a variety of issues. In the absence of filed tariffs, carriers must rely on negotiated contracts with each customer to provide these liability limitations.

In addition to requiring the incumbent local exchange carriers to open their networks to competitors and reducing the level of regulation applicable to competitive local exchange carriers, the Telecommunications Act also reduces the level of regulation that applies to the incumbent local exchange carriers, thereby increasing their ability to respond quickly in a competitive market. For example, the FCC has applied streamlined tariff regulation of the incumbent local exchange carriers introduction of new services, which shortens the requisite waiting period before which tariff changes may take effect. These developments enable the incumbent local exchange carriers to change rates more quickly in response to competitive pressures. The FCC has also adopted heightened price flexibility for the incumbent local exchange carriers, subject to specified caps. If exercised by the incumbent local exchange carriers, this flexibility may decrease CoreComm's ability to compete effectively with the incumbent local exchange carriers in its markets.

LOCAL GOVERNMENT AUTHORIZATIONS

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Many jurisdictions where we may provide services require license or franchise fees based on a percentage of revenues. Because the Telecommunications Act specifically allows municipalities to charge fees for use of the public rights-of-way, it is likely that jurisdictions that do not currently impose fees will seek to impose fees in the future. However, the amount and basis of these fees have been successfully challenged by several telecommunications service providers. Federal courts have struck down municipal ordinances that:

- do not relate the fees imposed under the ordinance to the extent of a provider's use of the rights-of-way;
- do not relate the fees imposed under the ordinance to the costs incurred by the local government in maintaining the rights-of-way; or
- seek to impose fees based on a concept of the value of the use to the provider by relating the fees to provider revenues.

Additionally, because the Telecommunications Act requires jurisdictions to charge non-discriminatory fees to all telecommunications providers, telecommunications providers are challenging municipal fee structures that excuse other companies, particularly the incumbent local exchange carriers, from paying license or franchise fees, or allow them to pay fees that are materially lower than those that are required from new competitors such as us. A number of these decisions have been appealed and, in any event, it is uncertain how quickly particular jurisdictions will respond to the court decisions without a specific legal challenge initiated by us or another competitive local exchange carrier to the fee structure at issue.

REGULATION OF RESELLERS

The FCC has defined resale as any activity in which a party, the reseller, subscribes to the services or facilities of a facilities-based provider, or another reseller, and then re-offers communications services to the public for profit, with or without adding value. Resellers are common carriers generally subject to all rules and regulations placed on providers of the underlying services by either the FCC or the states in which they operate. The FCC has held that prohibitions on the resale of common carrier services are unjust, unreasonable, and unlawfully discriminatory in violation of the Telecommunications Act. Accordingly, all common carriers must make their services available for resale at rates, terms, and conditions that do not unreasonably discriminate against resellers.

As to other telecommunications service providers, such as competitive local exchange carriers and wireless providers, there is no regulation that requires them to give discounts to resellers below the rates offered to end users of the same quantities of similar services. The FCC's requirement that wireless providers offer resale services is currently set to expire on November 24, 2002. Because our cellular service offerings are resale-only, the termination of this policy may adversely affect our ability to offer cellular services in the future.

INTERNATIONAL OPERATIONS

We already provide international resale services and may ultimately expand our operations to other countries. The FCC requires every carrier that originates international telecommunications from within the U.S., either through the use of its own facilities or on a resale basis, to secure in advance an authorization from the FCC under Section 214 of the Telecommunications Act. Additionally, these carriers must comply with other routine reporting requirements. We hold a Section 214 Authorization for both facilities-based and resale international services.

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INTERNET REGULATION

The FCC currently does not regulate the provision of Internet service, although it does regulate common carriers that provide elements of the networks on which the Internet is based. Similarly, state

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public utility commissions generally do not regulate Internet service, except in some limited circumstances where incumbent local exchange carriers provide Internet services. The FCC and some states, however, are reviewing the development of the Internet and the types of services that are provided through it. For example, if the FCC should determine that an Internet service provider offers a service that is an exact substitute for long distance telephone service with the sole distinction that it is based on a packet-switched network rather than a circuit-switched network, the FCC may determine that it should impose similar regulation on the new services.

STATE REGULATION GENERALLY

Most states require companies to be certified or authorized by the state's public utility commission in order to provide intrastate common carrier or telecommunications services. These certifications generally require a showing that the carrier has adequate financial, managerial and technical resources to offer the proposed services in a manner consistent with the public interest.

In addition to obtaining certification, in each state, we must negotiate terms of interconnection with the incumbent local exchange carrier before we can begin providing switched services. State public utility commissions are required to approve interconnection agreements before they become effective and must arbitrate disputes among the parties upon request. We have already entered into interconnection agreements with Ameritech, which is now a part of SBC and Verizon. Regulatory changes could require renegotiation of relevant portions of existing interconnection agreements, or require additional court and regulatory proceedings. We are not presently subject to state-initiated price regulation based on costs or earnings. Most states require competitive local exchange carriers to file tariffs setting forth the terms, conditions and prices for intrastate services. Some states permit tariffs to list a rate range or set prices on an individual case basis. Other state requirements may include filing of periodic reports, the payment of regulatory fees and surcharges and compliance with service standards and consumer protection rules. Please refer to the section of the prospectus entitled "-- Interconnection with Local Exchange Carrier Facilities."

Several states provide incumbent local exchange carriers with flexibility for their rates, special contracts, selective discounting, and tariffs, particularly for services that are considered to be competitive. This pricing flexibility increases the ability of the incumbent local exchange carrier to compete with us and constrains the rates we may charge for our services. States may grant incumbent local exchange carriers additional pricing flexibility. At the same time, some incumbent local exchange carriers may request increases in local exchange rates to offset revenue losses due to competition. Some states require prior approvals or notification for some transfers of assets, customers or ownership of a competitive local exchange carrier and for issuance of bonds, notes or other evidence of indebtedness or securities of any nature. Delays in receiving required regulatory approvals may occur.

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MANAGEMENT AND EXECUTIVE COMPENSATION

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DIRECTORS AND EXECUTIVE OFFICERS

The following table provides information about our directors and executive officers:

NAME ----	AGE ---	TITLE -----
Barclay Knapp.....	45	Chairman of the Board
Thomas J. Gravina.....	40	President, Chief Executive Officer and Director
Michael A. Peterson.....	32	Executive Vice President -- Chief Operating Officer, Chief Financial Officer and Director
Gregg N. Gorelick.....	43	Senior Vice President -- Controller and Treasurer
George S. Blumenthal.....	58	Chairman Emeritus and Director
Ralph H. Booth, II.....	48	Director
Alan J. Patricof.....	67	Director
Warren Potash.....	70	Director

Our charter provides for a classified board of directors consisting of three classes as nearly equal in number as possible with the directors in each class serving staggered three year terms. The term of the initial Class I Directors which are comprised of Thomas J. Gravina, Ralph H. Booth, II and Michael A. Peterson, shall terminate on the date of the 2002 annual meeting of stockholders; the term of the initial Class II Directors which are comprised of George S. Blumenthal and Warren Potash shall terminate on the date of the 2003 annual meeting of stockholders and the term of the initial Class III Directors which are comprised of Barclay Knapp and Alan J. Patricof shall terminate on the date of the 2004 annual meeting of stockholders. At each annual meeting of stockholders, successors to the class of directors whose term expires at that annual meeting shall be elected for a three-year term. The following is a brief description of the present and past business experience of each of the persons who serve as our directors and executive officers.

Barclay Knapp is currently the Chairman of CoreComm Limited and CoreComm Holdco and was the President, Chief Executive Officer, Chief Financial Officer and director of CoreComm Limited and CoreComm Holdco from March 1998 until January 2002. Mr. Knapp was appointed President of Cellular Communications of Puerto Rico, Inc. in March 1994 and Chief Executive Officer in March 1998, and remained in those positions until the 1999 sale of Cellular Communications of Puerto Rico. Mr. Knapp was a director of Cellular Communications of Puerto Rico from February 1992 and was Chief Financial Officer from that date to 1997. Mr. Knapp was Executive Vice President, Chief Operating Officer and a director of Cellular Communications International, Inc. from July 1991 until June 1998. Mr. Knapp was also Executive Vice President, Chief Operating Officer, Chief Financial Officer and a director of Cellular Communications, Inc. from its founding in 1981 until its sale in 1996. He is currently President, Chief Executive Officer and a director of NTL Incorporated. Mr. Knapp is also a director of Bredbandsbolaget, a Swedish company in which NTL holds a 25% interest.

Thomas J. Gravina is currently the President and Chief Executive Officer and a director of CoreComm Holdco and the President and Chief Executive Officer of CoreComm Limited. Mr. Gravina was the Executive Vice President and Chief Operating Officer of CoreComm Limited and CoreComm Holdco, until January 2002. Mr. Gravina has been employed by each of CoreComm Limited and CoreComm Holdco since the acquisition of ATX Telecommunications Services, Inc. in September 2000. Prior to the acquisition, Mr. Gravina served as Co-Chief Executive Officer and a partner of ATX, a position he had held since 1987.

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Michael A. Peterson is currently Executive Vice President -- Chief Operating Officer, Chief Financial Officer and a director of CoreComm Holdco and the Executive Vice President -- Chief Operating Officer and Chief Financial Officer of CoreComm Limited, and had served as Vice President -- Corporate Development of CoreComm Limited and CoreComm Holdco since June 2000 and, until that time, had

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served as Director -- Corporate Development of CoreComm Limited and CoreComm Holdco since our inception. He has worked for us and our related historical affiliates since 1996. He was also Director -- Corporate Development at NTL from 1996 to 2002. Prior to joining NTL, he was in the investment banking division at Donaldson, Lufkin & Jenrette, specializing in the communications industry.

Gregg N. Gorelick is currently Senior Vice President -- Controller and Treasurer of CoreComm Limited and CoreComm Holdco and has served as Vice President -- Controller and Treasurer since March 1998. Mr. Gorelick was Cellular Communications of Puerto Rico's Vice President and Controller from February 1992 until its sale in 1999, held that position at Cellular Communications International from July 1991 until its sale in 1999 and has held that position at NTL since its formation. From 1981 to 1986 he was employed by Ernst & Whinney (now known as Ernst & Young LLP). Mr. Gorelick is a certified public accountant and was Vice President and Controller of Cellular Communications from 1986 until its sale in 1996.

George S. Blumenthal has been Chairman Emeritus of CoreComm Limited and CoreComm Holdco since January 2002, a director of CoreComm Limited and CoreComm Holdco since March 1998 and was the Chairman of CoreComm Limited and CoreComm Holdco from March 1998 until January 2002. Mr. Blumenthal was Chairman, Treasurer and a director of Cellular Communications of Puerto Rico from February 1992 until its sale in 1999 and was its Chief Executive Officer from March 1994 until March 1998. In addition, Mr. Blumenthal is Chairman, Treasurer and a director of NTL. Mr. Blumenthal is also a director of Sotheby's Holdings, Inc.

Ralph H. Booth, II has been our director since January 2002, and has been the Chairman and Chief Executive Officer of Booth American Company, a private investment concern, since 1995. Prior to that time and beginning in 1981, he was the President and Chief Financial Officer for Booth American Company when it owned and operated both a cable television and a radio broadcasting division. Mr. Booth is a co-founder of and principal in ECE Management International, LLC since 1989. Mr. Booth is also a director of B/G Communications, LLC, B/G Enterprises, LLC, B/G Properties, LLC and Grupo Clarin, S.A.

Alan J. Patricof has been a director of CoreComm Limited and CoreComm Holdco since March 1998. Mr. Patricof is Chairman of APAX Partners, formerly known as Patricof & Co. Ventures, Inc., a venture capital firm he founded in 1969. Mr. Patricof serves as a director of NTL and Boston Properties, Inc., which are publicly held, and Johnny Rockets Group, Inc., which is a privately held company.

Warren Potash has been a director of CoreComm Limited and CoreComm Holdco since March 1998. Mr. Potash retired in 1991 as President and Chief Executive Officer of the Radio Advertising Bureau, a trade association, a position he held since 1989. Prior to that time, and beginning in 1986, he was President of New Age Communications, Inc., a communications consultancy firm. Until his retirement in 1986, Mr. Potash was a Vice President of Capital Cities/ABC Broadcasting, Inc., a position he held since 1970. Mr. Potash is also a director of NTL.

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In addition to these individuals, our board of directors has approved the expansion of the board and the nomination and appointment of three additional directors to be designated by Michael Karp, which expansion and appointments are to become effective once the board is informed of the identity of the nominees. Michael Karp is currently our largest stockholder, and participated in the Holdco recapitalization by tendering notes and preferred stock he held in exchange for shares of our common stock. Mr. Karp, together with the Florence Karp Trust, presently holds 34.0% of our common stock. The board has not yet been informed of the individuals whom Mr. Karp intends to nominate. Mr. Karp's right to nominate these directors was included in the exchange agreement that he signed with CoreComm Limited and CoreComm Holdco as part of the Holdco recapitalization.

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EXECUTIVE COMPENSATION

The following table discloses compensation received by our Chief Executive Officer and our four other most highly paid executive officers for the year ended December 31, 2001.

CORECOMM HOLDCO

SUMMARY COMPENSATION TABLE*

		ANNUAL COMPENSATION			LONG-TERM COMPENSATION	
		-----			AWARDS COMMON	
NAME AND PRINCIPAL POSITION IN 2001	YEAR	SALARY (\$)	BONUS (\$)	OTHER ANNUAL COMPENSATION (\$)	STOCK UNDERLYING OPTIONS (#) (1)	ALL O COMPEN (\$)
-----	----	-----	-----	-----	-----	-----
Barclay Knapp.....	2001	104,870	--	--	--	
President and Chief	2000	121,917	--	--	--	
Executive and	1999	51,667	--	--	--	
Financial Officer						
George S. Blumenthal.....	2001	104,870	--	--	--	
Chairman	2000	121,917	--	--	--	
	1999	51,667	--	--	--	
Richard J. Lubasch(2).....	2001	88,390	100,000	--	100,000	
Senior Vice President --	2000	102,758	--	--	75,000	
General Counsel and	1999	39,583	--	--	30,000	
Secretary						
Thomas J. Gravina(3).....	2001	248,077	1,300,000	12,185 (4)	--	
Executive Vice President						
and Chief Operating						
Officer						
Michael A. Peterson(5).....	2001	2,400	750,000	--	225,000	
Vice President --	2000	2,400	--	--	100,000	
Corporate Development						
Patty J. Flynt(6).....	2001	58,700	50,615	--	--	
Senior Vice President and	2000	223,149	117,742	38,161 (7)	150,000	
Chief Operating Officer	1999	206,250	100,435	--	450,001	

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* The amounts in the table above represent the amounts directly paid by CoreComm Limited and by us to the named executives. In addition, we share resources with NTL related to corporate activity, including a corporate office and corporate employees. In conjunction with this arrangement, some employees of NTL provided management, financial, legal and technical services to CoreComm Limited and us. Under this arrangement, NTL charges us the salaries of these employees and other expenses of the shared resources, such as an office expense. In 2001, 2000 and 1999, NTL charged CoreComm Limited \$325,000, \$919,000 and \$2,268,000, respectively, net of CoreComm Limited's charges to NTL. These charges are not included in the above table. It is not practicable to determine the amounts of these expenses that would have been incurred had CoreComm Limited operated without these services. However, in the opinion of CoreComm Limited's management, the allocated method is reasonable. The named executives, except for Mr. Gravina, received salaries from NTL and spent portions of their time providing executive management to us. See the section of the prospectus entitled "Certain Relationships and Related Transactions."

- (1) Amounts in this column are CoreComm Limited stock option grants. In December 2001, the CoreComm Limited board of directors, in connection with the Holdco recapitalization, accelerated all outstanding options to acquire shares of CoreComm Limited common stock so that all are presently fully vested and exercisable. As is permitted under CoreComm Limited's option plans, on or around April 11, 2002 CoreComm Limited sent notices to the holders of its options stating CoreComm Limited's intention to consummate the merger and informing these holders that their options will

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terminate upon the consummation of the merger. Between now and the time of the merger, if holders of CoreComm Limited options exercise their options, they would, at the time of the merger, have the same rights as other holders of CoreComm Limited common stock to have their shares of CoreComm Limited converted to shares of our common stock at that exchange ratio.

- (2) Effective February 4, 2002, Mr. Lubasch resigned from office as our Senior Vice President -- General Counsel and Secretary.
- (3) Thomas J. Gravina became Executive Vice President and Chief Operating Officer effective February 1, 2001, following the resignation of Patty J. Flynt as Senior Vice President and Chief Operating Officer. In January 2002, he became President and Chief Executive Officer.
- (4) Other annual compensation represents a car allowance.
- (5) In January 2002, Mr. Peterson became Executive Vice President -- Chief Operating Officer and Chief Financial Officer.
- (6) Effective February 1, 2001, Ms. Flynt resigned from office as Senior Vice President and Chief Operating Officer.
- (7) Other annual compensation includes reimbursement for relocation expenses and moving expenses.

EMPLOYMENT ARRANGEMENTS

Our executive compensation program is designed to be closely linked to corporate performance. To this end, we have developed an overall compensation strategy that links compensation directly to the achievement of operational goals, and also ties a portion of an executive's aggregate compensation to the appreciation in stock price. The overall objective of this strategy is to

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attract and retain the best possible executive talent and to motivate these executives to achieve the goals inherent in our business strategy, thereby seeking to enhance our profitability and value.

In furtherance of our incentive-oriented compensation goals, historically cash compensation such as annual base salary and bonus has generally been set below levels paid by comparable sized telecommunications companies and was supplemented by equity-based option grants. However, in part due to the significant downturn in the financial markets, the elimination of value associated with stock options generally, as well as the uncertainty and changes relating to our business in this environment, the compensation committee determined to increase the level of cash compensation paid to several of its senior executives in order to retain them. In assessing these compensation levels, the compensation committee, which is composed of independent directors, recognizes the fact that some executives have participated in the development of our business from its earliest stages, have preserved significant value in an extremely challenging environment, and are very important to retain for the future success of our business.

In January 2002, our board of directors promoted Thomas J. Gravina from our Executive Vice President and Chief Operating Officer to our President and Chief Executive Officer. At the same time, our board of directors promoted Michael A. Peterson from our Vice President -- Corporate Development to our Executive Vice President -- Chief Operating Officer and Chief Financial Officer. The following represent the principal terms of employment arrangements for Messrs. Gravina and Peterson that were agreed in principal between the compensation committee of the board of directors, which is comprised solely of independent directors, and the named executive in January 2002. The compensation to be received by Messrs. Gravina and Peterson is significantly greater than the compensation we have historically paid to our executives. We believe that this compensation is reasonable given that Messrs. Gravina and Peterson have been leading the company through the recapitalization process and given that a large share of their compensation is tied to the achieving of financial targets by CoreComm Holdco. The employment arrangements are subject to formalization in fully executed employment contracts. These principal terms are currently in effect, although these contracts may contain different or additional material terms when finalized and executed.

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Thomas J. Gravina:

Term:	Three years, plus automatic one year renewals unless six months notice of non-renewal by executive or by us
Title:	President and Chief Executive Officer
Base salary:	\$900,000
Bonuses:	Quarterly bonus targets of \$300,000 for 2002; quarterly bonus targets of \$225,000 for each calendar year after 2002, in each case based on meeting EBITDA and free cash flow targets, whereby none of these quarterly bonuses would be paid if these targets are not met; bonus of \$700,000 payable in connection with completion of the Holdco recapitalization process; and additional bonuses commensurate with position, performance and awards to other senior executives

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Options: Initial grant of options to purchase 967,500 shares of our common stock at an exercise price of \$1.00 per share(1)

Benefits: Appropriate for executive's position, including 401(k), savings, pension, profit sharing, life insurance, disability and medical insurance; term life insurance providing \$3,000,000 death benefit; and long-term disability insurance providing a benefit of at least \$300,000 per year

Termination without cause: Up to two years bonus and salary payable upon termination, plus two years option acceleration

Non-competition: Customary non-compete and non-solicitation provisions

Michael A. Peterson:

Term: Three years, plus automatic one year renewals unless six months notice of non-renewal by executive or by us

Title: Executive Vice President -- Chief Operating Officer and Chief Financial Officer

Base salary: \$500,000

Bonuses: Quarterly bonus targets of \$150,000 for 2002; quarterly bonus targets of \$112,500 for each calendar year after 2002, in each case based on meeting EBITDA and free cash flow targets, whereby none of these quarterly bonuses would be paid if these targets are not met; bonus of \$350,000 payable in connection with completion of the Holdco recapitalization process; additional bonuses commensurate with position, performance and awards to other senior executives

Options: Initial grant of options to purchase 1,485,000 shares of our common stock at an exercise price of \$1.00 per share(1)

Benefits: Appropriate for executive's position, including 401(k), savings, pension, profit sharing, life insurance, disability and medical insurance; term life insurance providing \$3,000,000 death benefit; and long-term disability insurance providing a benefit of at least \$300,000 per year

Termination without cause: Up to two years bonus and salary payable upon termination, plus two years option acceleration

Non-competition: Customary non-compete and non-solicitation provisions

(1) These options were granted to the named executive in January 2002.

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There were no options to purchase shares of our common stock outstanding in 2001.

STOCK OPTION PLAN

On December 10, 2001, our board of directors adopted the CoreComm Holdco, Inc. 2001 Stock Option Plan, reserving under this plan shares of common stock for issuance to employees and non-employee directors.

The purpose of our stock option plan is to encourage stock ownership by our employees and non-employee directors, and the employees and non-employee directors of our divisions, subsidiary corporations and other affiliates, so as to encourage these individuals to continue to put forth maximum efforts for the success of our business. Under our stock option plan, grants may be made of options to acquire shares of our common stock. The options may be incentive stock options within the meaning of Section 422 of the Internal Revenue Code. The terms of options granted under our stock option plan, including provisions regarding vesting, exercisability, exercise price and duration, are generally set by the compensation committee of our board of directors.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table provides, as of June 25, 2002, information regarding the beneficial ownership of our common stock by (a) each of our executive officers and directors, (b) all those directors and executive officers as a group and (c) each person known by us to be the beneficial owner of more than 5% of any class of our voting securities as calculated in accordance with Rule 13d-3 of the Exchange Act. Except as set forth in footnote (4) below, all shares of our common stock set forth in the table below were obtained by our executive officers, directors and principal stockholders in the first phase of the Holdco recapitalization where they exchanged debt securities or preferred stock for shares of our common stock.

EXECUTIVE OFFICERS, DIRECTORS AND PRINCIPAL STOCKHOLDERS(1)	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP			
	COMMON STOCK	PRESENTLY EXERCISABLE AND OPTIONS, WARRANTS (2)	TOTAL	PERCENT (3)
Barclay Knapp.....	1,042,734	0	1,042,734	3.48%
Thomas J. Gravina(4).....	3,262,764	328,950	3,591,714	11.84%
Michael A. Peterson(4).....	22,764	504,900	527,664	1.73%
Gregg N. Gorelick.....	0	45,900	45,900	*
George S. Blumenthal.....	586,011	0	586,011	1.95%
Ralph H. Booth, II(5).....	6,240,000 (5)	0	6,240,000 (5)	20.80%
Alan J. Patricof.....	0	16,320	16,320	*
Warren Potash.....	2,277	16,320	18,597	*
All directors and officers as a group (8 in number).....	11,156,550	912,390	12,068,940	39.04%
Michael Karp(6).....	10,200,000	0	10,200,000	34.00%
University City Housing Company 1062 East Lancaster Avenue, Suite 30B Rosemont, PA 19010				

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Booth American Company(5)..... 333 West Fort Street, Suite 1230 Detroit, MI 48226	6,240,000	0	6,240,000	20.80%
CoreComm Limited.....	3,943,248	0	3,943,248	13.14%
Debra Buruchian..... c/o CoreComm Limited 50 Monument Road Bala Cynwyd, PA 19004	3,240,000	25,500	3,265,500	10.88%

* Represents less than one percent.

- (1) Unless otherwise noted, the business address of each person is 110 East 59th Street, New York, New York 10022.
- (2) Includes shares of common stock purchasable upon the exercise of options which are exercisable or become so in the next 60 days and warrants.
- (3) Includes common stock and exercisable options.
- (4) In December 2001, each of Mr. Gravina and Mr. Peterson received 22,764 shares of our common stock under agreements entered into in order to induce a holder of \$5 million in principal amount of public notes to sell its public notes. See the section of this prospectus entitled "The Exchange Offers."
- (5) Ralph H. Booth, II, our director, is an affiliate of Booth American Company. Accordingly, Mr. Booth may claim beneficial ownership of all of the shares held by Booth American Company. Booth American Company is the record owner of all 6,240,000 shares set forth opposite Ralph H. Booth, II's name in the table.
- (6) Includes 591,303 shares of common stock held by the Florence Karp Trust, of which shares Mr. Karp disclaims beneficial ownership.

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

CoreComm Holdco has entered into several transactions with related parties as described below. Each of these transactions is as favorable to CoreComm Holdco as could be obtained with an unrelated third party.

NTL INCORPORATED

NTL Incorporated is a related party to CoreComm Holdco because the two entities have several overlapping directors and officers. Barclay Knapp, currently our Chairman, is also the President, Chief Executive Officer and a director of NTL and a director of Bredbandsbolaget, a Swedish company in which NTL holds a 25% interest. Gregg N. Gorelick, currently our Senior Vice President -- Controller and Treasurer, is also a Vice President and Controller at NTL. George S. Blumenthal, currently our Chairman Emeritus, is also Chairman, Treasurer and a director of NTL. Each of Alan J. Patricof and Warren Potash serves as a director of both CoreComm Holdco and NTL.

We share resources with NTL related specifically to corporate activity, including corporate employees and a corporate office. In conjunction with these arrangements, NTL provides us with management, financial, legal and administrative support services through the use of employees, as well as access

to office space and equipment and use of supplies and related office services. Approximately 7 NTL employees provided services to CoreComm Limited and to us in 2001. The salaries of these employees are charged to us by NTL based on the allocations of their time spent providing services to us. Amounts charged to us by NTL consist of direct costs allocated to us where identifiable and a percentage of the portion of NTL's corporate overhead which cannot be specifically allocated to NTL. Effective January 1, 2001, the percentage used to allocate corporate overhead was reduced. NTL's charges to CoreComm Limited commenced in October 1998. It is not practicable to determine the amounts of these expenses that would have been incurred had CoreComm Limited operated as an unaffiliated entity. In the opinion of management, this allocation method is reasonable. For the three months ended March 31, 2002, and for the years ended December 31, 2001, 2000 and 1999, NTL charged CoreComm Limited \$84,000, \$446,000, \$1,186,000 and \$2,330,000, respectively, which is included in corporate expenses. In 2001 and 2002, we have reduced our reliance on NTL for these services and have developed our internal ability to meet our business needs.

As part of these arrangements, at a separate office location, we provided NTL with access to office space and equipment and the use of supplies until August 2001, at which time this office was vacated. In the fourth quarter of 1999, CoreComm Limited began charging NTL a percentage of its office rent and supplies expense. It is not practicable to determine the amounts of these expenses that would have been incurred had we operated as an unaffiliated entity. In the opinion of management, this allocation method is reasonable. For the three months ended March 31, 2002, and for the years ended December 31, 2001, 2000 and 1999, CoreComm Limited charged NTL \$67,000, \$121,000, \$267,000 and \$62,000 respectively, which reduced corporate expenses.

On April 12, 2001, we and CoreComm Limited issued, as joint and several obligors, a 10.75% Unsecured Convertible PIK Note due 2011 to NTL in the principal amount of \$15,000,000 for the purchase price of \$15,000,000, which was paid in cash. At that time, in order to induce NTL to purchase the 10.75% Unsecured Convertible PIK Note due April 2011, CoreComm Limited entered into a network and software agreement with NTL and CoreComm Limited issued to NTL warrants, with an estimated value of \$397,000 at that time, to purchase CoreComm Limited common stock. Under the network and software agreement with NTL, we are obligated to provide U.S. network access for U.K. Internet traffic from NTL's U.K. customers for three years, as well as a royalty-free license to use some of our software and know-how. On February 5, 2002, we and CoreComm Limited entered into letter agreements regarding the convertibility feature of this note and of the additional notes issued under this note, which letter agreements are filed as exhibits to the registration statement of which this prospectus forms a part. Through those letter agreements, consistent with the original terms of the notes, we and CoreComm Limited have agreed to exercise our rights under the notes so that, following our accepting CoreComm

Limited common stock under the exchange offer for CoreComm Limited common stock, the convertibility feature of the notes will be altered so that rather than the notes being convertible into shares of CoreComm Limited common stock, they will become convertible into shares of our common stock. At that time, the conversion price of \$1.00 will be equitably adjusted by applying the exchange ratio in the exchange offer for CoreComm Limited common stock, which results in a new conversion price of \$38.90 per share of our common stock. In the event that we do not accept CoreComm Limited common stock under the exchange offer, the conversion feature would remain into CoreComm Limited common stock. The principal features of these notes and the additional letter agreements are set forth in "Description of Our Indebtedness -- 10.75% Unsecured Convertible PIK Note due 2011."

A subsidiary of ours provides billing and software development services to subsidiaries of NTL. These services relate to the development and maintenance of software that was originally developed by employees of ours. These services are provided to NTL through approximately 15 of our employees. General and administrative expenses were reduced by \$144,000, \$1,883,000, \$1,400,000, and \$800,000 for the three months ended March 31, 2002 and for the years ended December 31, 2001, 2000 and 1999, respectively, as a result of the charges for these services. In October 2000, CoreComm Limited billed NTL \$6,674,000 for billing and software development services to be rendered from January to September 2001.

In 2001, CoreComm Holdco and NTL entered into a license agreement whereby NTL was granted an exclusive, irrevocable, perpetual license to billing software developed by CoreComm Holdco for telephony rating, digital television events rating, fraud management and other tasks. The sales price was cash of \$12.8 million, which was received in 2001. The billing software was being used by NTL at the time of this agreement, and was being maintained and modified by CoreComm Holdco under an ongoing software maintenance and development outsourcing arrangement between the companies. CoreComm Holdco recorded the \$12.8 million as deferred revenue to be recognized over a period of three years, which was the estimated amount of time CoreComm Holdco expected to provide service under this arrangement. CoreComm Holdco recognized \$1.1 million and \$2.5 million during the three months ended March 31, 2002 and the year ended December 31, 2001, respectively.

In March 2000, CoreComm Holdco and NTL announced that they had entered into an agreement to link their networks in order to create an international Internet backbone that commenced operations in February 2001. CoreComm Holdco recognized revenue of \$327,000 for the network usage in the year ended December 31, 2001.

On May 8, 2002 NTL filed for bankruptcy protection pending its reorganization under Chapter 11 of the United States Bankruptcy Code. We do not believe that this will materially affect our relationship with NTL or our ability to carry on our operations.

PROPERTIES AND FACILITIES OF THE BUSINESS FORMERLY OPERATED BY ATX

The former ATX headquarters and executive offices and primary technical operations facility are leased from entities controlled by Michael Karp, the former Chief Executive Officer and principal stockholder of ATX and our largest stockholder who, together with The Florence Karp Trust, currently owns 34.0% of our common stock. For the year ended December 31, 2001, we paid approximately \$1.6 million in rent for these facilities. The lease for the former primary technical operations facility currently expires in December 2002. In connection with our acquisition of ATX, these leases were modified to reflect provisions found in arm's length negotiations for these arrangements, including:

- the landlord is required to give consent to a reasonable sublease, and is entitled to all profits from that sublease;
- a standard recapture right;
- a standard non-disturbance clause;
- we are no longer obligated to share facilities, employees and/or supplies with the landlord;
- provisions regarding the purchase of telecommunications services by landlord or other tenants from ATX have been eliminated; and

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- arrangements granting the landlord a percentage of ATX's revenues have been eliminated.

ATX LIABILITY INSURANCE PLANS

ATX's liability insurance plans were held jointly with University City Housing, an entity owned by Michael Karp. In connection with our acquisition of ATX, each of ATX's liability insurance plans were amended so that University City Housing is not entitled to participate in these plans.

INTERCOMPANY EXCHANGE AGREEMENT

On December 14, 2001, we and CoreComm Limited, as part of the Holdco recapitalization, entered into an agreement whereby CoreComm Limited agreed that from time to time, upon our written request, it would deliver to us shares of our common stock held by it. The purpose of this agreement was to maintain CoreComm Limited's stockholders' percentage interest in us, as agreed to in the exchange agreement among us, CoreComm Limited and holders of CoreComm Limited's debt and preferred stock, at approximately 13%, assuming the exercise of warrants. Following the consummation of the first phase of the Holdco recapitalization, CoreComm Limited owned, and continues to own, 3,943,248 shares of our common stock. By tendering their shares of CoreComm Limited common stock in the exchange offers, CoreComm Limited stockholders will become the direct owner of shares of our common stock rather than hold shares indirectly through CoreComm Limited. We and CoreComm Limited plan to have CoreComm Limited surrender, immediately following the merger, all shares of our common stock that it owns, other than the number of shares of our common stock deliverable upon conversion of public notes neither tendered in the exchange offer for public notes nor converted prior to the completion of the merger, so that holders of CoreComm Limited common stock that tender their shares will continue to own approximately the same equity interest in us as they currently hold in CoreComm Limited. This intercompany exchange agreement relates to all 3,943,248 shares of our common stock that CoreComm Limited currently owns.

Under the terms of this intercompany exchange agreement, we agreed, upon the surrender of shares of our common stock by CoreComm Limited under the intercompany exchange agreement, to

(1) waive our rights to interest payments under CoreComm Limited debt securities that we hold;

(2) extend by twenty years the maturity dates of CoreComm Limited debt securities that we hold;

(3) delete provisions contained in the Senior Unsecured Notes due September 29, 2003 of CoreComm Limited relating to scheduled prepayments, mandatory prepayments and liens;

(4) delete provisions in the Note Purchase Agreement, dated as of September 29, 2000, related to the Senior Unsecured Notes due September 29, 2003 of CoreComm Limited relating to accounting, financial statements, inspection rights, insurance, payment of taxes, compliance with laws, corporate existence, indebtedness incurred, refinancing, liens, liquidation and dissolution, covenants restricting payment, transactions with affiliates, fees and events of default; and

(5) waive our rights with respect to shares of preferred stock of CoreComm Limited which we hold relating to receipt of dividends, mandatory redemption rights, conversion rights and governing rights.

These waivers, amendments and deletions are subject to equitable

adjustment, in our discretion, in the event that any of the recapitalization transactions are not consummated or are otherwise compromised. The main purposes of these waivers, amendments and deletions was to delay CoreComm Limited from having to make any payments with respect to these securities and prevent it from having to issue any shares of its common stock with respect to these securities. The effect of these waivers, amendments and deletions is that beginning on the date on which we acquire shares of our common stock surrendered by CoreComm Limited under the intercompany exchange agreement, we will not be able to require CoreComm Limited to make any payments under these securities for over 20 years, to issue shares of its common stock with respect to these securities or to comply with many of the restrictive covenants that formerly applied to these securities.

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Since we have not yet acquired the shares of our common stock that are held by CoreComm Limited, the waivers, amendments and deletions discussed above are currently not in effect. For a discussion of transactions we intend to enter into with respect to the above listed securities, please see the section of this prospectus entitled "The Exchange Offers -- Conditions for Completion of the Exchange Offers."

This agreement was subsequently amended to waive (1) the interest payment that was due to Holdco on April 1, 2002 under the terms of the Senior Unsecured Notes due September 29, 2003 until the date on which Holdco provides notice to Limited demanding that this interest payment be made; (2) the interest payment that would be due to Holdco on October 1, 2002 under the terms of the Senior Unsecured Notes due September 29, 2003 until April 1, 2003; and (3) all principal payments that would be due to Holdco before April 1, 2003 under the terms of the Senior Unsecured Notes due September 29, 2003 until April 1, 2003. Because CoreComm Limited will be a wholly owned subsidiary of CoreComm Holdco following the completion of the Holdco recapitalization, the foregoing waivers will no longer be necessary and will be of no further effect. The intercompany exchange agreement was also amended (1) to provide for the cancellation, immediately upon the completion of the merger, of all shares of Holdco common stock that Holdco receives in the exchange offer for shares in CoreComm Limited common stock; and (2) to irrevocably waive future acceleration of the public notes held by Holdco relating to CoreComm Limited's failure to pay the April 1, 2002 interest payment on the public notes.

AGREEMENTS IN CONNECTION WITH THE HOLDCO RECAPITALIZATION

Several related parties of ours were parties to the exchange agreement that we and CoreComm Limited entered into on December 14, 2001. Under this exchange agreement, each of

(1) Barclay Knapp, currently our Chairman;

(2) Thomas J. Gravina, currently our President and Chief Executive Officer, one of our directors and a current holder of over 10% of our common stock;

(3) George S. Blumenthal, currently our Chairman Emeritus and one of our directors;

(4) Booth American Company, a current holder of over 10% of our common stock and whose affiliate Ralph H. Booth, II, is currently one of our directors;

(5) Michael Karp, a current holder of over 10% of our common stock;
and

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(6) Debra Buruchian, a current holder of over 10% of our common stock

exchanged debt securities of CoreComm Limited, debt securities which were joint obligations of us and CoreComm Limited and/or CoreComm Limited preferred stock for shares of our common stock. Please refer to the section of the prospectus entitled "Description of Capital Stock -- The Exchange Agreement."

In October 2001, we and CoreComm Limited entered into agreements with George S. Blumenthal, our current Chairman Emeritus and a director, Barclay Knapp, our current Chairman and Warren Potash, a current director of ours, each of whom held public notes under which CoreComm Limited paid to these related parties an amount equal to the October 1, 2001 interest payment which had not previously been paid and we exchanged shares of our common stock for the public notes held by these related parties. The terms of these transactions were substantially similar to the other transactions in the first phase of the Holdco recapitalization in which other holders of public notes exchanged their notes for our common stock. Please refer to the sections of the prospectus entitled "Description of Capital Stock -- The Public Note Agreements" and "Matters Relating to Outstanding Securities -- Public Notes."

For a discussion of an agreement entered into by two of our officers and directors in order to induce a holder of \$5 million in principal amount of public notes to sell its public notes, please see the section of this prospectus entitled "The Exchange Offers -- Background and Purpose."

EMPLOYMENT ARRANGEMENTS

A summary of the terms of employment arrangements between each of Thomas J. Gravina, our President and Chief Executive Officer and a director, and Michael A. Peterson, our Executive Vice President -- Chief Operating Officer and Chief Financial Officer and a director, are described in the section "Management and Executive Compensation -- Employment Arrangements."

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INFORMATION ABOUT CORECOMM LIMITED

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

LIQUIDITY AND CAPITAL RESOURCES

As a result of the first phase of the Holdco recapitalization, CoreComm Limited, which formerly owned 100% of CoreComm Holdco's outstanding capital stock, now owns only approximately 13% of CoreComm Holdco's outstanding capital stock. CoreComm Holdco owns substantially all of the business operations, which CoreComm Limited formerly owned indirectly through CoreComm Holdco. However, CoreComm Limited remains a party liable under the \$156.1 million senior secured credit facility and has no right to withdraw any additional money under that facility. Additionally, CoreComm Limited is a co-obligor with CoreComm Holdco for the 10.75% Unsecured Convertible PIK Notes due April 2011 of \$16,599,000, including accrued PIK interest. In addition, as of March 31, 2002, CoreComm Limited had obligations of approximately \$591 million of debt and preferred securities now held by CoreComm Holdco, \$4.75 million principal amount of public notes that are not held by CoreComm Holdco, and other liabilities. In addition, the senior secured credit facility does not allow CoreComm Holdco to pay any dividends or distribute assets to CoreComm Limited. As a result of these financial conditions, CoreComm Limited currently lacks the resources to meet its obligations as they become due.

CoreComm Limited's auditors included a going concern explanatory paragraph

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in their audit report for the year ended December 31, 2001, which states that CoreComm Limited's liquidity conditions raise substantial doubt about its ability to continue as a going concern.

CoreComm Limited does not contemplate raising any additional financing in the foreseeable future.

As a result of the first phase of the Holdco recapitalization, CoreComm Holdco holds \$160 million principal amount of public notes, approximately \$105.7 million principal amount of CoreComm Limited Senior Unsecured Notes and all of CoreComm Limited's outstanding preferred stock. CoreComm Limited does not have the financial resources to meet its obligations under these notes and preferred stock if CoreComm Holdco requires it to do so. CoreComm Limited has agreed that it will surrender to CoreComm Holdco the number of shares of CoreComm Holdco common stock that CoreComm Holdco requests. We intend to request that CoreComm Limited surrender, immediately following the merger, all shares of our common stock that it owns, other than the number of shares of our common stock deliverable upon conversion of public notes not tendered in the exchange offer for public notes or converted prior to the completion of the merger. Therefore, if the merger is completed, CoreComm Limited will own little or no common stock of CoreComm Holdco, and thus will own little or no material assets, since CoreComm Holdco common stock is CoreComm Limited's only material asset. In exchange for surrendering shares of CoreComm Holdco common stock, both CoreComm Holdco and CoreComm Limited have agreed to waivers and amendments to delay payments with respect to these securities.

Under the exchange offers, those stockholders and noteholders who exchange their shares and public notes, respectively, will receive shares of CoreComm Holdco, and would no longer hold CoreComm Limited securities.

CoreComm Limited may lack the resources to meet the obligations of the remaining \$4.75 million in principal amount of public notes that are not held by CoreComm Holdco. CoreComm Limited did not pay any interest that was due on the public notes on October 1, 2001 until December 2001 at which time it paid this interest to the parties that entered into public note agreements in connection with the first phase of the Holdco recapitalization. On March 28, 2002, the October 1, 2001 interest payment, together with interest accrued thereon, was paid on the \$4.75 million in principal amount of public notes that did not receive the October 1, 2001 interest payment in December 2001. The April 1, 2002 interest payment on the public notes has not yet been paid and CoreComm Limited is in default under those notes. The consideration CoreComm Holdco is offering in its exchange offer for the public notes includes \$30.00 in cash, which represents the April 1, 2002 interest payment, for each \$1,000 in principal amount outstanding.

On February 14, 2002, CoreComm Limited received written notification from Nasdaq indicating that it failed to comply with the minimum market value of publicly held shares and minimum bid price

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requirements for continued listing on the Nasdaq National Market and that it would have until May 15, 2002 to regain compliance. CoreComm Limited did not regain compliance by May 15, 2002. On May 16, 2002, Nasdaq provided CoreComm Limited written notice of a Nasdaq Staff Determination indicating that CoreComm Limited common stock is subject to delisting from the Nasdaq National Market. On May 23, 2002, CoreComm Limited filed a request for a hearing before a Nasdaq Listing Qualifications Panel to review the Nasdaq Staff Determination. A hearing has been set for June 28, 2002. Under Nasdaq rules, pending a decision by the Panel, CoreComm Limited common stock will continue to trade on the Nasdaq National Market. CoreComm Limited will not be notified until the Panel makes a formal decision. There can be no assurance that CoreComm Limited will prevail at

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the hearing, and that its common stock will not be delisted from the Nasdaq National Market.

If CoreComm Limited common stock is delisted from the Nasdaq National Market, shares may trade in the over-the-counter market and price quotations may be reported by other sources. The extent of the public market and the availability of quotations for shares of CoreComm Limited common stock would, however, depend upon the number of holders of shares remaining at that time, the interest in maintaining a market in shares of CoreComm Limited common stock on the part of securities firms and other factors. If the exchange offer for CoreComm Limited common stock is completed and the Nasdaq listing is transferred from CoreComm Limited to CoreComm Holdco, (1) CoreComm Limited will terminate the registration of its shares under the Securities Exchange Act of 1934 and (2) CoreComm Holdco will become the "successor" issuer to CoreComm Limited and will be subject to the periodic reporting requirements of the Securities Exchange Act of 1934.

On January 22, 2002, the Securities and Exchange Commission issued FR-61, Commission Statement about Management's Discussion and Analysis of Financial Condition and Results of Operations. The release sets forth views of the Securities and Exchange Commission regarding disclosure that should be considered by registrants. CoreComm Limited's contractual obligations and commercial commitments are summarized below, and are fully disclosed in the Notes to Consolidated Financial Statements.

The following table includes aggregate information about CoreComm Limited's contractual obligations as of March 31, 2002 and the periods in which payments are due:

		PAYMENTS DUE BY PERIOD			
CONTRACTUAL OBLIGATIONS	TOTAL	LESS THAN 1 YEAR	1-3 YEARS	4-5 YEARS	AFTER 5 YEARS
			(IN THOUSANDS)		
Long-Term Debt (1).....	\$270,429	\$4,750	\$105,679	\$160,000	\$ --
Capital Lease Obligations.....	none	--	--	--	--
Operating Leases.....	none	--	--	--	--
Unconditional Purchase Obligations.....	none	--	--	--	--
Other Long-Term Obligations.....	none	--	--	--	--
Total Contractual Cash Obligations.....	\$270,429	\$4,750	\$105,679	\$160,000	\$ --

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The following table includes aggregate information about CoreComm Limited's commercial commitments as of March 31, 2002. Commercial commitments are items that CoreComm Limited could be obligated to pay in the future. They are not required to be included in the consolidated balance sheet.

	AMOUNT OF COMMITMENT EXPIRATION PER PERIOD				
	TOTAL AMOUNTS COMMITTED	LESS THAN 1 YEAR	1-3 YEARS	4-5 YEARS	OVER YEAR
OTHER COMMERCIAL COMMITMENTS					

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			(IN THOUSANDS)		
Guarantees (2).....	\$172,699	\$ --	\$15,600	\$81,900	\$75,1
Lines of Credit.....	none	--	--	--	--
Standby Letters of Credit.....	none	--	--	--	--
Standby Repurchase Obligations.....	none	--	--	--	--
Other Commercial Commitments.....	none	--	--	--	--
Total Commercial Commitments.....	\$172,699	\$ --	\$15,600	\$81,900	\$75,1
	=====	====	=====	=====	=====

- (1) Long-term debt includes \$164,750,000 principal amount of 6% Convertible Subordinated Notes and \$105,679,000 principal amount of Senior Unsecured Notes due 2003, before unamortized discount of \$7,592,000.
- (2) Guarantees include CoreComm Holdco's senior secured credit facility of \$156,100,000, which is unconditionally guaranteed by CoreComm Limited and CoreComm Holdco, and CoreComm Holdco's 10.75% Unsecured Convertible PIK Notes due April 2011 of \$16,599,000 including accrued PIK interest for which CoreComm Limited and CoreComm Holdco are co-obligors.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended March 31, 2002, cash provided by operating activities was \$363,000, which consisted primarily of proceeds received from a note receivable on behalf of CoreComm Holdco. Corecomm Limited has limited operations and does not expect to generate any significant cash from operations in the future.

For the three months ended March 31, 2002, Corecomm Limited did not have any cash flow from investing activities. Corecomm Limited operations did not require any capital expenditures during the three months ended March 31, 2002. No significant capital expenditures are anticipated in the future.

For the three months ended March 31, 2002, Corecomm Limited did not have any cash flow from financing activities. Corecomm Limited does not contemplate raising any additional financing in the foreseeable future.

For the three months ended March 31, 2001, CoreComm Limited had a cash flow deficit of \$1,351,000, excluding CoreComm Holdco's cash flow deficit.

RESULTS OF OPERATIONS

The first phase of the Holdco recapitalization was completed on December 28, 2001. As a result of the completion of the first phase of the Holdco recapitalization, CoreComm Limited's only material asset is its ownership of approximately 13% of the outstanding capital stock of CoreComm Holdco. The operating results of CoreComm Limited discussed herein include CoreComm Holdco for all periods prior to its deconsolidation. After December 28, 2001, CoreComm Limited accounts for all of CoreComm Holdco's operations using the equity method. CoreComm Limited does not have any significant operations of its own.

CoreComm Limited's original business plan included construction of facilities-based network in numerous markets and expansion through acquisitions. CoreComm Limited commenced providing telephone service on a resale basis while its network construction was in process. CoreComm Limited also incurred significant advertising and marketing costs in order to create name recognition and significant other operating and administrative costs used in establishing

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the business. All of these activities required

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cash expenditures which is reflected in the approximately \$1.1 billion deficit at March 31, 2002, CoreComm Limited's history of operating and net losses, cash used in operating activities of \$216 million from April 1, 1998 (date operations commenced) to December 31, 2000 and cash used for purchases of fixed assets of \$88 million from April 1, 1998 (date operations commenced) to December 31, 2000.

In July 2001, CoreComm Limited finalized the streamlining of its operating structure to focus on CoreComm Holdco's two most successful and promising lines of business. The first is integrated communications products and other high bandwidth/data/web-oriented services for the business market and the second is bundled local telephony and Internet products efficiently sold, serviced and provisioned via Internet-centric interfaces to the residential market.

CoreComm Limited engaged in significant efforts to reduce expenses in all areas of its business, while maintaining its revenue initiatives. These plans were implemented through a variety of means, including facility consolidation, headcount reduction, efficiency improvements, vendor negotiations and network optimization.

CoreComm Limited has also engaged in significant efforts to capitalize on more profitable network services to reduce existing network costs and capital expenditures, and enhance gross margins going forward. A large portion of CoreComm Limited's business and residential local access lines have been converted to these more profitable services, resulting in improved operating results on a going forward basis.

In addition, CoreComm Limited has made significant progress in improving the operating efficiency of its networks, while also reducing network costs. The associated cost savings and product enhancements have come from increased overall efficiency, improved pricing terms, as well as the elimination of duplicative or unneeded network facilities.

THREE MONTHS ENDED MARCH 31, 2002 AND 2001

The following table includes the condensed consolidated statement of operations for the three months ended March 31, 2001 for CoreComm Holdco and Subsidiaries, CoreComm Limited with the operations of CoreComm Holdco deconsolidated and CoreComm Limited and Subsidiaries as reported in Corecomm Limited quarterly financial statements.

	CORECOMM HOLDCO AND SUBSIDIARIES	CORECOMM LIMITED WITHOUT CORECOMM HOLDCO	CORECOMM LIMITED AND SUBSIDIARIES
REVENUES.....	\$ 72,811,000	\$ 126,000	\$ 72,937,000
COSTS AND EXPENSES			
Operating.....	63,520,000	--	63,520,000
Selling, general and administrative....	30,795,000	804,000	31,599,000
Corporate.....	2,098,000	1,796,000	3,894,000
Non-cash compensation.....	3,234,000	--	3,234,000
Other charges.....	119,000	--	119,000
Asset impairments.....	167,599,000	--	167,599,000
Depreciation.....	12,012,000	33,000	12,045,000
Amortization.....	31,509,000	2,000	31,511,000

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	310,886,000	2,635,000	313,521,000
	-----	-----	-----
Operating (loss).....	(238,075,000)	(2,509,000)	(240,584,000)

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	CORECOMM HOLDCO AND SUBSIDIARIES	CORECOMM LIMITED WITHOUT CORECOMM HOLDCO	CORECOMM LIMITED AND SUBSIDIARIES
	-----	-----	-----
OTHER INCOME (EXPENSE)			
Interest income and other, net.....	664,000	112,000	776,000
Interest expense.....	(4,141,000)	(5,697,000)	(9,838,000)
	-----	-----	-----
Loss before income tax provision.....	(241,552,000)	(8,094,000)	(249,646,000)
Income tax (provision).....	--	(15,000)	(15,000)
	-----	-----	-----
Net (loss).....	\$ (241,552,000)	\$ (8,109,000)	\$ (249,661,000)
	=====	=====	=====

As the table above indicates, the changes between Corecomm Limited's results for the three months ended March 31, 2002 and 2001 primarily relate to the deconsolidation of CoreComm Holdco's operations on December 28, 2001. All other significant changes between Corecomm Limited operating results for the three months ended March 31, 2002 and Corecomm Limited operating results (excluding CoreComm Holdco's operations) for the three months ended March 31, 2001 are discussed herein.

One of CoreComm Limited's subsidiaries provides information technology consulting and billing services to an unaffiliated wireless company. Revenues decreased to \$108,000 from \$126,000 as a result of a reduction in these services during the three months ended March 31, 2002.

Selling, general and administrative expenses decreased to \$68,000 from \$804,000 primarily due to the following: In the three months ended March 31, 2001, CoreComm Limited incurred legal and other professional fees of approximately \$363,000 due to their financing related activities that culminated in additional financing in April 2001. Also in the three months ended March 31, 2001, CoreComm Limited's wholly owned subsidiary Fiberstream, Inc. incurred costs of \$367,000. CoreComm Limited substantially reduced Fiberstream's operations as a result of the modifications to its business plan in April 2001. Finally, in the three months ended March 31, 2001, CoreComm Limited's billing services subsidiary incurred costs of \$74,000. In the three months ended March 31, 2002, selling, general and administrative expenses include \$60,000 from CoreComm Limited's billing services subsidiary and \$8,000 from Fiberstream.

Corporate expenses included the costs of CoreComm Limited's officers and headquarters staff, the costs of operating the headquarters and costs incurred for strategic planning and evaluation of business opportunities. In 2002, CoreComm Holdco incurs all corporate expenses other than those directly related to CoreComm Limited. We did not incur any corporate expenses in the three months ended March 31, 2002. In the three months ended March 31, 2001, a significant portion of CoreComm Limited's corporate expenses was due to its financing related activities.

Interest income and other, net, decreased to \$7,000 from \$112,000 primarily

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as a result of declining cash balances.

Interest expense of \$5,651,000 and \$5,697,000 for the three months ended March 31, 2002 and 2001, respectively, was related to interest accrued on public notes and CoreComm Limited's Senior Unsecured Notes Due 2003.

The income tax provision of \$15,000 in 2001 was for state and local income tax.

YEARS ENDED DECEMBER 31, 2001 AND 2000

As a result of the completion of the acquisitions of ATX and Voyager in September 2000, CoreComm Limited consolidated the results of operations of these businesses from the dates of acquisition. The results of these businesses are not included in the 2000 results prior to October 1, 2000.

The increase in revenues to \$293,207,000 from \$132,122,000 is due to acquisitions in 2000, which accounted for \$166,737,000 of the increase. This increase is offset by a decline in revenue attributed to the customer base associated with the USN assets to \$21,340,000 from \$28,174,000. The revenues from the USN customer based peaked in the third quarter of 1999 after CoreComm Limited's acquisition in May

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1999 and, as expected, declined thereafter. USN Communications, Inc. was a CLEC that operated on a resale basis. The underlying operations, customer relationships and future revenue streams of the resale CLEC business have declined since CoreComm Limited's acquisition. CoreComm Holdco has substantially reduced its resale business to focus on more profitable services.

Operating costs include direct cost of sales, network costs and salaries and related expenses of network personnel. Operating costs increased to \$224,807,000 from \$142,323,000 due to acquisitions in 2000, which amounted to \$111,878,000 of the increase. This increase is offset by a decrease in costs of \$29,394,000 in 2001 primarily as a result of the implementation of CoreComm Limited's modified business plan as described above.

Selling, general and administrative expenses decreased to \$97,759,000 from \$111,010,000 primarily as a result of the implementation of CoreComm Limited's modified business plan as described above. These expenses decreased by \$65,699,000 in 2001 after adjusting for the increase due to acquisitions in 2000, which amounted to \$52,448,000.

Corporate expenses include the costs of CoreComm Limited's officers and headquarters staff, the costs of operating the headquarters and costs incurred for strategic planning and evaluation of business opportunities. Corporate expenses decreased to \$8,335,000 from \$12,884,000 primarily as a result of the implementation of CoreComm Limited's modified business plan as described above.

In accordance with APB Opinion No. 25, "Accounting for Stock Issued to Employees," in April 2000, CoreComm Limited recorded a non-cash compensation expense of approximately \$29.0 million and a non-cash deferred expense of approximately \$31.3 million due to the issuance of options to employees in 2000 at an exercise price of \$14.55 which was less than the fair value of Limited's common stock on the date of the grant. From April 2000 to December 31, 2001, the deferred non-cash compensation was charged to expense, including \$21.6 million and \$9.7 million in the years ended December 31, 2001 and 2000, respectively. Also in 2000, non-cash compensation includes \$4.7 million related to option rescissions.

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Other charges in 2001 include reorganization charges of \$37,372,000 and an adjustment to the reserve for notes receivable from former officers of an acquired business of \$2,142,000. The reorganization charges relate to the Company's announcements in May and July 2001 that it was taking additional actions to reorganize, re-size and reduce operating costs and create greater efficiency in various areas of the Company. An aggregate of \$21,386,000 of these costs are for equipment and other assets that did not and will not require any future cash outlays. The employee severance and related costs in 2001 are for approximately 630 employees to be terminated, none of whom were still employed by the Company as of December 31, 2001. The major actions involved in the 2001 reorganization included: (1) consolidation of functions such as network operations, customer service and finance, (2) initiatives to increase gross margins and (3) agreements with vendors to reduce or eliminate purchase commitments. The consolidation of functions resulted in employee terminations and the closing of offices. Employee severance and related costs, lease exit costs and fixed assets and prepayment write-downs include charges related to these actions. Initiatives to increase gross margins resulted in consolidation of network assets and elimination of redundant and less profitable facilities. Charges for these actions include lease exit costs and fixed assets and prepayment write-downs. Finally, reductions or elimination of purchase commitments resulted in agreement termination charges. All of these actions are expected to be completed by June 30, 2002. Fixed assets and prepayments written-off include \$5.3 million related to vacated offices, \$13.4 million for network assets in abandoned markets and \$2.7 million for prepayments in respect of ILEC facilities in abandoned markets.

Other charges in 2000 include a reserve of \$8,700,000 for notes receivable from former officers of an acquired business, and reorganization charges of \$4,006,000. The employee severance and related costs in 2000 were for approximately 250 employees to be terminated, none of whom were still employed by CoreComm Limited as of December 31, 2000.

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The following table summarizes the reorganization charges incurred and utilized in 2000 and 2001. As a result of the deconsolidation of CoreComm Holdco's and CoreComm Limited's financial statements, there is no balance remaining relating to these charges.

	EMPLOYEE SEVERANCE AND RELATED COSTS	LEASE EXIT COSTS	AGREEMENT TERMINATIONS	FIXED ASSETS AND PREPAYMENTS	TOTAL
	-----	-----	-----	-----	-----
	(IN THOUSANDS)				
Charged to expense.....	\$2,089	\$1,917	\$ --	\$ --	\$ 4,
Utilized.....	(775)	(1,396)	--	--	(2,
	-----	-----	-----	-----	-----
Balance, December 31, 2000.....	1,314	521	--	--	1,
Charged to expense.....	3,409	6,928	6,572	21,772	38,
Adjustments.....	(996)	73	--	(386)	(1,
Utilized.....	(3,218)	(4,416)	(2,914)	(21,386)	(31,
Deconsolidation of CoreComm Holdco....	(509)	(3,106)	(3,658)	--	(7,
	-----	-----	-----	-----	-----
Balance, December 31, 2001.....	\$ --	\$ --	\$ --	\$ --	\$
	=====	=====	=====	=====	=====

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CoreComm Holdco performed a review of the recoverability of its goodwill and long-lived assets, which indicated that the carrying value of certain assets would not be recoverable. During 1999 and 2000, acquisitions were made against a background of increasing consolidation and record valuations in the telecommunications industry. Asset impairments in 2001 include a write-down of goodwill of \$186,160,000 and a write-down of fixed assets of \$14,529,000 in the fourth quarter of 2001 prior to the deconsolidation as a result of this evaluation. In addition, at March 31, 2001, CoreComm Limited reduced the carrying amount of goodwill related to the Voyager and MegsINet acquisitions by \$167,599,000. In connection with the reevaluation of its business plan and the decision to sell its non-CLEC assets and businesses, CoreComm Limited was required to report all long-lived assets and identifiable intangibles to be disposed of at the lower of carrying amount or estimated fair value less cost to sell. The carrying amount of goodwill related to these acquisitions is eliminated before reducing the carrying amounts of the other assets. The estimated fair value of these businesses was determined based on information provided by the investment bank retained for the purpose of conducting this sale.

At December 31, 2000, CoreComm Limited wrote-off the carrying amount of intangible assets from certain business combinations, and reduced the carrying amount of its LMDS licenses. Asset impairments in 2000 include goodwill of \$6,690,000, workforce of \$577,000 and customer lists of \$7,517,000. These assets were primarily related to the Company's resale CLEC business, which was acquired in 1999. The underlying operations, customer relationships and future revenue streams had deteriorated significantly since the acquisition. These were indicators that the carrying amount of the resale-related assets was not recoverable. The Company estimated that the fair value of these assets was zero due to the lack of potential buyers, the overall deterioration of the resale CLEC business environment and because of the negative cash flow of these resale businesses for the foreseeable future. Also at December 31, 2000, in connection with the reevaluation of its business plan announced in April 2001, the Company reduced the carrying amount of its LMDS licenses by \$21,136,000 to reflect their estimated fair value. The estimated fair value was determined based on an analysis of sales of other LMDS licenses.

Depreciation expense increased to \$48,110,000 from \$30,746,000 primarily as a result of an increase in fixed assets due to acquisitions in 2000.

Amortization expense increased to \$97,389,000 from \$42,420,000 due to the amortization of goodwill from the acquisitions in 2000.

Interest income and other, net, decreased to \$1,957,000 from \$6,223,000 primarily due to the reduction of interest income resulting from lower cash balances in 2001.

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Interest expense increased to \$48,314,000 from \$20,457,000 primarily due to increased borrowings to fund CoreComm Limited's acquisitions and operations.

The income tax provision of \$98,000 in 2001 and \$250,000 in 2000 are for state and local income tax.

Extraordinary gains in 2001 of \$39,498,000 relate to the completion of the first phase of the Holdco recapitalization, as well as the successful settlement of various equipment and working capital notes, capital leases and other liabilities for less than the outstanding balance.

YEARS ENDED DECEMBER 31, 2000 AND 1999

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As a result of the completion of the acquisitions of Voyager and ATX in September 2000, CoreComm Limited consolidated the results of operations of these businesses from the dates of acquisition. The results of these businesses are not included in the 1999 results.

The increase in revenues to \$132,122,000 from \$58,151,000 is primarily due to acquisitions in 2000, which accounted for \$59,164,000 of the increase. The remainder of the increase is primarily due to an increase in CLEC and ISP revenues from an increase in customers. The revenues from the USN customer base peaked in the third quarter of 1999 after CoreComm Limited's acquisition in May 1999 and declined thereafter. Additionally, prepaid cellular debit card and cellular long distance revenues declined as a result of CoreComm Limited's termination of these services in the third quarter of 1999. CoreComm Limited had revenues of \$2,379,000 in 1999 from the provision of these services.

Operating costs include direct cost of sales, network costs and salaries and related expenses of network personnel. Operating costs increased to \$142,323,000 from \$58,561,000 primarily due to acquisitions in 2000, which accounted for \$41,650,000 of the increase. The remainder of the increase is primarily due to an increase in the fixed component of operating expenses due to CoreComm Limited's migration to a facilities-based infrastructure. In 1999, operating costs included \$2,211,000 related to the prepaid cellular debit card and cellular long distance services.

Selling, general and administrative expenses increased to \$111,010,000 from \$74,185,000 primarily due to acquisitions in 2000, which accounted for \$21,432,000 of the increase. The remainder of the increase is a result of increased selling and marketing costs and increased customer service costs.

Corporate expenses include the costs of CoreComm Limited's officers and headquarters staff, the costs of operating the headquarters and costs incurred for strategic planning and evaluation of business opportunities. Corporate expenses increased to \$12,884,000 from \$7,996,000 primarily due to increased strategic planning activities.

Non-cash compensation in 2000 of \$43,440,000 includes \$38,652,000 from the grant of options at an exercise price below fair market value, and \$4,788,000 from the rescission of stock option exercises. In April 2000, the Compensation and Option Committee of CoreComm Limited's Board of Directors approved the issuance of options to purchase approximately 2.7 million shares of Limited's common stock to various employees at an exercise price of \$14.55, which was less than the fair market value of its common stock on the date of the grant. In accordance with APB Opinion No. 25, "Accounting for Stock Issued to Employees," in April 2000, CoreComm Limited recorded a non-cash compensation expense of approximately \$29.0 million and a non-cash deferred expense of approximately \$31.3 million. From April 2000 to December 31, 2000, \$9.7 million of the deferred non-cash compensation was charged to expense. In November 2000, CoreComm Limited's Board of Directors approved the rescission of previously exercised employee stock options. CoreComm Limited issued notes to employees for the repurchase of the 671,000 shares of common stock for an aggregate of \$6,803,000, which exceeded the fair market value of its common stock on the date of repurchase. The notes earned interest at a rate of 4.5% and were redeemed in December 2000. CoreComm Limited recorded non-cash compensation of \$4.7 million from these transactions.

The non-cash compensation charge of \$1,056,000 in 1999 was recorded in accordance with APB Opinion No. 25, related to a change in employee stock option agreements.

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Other charges of \$12,706,000 in 2000 include a reserve of \$8,700,000 for notes receivable from former officers of Voyager, and restructuring costs of \$4,006,000. The restructuring costs relate to CoreComm Limited's announcements in March and December 2000 of reorganizations of CoreComm Limited's operations. The charge consisted of employee severance and related costs of \$2,089,000 for approximately 250 employees to be terminated and lease exit costs of \$1,917,000. As of December 31, 2000, \$2,171,000 of these provisions had been used, including \$775,000 for employee severance and related costs and \$1,396,000 for lease exit costs. As of December 31, 2000, none of the employees to be terminated were still employed by CoreComm Limited. The remaining provision for leases will be used through 2003.

The write-down of intangibles in 2000 of \$35,920,000 is comprised of \$14,784,000 related to business combinations and \$21,136,000 related to our LMDS licenses. At December 31, 2000, CoreComm Limited wrote-off the carrying amount of intangible assets from business combinations including goodwill of \$6,690,000, workforce of \$577,000 and customer lists of \$7,517,000. These assets were primarily related to CoreComm Limited's resale CLEC business, which was acquired in 1999. The underlying operations, customer relationships and future revenue streams had deteriorated significantly since the acquisition. These were indicators that the carrying amount of these resale-related assets was not recoverable. CoreComm Limited estimated that the fair value of these assets was zero due to the lack of potential buyers, the overall deterioration of the resale CLEC business environment and because of the negative cash flow of these resale businesses for the foreseeable future. In connection with the reevaluation of our business plan, CoreComm Limited reduced the carrying amount of the LMDS licenses at December 31, 2000 by \$21,136,000 to reflect their estimated fair value. The estimated fair value was determined based on an analysis of sales of other LMDS licenses.

Depreciation expense increased to \$30,746,000 from \$10,945,000 primarily as a result of an increase in fixed assets.

Amortization expense increased to \$42,420,000 from \$8,633,000 due to the amortization of goodwill from the acquisitions in 2000.

Interest income and other, net, increased to \$6,223,000 from \$5,773,000 primarily due to interest income on CoreComm Limited's cash, cash equivalents and marketable securities.

Interest expense increased to \$20,457,000 from \$5,341,000 primarily due to interest on the 6% Convertible Subordinated Notes issued in October 1999, the senior secured credit facility beginning in September 2000, the senior unsecured notes due 2003 issued in September 2000 and the senior unsecured notes due 2010 issued in December 2000.

The income tax provisions of \$250,000 in 2000 and \$731,000 in 1999 are for state and local income tax.

CRITICAL ACCOUNTING POLICIES

The consolidated financial statements of CoreComm Limited and related financial information are based on the application of generally accepted accounting principles, referred to as GAAP. GAAP requires the use of estimates, assumptions, judgments and subjective interpretations of accounting principles that have an impact on the assets, liabilities, revenue and expense amounts reported, as well as disclosures about contingencies, risk and financial condition. The following critical accounting policies have the potential to have a more significant impact on CoreComm Limited's financial statements, either because of the significance of the financial statement item to which they relate, or because they require more judgment and estimation due to the uncertainty involved in measuring, at a specific point in time, transactions

which are continuous in nature.

- CoreComm Limited, through its ownership of CoreComm Holdco, maintains an allowance for doubtful accounts receivable for estimated losses resulting from the potential inability of its customers to make payments. The allowance for doubtful accounts is estimated based on the current aging of receivables and prior collection experience. If the financial condition of our

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customers were to deteriorate resulting in an impairment in their ability to make payments, additions to the allowance may be required.

- CoreComm Limited's and CoreComm Holdco's determination of the treatment of contingent liabilities in the financial statements is based on a view of the expected outcome of the applicable contingency. Legal counsel is consulted on matters related to litigation. Experts both within and outside the company are consulted with respect to other matters that arise in the ordinary course of business. Examples of matters that are based on assumptions, judgments and estimates are the amount to be paid to terminate some agreements included in reorganization costs, the amounts to be paid to settle some toll and interconnection liabilities, the amount to be paid as a result of some sales and use tax audits and potential liabilities arising from other sales tax matters. A liability is accrued if the likelihood of an adverse outcome is probable of occurrence and the amount is estimable.
- CoreComm Limited and CoreComm Holdco review long-lived assets and goodwill for impairment as described in the Notes to Consolidated Financial Statements. In analyzing potential impairments, projections of future cash flows from the asset are used. The projections are based on assumptions, judgments and estimates of growth rates for the related business, anticipated future economic, regulatory and political conditions, the assignment of discount rates relative to risk and estimates of terminal values. Changes to these variables in the future may necessitate impairment charges to reduce the carrying value to fair value.
- Fixed assets and intangible assets are assigned useful lives which impacts the annual depreciation and amortization expense. The assignment of useful lives involves significant judgments and the use of estimates. Changes in technology or changes in intended use of these assets may cause the estimated useful life to change.
- In 2001, reorganization charges were recorded as a result of additional actions to reorganize, re-size and reduce operating costs and create greater efficiency in various areas. These charges, for both severance and exit costs, required the use of estimates. Actual results could differ from those estimated for reorganization.

RECENT ACCOUNTING PRONOUNCEMENTS

In August 2001, the Financial Accounting Standards Board, referred to as FASB, issued Statement of Financial Accounting Standards, referred to as SFAS, No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," effective for CoreComm Limited on January 1, 2002. This Statement supercedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" and other related accounting guidance. The adoption of this new standard had no significant effect on the results of operations, financial condition or cash flows of CoreComm Limited.

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In June 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations," effective for CoreComm Limited on January 1, 2003. This Statement addresses financial accounting and reporting for obligations associated with the retirement of tangible fixed assets and the associated asset retirement costs. CoreComm Limited is in the process of evaluating the financial statement impact of the adoption of SFAS No. 143.

In June 2001, the FASB issued SFAS No. 141, "Business Combinations," and No. 142, "Goodwill and Other Intangible Assets." SFAS No. 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. Use of the pooling-of-interests method is no longer permitted. SFAS No. 141 also includes guidance on the initial recognition and measurement of goodwill and other intangible assets acquired in a business combination that is completed after June 30, 2001. SFAS No. 142 ends the amortization of goodwill and indefinite-lived intangible assets. Instead, these assets must be reviewed annually, or more frequently under some conditions, for impairment in accordance with this statement. This impairment test uses a fair value approach rather than the undiscounted cash flow approach previously required by SFAS No. 121, "Accounting for the Impairment of Long-Lived

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Assets and for Long-Lived Assets to Be Disposed Of." CoreComm Limited adopted SFAS No. 142 on January 1, 2002. The adoption of this new standard had no significant effect on the results of operations, financial condition or cash flows of CoreComm Limited.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The SEC's rule related to market risk disclosure requires that CoreComm Limited describe and quantify its potential losses from market risk sensitive instruments attributable to reasonably possible market changes. Market risk sensitive instruments include all financial or commodity instruments and other financial instruments, such as investments and debt, that are sensitive to future changes in interest rates, currency exchange rates, commodity prices or other market factors. CoreComm Limited is not exposed to market risks from changes in foreign currency exchange rates or commodity prices. CoreComm Limited does not hold derivative financial instruments nor does CoreComm Limited hold securities for trading or speculative purposes. Under CoreComm Limited's current policies, it does not use interest rate derivative instruments to manage its exposure to interest rate changes.

The fair market value of long-term fixed interest rate debt is subject to interest rate risk. Generally the fair market value of fixed interest rate debt will increase as interest rates fall and decrease as interest rates rise.

INTEREST RATE SENSITIVITY AS OF MARCH 31, 2002,

PRINCIPAL AMOUNT BY EXPECTED MATURITY AVERAGE INTEREST RATE

FOR THE NINE MONTHS ENDED DECEMBER 31, 2002	FOR THE YEARS ENDING DECEMBER 31,				
-----	2003	2004	2005	2006	THEREAFTER
-----	-----	-----	-----	-----	-----

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Long-term debt, including
current portion:

Fixed rate.....	\$4,750	\$105,679	\$ --	\$ --	\$160,000	\$ --	\$
Average interest rate.....	6.00%	6.47%			6.00%		

(a) Amount not determinable because of financial difficulty of CoreComm Limited.

SUPPLEMENTARY FINANCIAL INFORMATION

The following is a summary of the unaudited quarterly results of operations for the years ended December 31, 2001 and 2000.

	2001			
	THREE MONTHS ENDED			
	MARCH 31	JUNE 30 (1)	SEPTEMBER 30	DECEMBER
	(IN THOUSANDS, EXCEPT PER SHARE DATA)			
Revenues.....	\$ 72,937	\$73,243	\$74,307	\$ 72,72
Operating (loss).....	(240,584)	(80,712)	(41,460)	(249,87
(Loss) before extraordinary item.....	(249,661)	(92,096)	(54,161)	(263,17
Gain on extinguishment of debt.....	--	--	2,216	37,28
Net (loss).....	(249,661)	(92,096)	(51,945)	(225,88
Net (loss) per common Share -- basic and diluted:				
(Loss) before extraordinary item.....	(3.58)	(1.04)	(0.59)	(1.9
Gain on extinguishment of debt.....	--	--	.02	0.2
Net (loss).....	(3.58)	(1.04)	(0.57)	(1.6

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	2000			
	THREE MONTHS ENDED			
	MARCH 31	JUNE 30 (2)	SEPTEMBER 30	DECEMBER
	(IN THOUSANDS, EXCEPT PER SHARE DATA)			
Revenues.....	\$18,959	\$19,397	\$18,263	\$ 75,5
Operating loss.....	(38,026)	(81,079)	(47,826)	(132,3
Net (loss).....	(39,871)	(83,190)	(50,149)	(140,6
Net (loss) per common Share -- basic and diluted.....	(1.02)	(2.08)	(1.24)	(2.

(1) We reduced the carrying value of fixed assets, goodwill and other intangibles by \$368.3 million, of which \$200.7 million was recorded in the

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fourth quarter of 2001 and \$167.6 million was recorded in the first quarter of 2001. We recorded non-cash compensation expense of \$21.6 million, of which \$11.9 million was recorded in the fourth quarter of 2001 and \$3.2 million was recorded in each of the first three quarters of 2001. We recorded reorganization and other charges of \$39.5 million, of which \$0.1 million was recorded in the first quarter of 2001, \$33.4 million was recorded in the second quarter of 2001, \$3.9 million was recorded in the third quarter of 2001 and \$2.1 million was recorded in the fourth quarter of 2001. We also recorded extraordinary gains on the extinguishment of debt of \$39.5 million, of which \$37.3 million was recorded in the fourth quarter of 2001 and \$2.2 million was recorded in the third quarter of 2001.

- (2) In September 2000, we acquired ATX and Voyager. We consolidated the results of operations of ATX and Voyager from the date of acquisition. In addition, we borrowed \$91.1 million under our senior secured credit facility and issued \$108.7 million aggregate principal amount of Senior Unsecured Notes due 2003 in September 2000 and issued \$16.1 million aggregate principal amount of 10.75% Senior Unsecured Convertible PIK Notes due 2010 in December 2000.

Also, in the fourth quarter of 2000, we reduced the carrying amount of goodwill and other intangibles by \$35.9 million, we recorded non-cash compensation expense of \$4.8 million from the rescission of option exercises and we recorded reorganization and other charges of \$12.7 million.

We recorded non-cash compensation expense from the grant of options at an exercise price below fair market value as follows: \$32.2 million in the second quarter of 2000, \$3.2 million in the third quarter of 2000 and \$3.2 million in the fourth quarter of 2000.

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CAPITALIZATION

The following table shows our cash and cash equivalents and capitalization of CoreComm Limited as of March 31, 2002. You should read this table together with CoreComm Limited's consolidated financial statements and related notes included in this prospectus and the information in "Unaudited Pro Forma Financial Data of CoreComm Limited" and "-- Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources."

	AS OF MARCH 31, 2002
	----- (IN THOUSANDS)
Cash and cash equivalents.....	\$ 472
	=====
Current portion of long-term debt.....	\$ 4,750
	=====
Long-term debt:	
6% Convertible Subordinated Notes due 2006.....	160,000
Senior Unsecured Notes due 2003, less unamortized discount.....	98,087

Total long-term debt.....	258,087
Stockholders' equity:	
Preferred stock, par value \$0.01 per share, liquidation	

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preference \$324,937,000, 5,000,000 shares authorized, 301,000 issued and outstanding.....	3
Common stock, par value \$0.01 per share; 600,000,000 shares authorized; 141,655,000 shares issued and outstanding(1).....	1,417
Additional paid-in capital.....	782,922
(Deficit).....	1,060,332

Treasury stock at cost 1,329,000.....	(275,990)
	(10,574)

Total stockholders' deficiency.....	(286,564)

Total capitalization.....	\$ (28,477)
	=====

(1) Excludes shares issuable upon the possible future conversion of unsecured convertible notes or upon the exercise of stock options and warrants.

As of December 31, 2001, there were options to purchase approximately 22.1 million shares of CoreComm Limited common stock outstanding. In December 2001, the CoreComm Limited board of directors, in connection with the Holdco recapitalization, accelerated all outstanding options to acquire shares of CoreComm Limited common stock so that all are presently fully vested and exercisable. As is permitted under CoreComm Limited's option plans, CoreComm Limited sent, on or around April 11, 2002, notices to the holders of its options stating CoreComm Limited's intention to consummate the merger and informing these holders that they have 30 days to exercise their options before the options will terminate. Between now and the time of the merger, if holders of CoreComm Limited options exercise their options, they would, at the time of the merger, have the same rights as other holders of CoreComm Limited common stock to have their shares of CoreComm Limited converted to shares of CoreComm Holdco at the exchange ratio. CoreComm Limited was not required to record compensation expense as a result of terminating its options.

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OUR BUSINESS

CoreComm Limited's only material business is its ownership of approximately 13% of the outstanding capital stock of CoreComm Holdco.

In addition to the matters set forth in the section of this prospectus entitled "Information about CoreComm Holdco, Inc. -- Our Business -- Legal Proceedings" to which CoreComm Limited is a party, CoreComm Limited currently has the following outstanding litigation matters which, if resolved unfavorably to CoreComm Limited, could have a material adverse effect on CoreComm Limited:

- FiberStream, Inc., a direct subsidiary of CoreComm Limited, has been in communications with Metromedia Fiber Networks, Inc., referred to as MFN, regarding a dispute between the parties under a General Agreement dated September 29, 2000 and a related Product Order of the same date. The dispute centers around the accuracy of some statements that were made by MFN concerning the nature of its network at the time of contracting, the timeliness of the installation of the circuits by MFN under the agreement, and FiberStream's obligation, if any, to make payments in respect of those circuits. MFN has indicated that unless payment is made for the circuits, it may initiate arbitration under the agreement and

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seek early termination penalties in excess of approximately \$1.1 million. FiberStream has rejected MFN's demands and has advised that it will defend itself vigorously and pursue all available counterclaims, including claims for fraudulent inducement relating to the execution of the contract and damages arising from MFN's alleged failure to perform under the contract. The parties have discussed the prospect of settling their respective claims without resort to litigation and those discussions are presently ongoing.

- On October 9, 2001, Enavis Networks, Inc. filed an action in the Circuit Court of Pinellas County, Florida against CoreComm Limited asserting that Enavis is owed approximately \$420,000 relating to the alleged sale and installation of telecommunications equipment by Enavis. CoreComm Limited has filed a motion to dismiss this action for lack of personal jurisdiction over us in Florida and this motion is still pending. Upon resolution of the motion to dismiss in Florida and assuming that the matter proceeds in litigation, CoreComm Limited intends to defend this action vigorously and assert counterclaims against Enavis arising from Enavis' failure to provide equipment complying with CoreComm's specifications.
- On or about September 14, 2001, a lawsuit was filed by WXIII/Far Yale Gen-Par, LLC, as General Partner of WXIII/Far Yale Real Estate Limited Partnership against CoreComm Communications, Inc., a direct, wholly-owned subsidiary of CoreComm Holdco, and CoreComm Limited seeking approximately \$172,500 in unpaid rent, interest and other charges allegedly owed under a commercial real estate lease between Yale and CoreComm Communications as to which CoreComm Limited is the guarantor. On or about February 5, 2002, Yale filed a motion with the court requesting permission to amend the complaint to specify a revised figure of \$404,290.87 as the amount allegedly due under the lease and to add an additional count asking the court to issue a preliminary injunction preventing the defendants from transferring, selling, assigning, encumbering or otherwise hypothecating any of their assets, including any debt or equity interests in their subsidiaries, except for usual and ordinary expenses paid in the usual and ordinary course of business. On February 27, 2002, Yale's motion for a preliminary injunction was denied subject to the substitution of CoreComm Holdco for CoreComm Limited as guarantor on the lease and Yale's motion to specify the revised figure of \$404,290.87 was granted. The parties have reached an agreement in principle to settle the litigation although, pending the execution of a formal settlement agreement, the litigation remains in effect.

OPTIONS

- As of December 31, 2001, there were options to purchase approximately 22.1 million shares of CoreComm Limited common stock outstanding, including options held by executive officers and directors of CoreComm Holdco. In December 2001, the CoreComm Limited board of directors, in connection with the Holdco recapitalization, accelerated all outstanding options to acquire shares of

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CoreComm Limited common stock so that all are presently fully vested and exercisable. However, based on the last sales price for CoreComm Limited common stock on the Nasdaq Stock Market on February 4, 2002 of \$.10, less than 1% of those options are at exercise prices below the market price for CoreComm Limited common stock. As is permitted under CoreComm Limited's option plans, on or around April 11, 2002 CoreComm Limited sent notices to the holders of its options stating CoreComm Limited's intention to consummate the merger and informing these holders that their

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options will terminate upon the consummation of the merger. Between now and the time of the consummation of the merger, if holders of CoreComm Limited options exercise their options, they would, at the time of the merger, have the same rights as other holders of Limited common stock to have their shares of Limited common stock converted into shares of our common stock, at the same exchange ratio.

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COMPARATIVE STOCK PRICES AND DIVIDENDS

CORECOMM LIMITED

The following table sets forth, for the periods indicated, the high and low last bid prices as reported on the Nasdaq Stock Market's National Market after giving retroactive effect to the 3-for-2 stock split by way of stock dividend paid in September 1999 and the 3-for-2 stock split by way of stock dividend paid in February 2000.

	BID PRICE	
	HIGH	LOW
2000		
First Quarter.....	\$49.13	\$32.08
Second Quarter.....	\$42.81	\$14.69
Third Quarter.....	\$20.38	\$ 7.81
Fourth Quarter.....	\$ 8.00	\$ 2.06
2001		
First Quarter.....	\$ 4.75	\$.09
Second Quarter.....	\$.63	\$.09
Third Quarter.....	\$.22	\$.06
Fourth Quarter.....	\$.20	\$.07
2002		
First Quarter.....	\$.16	\$.06
Second Quarter (through June 25, 2002).....	\$.12	\$.04

On December 17, 2001, the last full day of trading before the public announcement CoreComm Holdco's intention to commence the exchange offers, the last bid price for Limited common stock on The Nasdaq Stock Market National Market was \$0.17.

As of June 25, 2002, there were approximately 510 record holders of Limited common stock and one record holder of public notes. This figure does not reflect beneficial ownership of shares held in nominee names.

CoreComm Limited has never declared or paid any cash dividends on the Limited common stock and is currently restricted from doing so by the terms of the senior secured credit facility. The credit agreement governing CoreComm Limited's senior secured credit facility contains covenants which significantly limit CoreComm Limited's and its subsidiaries' ability to pay cash dividends. CoreComm Limited does not anticipate paying any cash dividends in the foreseeable future.

If CoreComm Limited's board of directors declares a dividend on the Limited common stock after commencement of the exchange offers but before the expiration date, it is possible that the record date for determining holders of Limited

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common stock entitled to receive the dividend would be a date before the expiration date. Tendering your shares of Limited common stock in the exchange offers will not change your status as a record holder of Limited common stock, except with respect to those of your shares of Limited common stock that are accepted for exchange upon completion of the exchange offers. This means that, if you tender shares of Limited common stock before the record date for a dividend, you will continue to be the record holder of those shares of Limited common stock on the record date and you will be entitled to receive payment of the dividend if the record date is a date before the expiration date. In this event, the dividend would be paid to you in the normal manner and would be separate from any shares of Holdco common stock issued to you in the exchange offers.

Stockholders that exchange shares of Limited common stock under the exchange offers will not be entitled to any dividends on those shares of Limited common stock with a record date after the date on which CoreComm Holdco accepts those tendered shares. Stockholders will continue to receive any dividends declared with respect to any shares of Limited common stock that are not exchanged under the exchange offers.

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CORECOMM HOLDCO

Currently no public market exists for the shares of our common stock. As of June 25, 2002, there were approximately 43 record holders, one of which is CoreComm Limited, of CoreComm Holdco common stock. This figure does not reflect beneficial ownership of shares held in nominee names. CoreComm Limited's outstanding common stock is currently listed on the Nasdaq National Market under the symbol "COMM." For a discussion of the proposed transfer of this Nasdaq listing, please refer to the section of the prospectus entitled "The Exchange Offers -- Effect of the Exchange Offers -- Transfer of Nasdaq Listing."

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DESCRIPTION OF CAPITAL STOCK

AUTHORIZED CAPITAL STOCK

CoreComm Holdco's authorized capital stock consists of 250,000,000 shares of common stock, par value \$0.01 per share, and 10,000,000 shares of preferred stock, par value \$0.01 per share. As of June 25, 2002, we had (1) 30,000,054 shares of common stock issued and outstanding, which were held of record by approximately 43 stockholders, including CoreComm Limited and (2) no shares of preferred stock issued or outstanding. The currently outstanding shares of common stock are validly issued, fully paid and non-assessable. The number of authorized shares of any of our preferred stock or our common stock may be increased or decreased, but not below the then number of shares outstanding, by the vote of the holders of a majority of our voting power and no vote of the holders of any of our preferred stock or our common stock voting separately as a class is required. The following description is qualified in all respects by reference to our charter and our amended by-laws.

COMMON STOCK

The holders of our common stock are entitled to one vote for each share held of record on all matters submitted to a vote of our stockholders and do not have cumulative voting rights in the election of directors. The holders of our common stock are not entitled to vote on any amendment to our charter that relates solely to the terms of one or more outstanding series of preferred stock

if the holders of the affected series are entitled, either separately or together with the holders of one or more other series, to vote thereon under our charter or under the Delaware General Corporation Law. Holders of our common stock are entitled to receive proportionately dividends as may from time to time be declared by our board of directors out of funds legally available for the payment of dividends. In the event of our liquidation, dissolution or winding up, holders of our common stock would be entitled to share proportionately in all of our assets available for distribution to holders of our common stock remaining after payment of liabilities and liquidation preference of any outstanding preferred stock. Holders of our common stock have no preemptive rights and have no rights to convert our common stock into any other securities, and there are no redemption provisions with respect to the common stock.

Currently no public market exists for the shares of our common stock. CoreComm Limited's outstanding common stock is currently listed, and trades, under the symbol "COMM" on the Nasdaq National Market. For a discussion of the proposed transfer of this Nasdaq listing, please refer to the section of the prospectus entitled "The Exchange Offers -- Effect of the Exchange Offers -- Transfer of Nasdaq Listing."

PREFERRED STOCK

Our charter authorizes the board of directors to issue one or more series of preferred stock and determine, with respect to any series, the rights, if any, and their qualifications, limitations or restrictions, as are stated in resolutions adopted by the board of directors providing for the issue of the series and as are permitted by the Delaware General Corporation Law.

The ability of the board of directors to issue one or more series of preferred stock provides increased flexibility in structuring possible future financings and acquisitions and in meeting other corporate needs which might arise. The authorized shares of preferred stock, as well as shares of our common stock, are available for issuance without further action by our stockholders, unless any action is required by applicable law or the rules of any stock exchange or automated quotation system on which our securities may be listed or applicable rules of any self-regulatory organization. If the approval of our stockholders is not required for the issuance of shares of preferred stock or common stock, the board of directors does not intend to seek stockholder approval. The board of directors will make any determination to issue the shares based on its judgment as to our best interests and the best interests of our stockholders. The board of directors, in so acting, could issue preferred stock having terms that could discourage an acquisition attempt or other transaction that some or a majority of the stockholders might believe to be in their best interests or in which stockholders might receive a premium for their shares over the then current market price of our shares.

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SERIES A JUNIOR PARTICIPATING PREFERRED STOCK

In connection with the adoption of our stockholder rights plan, which is described below, our board of directors designated and reserved for issuance Series A Junior Participating Preferred Stock. A total of 1,000,000 shares of Series A preferred stock are authorized. No shares are issued or outstanding. When issued and paid for in accordance with the stockholder rights plan, the Series A preferred stock will be fully paid and nonassessable. We will appoint a transfer agent for the Series A preferred stock if any shares are issued.

Dividends and Ranking. Each share of Series A preferred stock entitles its holders to receive dividends out of our funds legally available for the payment of dividends when, as and if declared by our board of directors. With respect to

those dividends, the Series A preferred stock will rank:

- senior to all classes of our common stock and to each other class of capital stock or series of preferred stock that is designated to rank junior to the Series A preferred stock;
- junior to all classes of preferred stock that is designated to rank senior to the Series A preferred stock; and
- equal to all classes of preferred stock that is designated to rank equally with the Series A preferred stock.

Dividends are payable quarterly in cash on the fifteenth day of March, June, September and December of each year, in an amount per share equal to the greater of:

- \$0.01; and
- 1,000 times the aggregate per-share amount of all dividends declared on our common stock since the immediately preceding dividend payment date, subject to adjustment for subdivision or combination of our common stock.

Liquidation, Dissolution or Winding up. Upon our liquidation, dissolution or winding up, the holders of outstanding shares of Series A preferred stock will be entitled to paid out of the assets available for distribution to our stockholders after payment of any liquidation values of any securities senior in liquidation rights to the Series A preferred stock.

After payment of the liquidation values of senior securities, the holders of the Series A preferred stock will be entitled to receive \$1.00 for each share of Series A preferred stock they hold, plus any accrued and unpaid dividends or distributions on those shares. If, upon any liquidation, dissolution or winding up of our company, the remaining assets available for distribution are insufficient to pay the holders of the Series A preferred stock and all other securities ranking equally with the Series A preferred stock with respect to liquidation the full amount to which they are entitled, the holders of Series A preferred stock will share those remaining assets ratably, together with the holders of the securities ranking equally with the Series A preferred stock.

Following the initial payment with respect to each share of Series A preferred stock, no additional distributions will be made to the holders of the Series A preferred stock until the holders of shares of common stock have received an amount per share equal to the amount distributed with respect to each share of Series A preferred stock divided by 1,000, subject to adjustment for splits and combinations of our common stock. After the payment with respect to our common stock, the holders of the Series A preferred stock and the holders of the common stock will share ratably in any remaining assets and funds, based on one share of Series A preferred stock equaling 1,000 shares of common stock, subject to adjustment for splits and combinations of our common stock.

Voting Rights. Subject to adjustments for splits and combinations of our common stock, each share of Series A preferred stock will entitle the holder to 1,000 votes on all matters submitted to a vote of our stockholders. The holders of the Series A preferred stock will vote as a single class with the holders of our common stock.

If dividends on the Series A preferred stock are in arrears in an amount equal to six quarterly dividends, all holders of our preferred stock whose dividends are in arrears with respect to six quarterly periods will, voting as a

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single class, be entitled to elect two new directors to our board of directors. The directors will serve until successors to them have been elected or until dividends on the Series A preferred stock are no longer in arrears.

Redemption. The Series A preferred stock is not redeemable.

Conversion. The Series A preferred stock is not convertible.

THE PUBLIC NOTE AGREEMENTS

In connection with the Holdco recapitalization, CoreComm Limited entered into binding agreements for transactions that allowed it to exchange approximately \$160 million principal amount of its public notes. Under the terms of the agreements, in exchange for tendering the notes, CoreComm Limited paid each holder that signed an agreement: (1) a cash payment equal to the October 2001 interest payment due to that holder, and (2) shares of CoreComm Holdco common stock, equal in the aggregate to approximately 5% of our common stock. These agreements also contain a mutual release of claims whereby CoreComm Limited released each holder who was a party to one of these agreements, and each of these holders released CoreComm Limited, of all claims arising from occurrences taking place on or prior to the date of these respective agreements.

CoreComm Limited and CoreComm Holdco provided notices of closing of the transactions under these agreements. Each notice of closing contained an agreement by CoreComm Holdco to file a shelf registration statement under the Securities Act covering the shares of our common stock issued under these agreements.

THE EXCHANGE AGREEMENT

In connection with the Holdco recapitalization, CoreComm Limited and CoreComm Holdco entered into an exchange agreement with holders of preferred stock of CoreComm Limited, holders of debt securities of CoreComm Limited and holders of debt securities which were joint obligations of CoreComm Limited and CoreComm Holdco. The transactions contemplated by the exchange agreement closed in December 2001. The terms of the exchange agreement apply only to the security holders who were parties to the agreement and do not apply to holders who tender under the exchange offers. Under the agreement:

- the security holders would exchange their securities for shares of CoreComm Holdco common stock as part of the Holdco recapitalization;
- We would file a shelf registration statement under the Securities Act covering the shares of our common stock issued under the exchange agreement;
- none of the security holders, together with their affiliates and their associates, would acquire any shares of our voting securities, subject to an allowed annual increase in percent ownership of our outstanding common shares equal to 0.0735 times their original percent ownership of our common stock, capped at a maximum of 39%;
- if a security holder, or any of their affiliates or associates, were to acquire ownership of our voting securities in contravention of the restrictions set forth in the exchange agreement, we would have the right to either (1) purchase, or cause a designee to purchase, any or all of these securities so acquired at the price paid by the securityholder or its affiliates or associates or (2) require the security holder, or its affiliates or associates, to dispose of these securities within 30 days;
- the following additional restrictions apply to each security holder that, together with its affiliates and associates, owns at least 15% of our

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common stock, provided that these restrictions will not apply to any of these security holders (1) after the nine month anniversary of the SEC declaring the registration statement of which this prospectus forms a part effective and (2) at any time when a security holder, together with its affiliates, its associates and specified transferees to which they

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transfer our voting securities own less than 10% of the voting power of all our voting securities. These securities holders are:

- prohibited from subjecting any of our voting securities to any voting agreements or arrangements or depositing them into a voting trust;
- prohibited from soliciting proxies in opposition to the recommendation of our board of directors;
- in any election contest, required to vote all of our voting securities held by it (1) in the same proportion as the votes cast by all other holders of our voting securities or (2) in the manner recommended by our board of directors if the election contest involves a proposed change of control;
- prohibited from acting with any other person or entity for the purpose of affecting or influencing control of CoreComm Holdco or acquiring, holding or disposing of our voting securities;
- prohibited from proposing, soliciting or otherwise participating in any transaction relating to an acquisition of, a business combination or similar transaction with, or a change of control of, CoreComm Holdco or encouraging another person or entity to make a tender offer for our voting securities;
- shares of our common stock issued under the exchange agreement to these security holders and their affiliates and associates may only be transferred:
- pursuant to a bona fide public offering;
- pursuant to unsolicited open market sales on any national securities exchange or automated inter-dealer quotation system on which the shares are listed;
- pursuant to a tender offer made to our stockholders which our board of directors has recommended;
- pursuant to a privately-negotiated transaction with a person or entity that, together with its affiliates and associates, does not own at least 15% of our common stock;
- pursuant to a will or the laws of descent and distribution;
- pursuant to a bequest or similar gift or transfer to any person or entity that, together with its affiliates and associates, does not own at least 15% of our common stock; or
- as a result of any pledge or hypothecation to a bona fide financial institution to secure a bona fide loan, guaranty or other financial accommodation or as a result of any foreclosure with respect thereto;
- if we enter into a definitive agreement with a third party or accept, approve or recommend an offer from a third party to acquire greater than

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50% of our voting securities, each security holder would have the right, on a pro-rata basis commensurate with its then level of ownership of our voting securities, to offer to acquire the number of our securities that is equal to or greater than the number of our voting securities that is contemplated to be acquired under the third party offer, and we would not take any action that would confer a timing advantage to the third party;

- any security holder, together with its associates and affiliates, may make a bona fide written offer to acquire or purchase 100% of our capital stock so long as the offer is definitive in nature or provides for a make-whole premium or similar significant penalty payable to our other stockholders in the event that the transaction is not completed;
- each security holder granted an irrevocable proxy to members of our board of directors and officers to vote all of the shares of our stock which he, she or it would be entitled to vote in favor of (1) a stock split of shares of our common stock upon a determination by our board of directors that a stock split is advisable and in our best interest to more accurately reflect our capitalization under the Holdco recapitalization and an amendment to our charter to effect this stock split and/or (2) a

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change in our corporate name to a suitable corporate name upon a determination by our board of directors that a corporate name change is advisable and in our best interest and an amendment to our charter to effect this corporate name change;

- each of Michael Karp and Booth American Company also have a contractual right to designate directors to CoreComm Holdco's board of directors whereby:
 - so long as Michael Karp, together with his affiliates and associates, owns at least 15% of our outstanding common stock, Michael Karp has the right to designate that number of directors to our board of directors so that his representation on our board of directors is proportionate to his, together with his affiliates' and associates', ownership percentage of our common stock; and
 - so long as Booth American Company, together with its affiliates and associates, owns at least 15% of CoreComm Holdco's outstanding common stock, Booth American Company has the right to designate one director to our board of directors;
- each security holder agreed (1) that it had not commenced any action against CoreComm Limited or CoreComm Holdco, (2) to release CoreComm Limited and CoreComm Holdco from all claims arising from occurrences taking place on or prior to the closing date and (3) that it would not assist in any action commenced by or on behalf of the holders of public notes; and
- each of CoreComm Limited and CoreComm Holdco agreed (1) that it had not commenced any action against any security holder and (2) to release each security holder from all claims arising from occurrences taking place on or prior to the closing date.

SPECIAL CHARTER PROVISIONS

Our charter contains the provisions described below. These charter provisions may have the effect, alone or in combination with each other or with the existence of authorized but unissued common stock and any series of preferred stock, of precluding or rendering more difficult a hostile takeover,

making it more difficult to remove or change the composition of our incumbent board of directors and our officers, being adverse to stockholders who desire to participate in a tender offer and depriving stockholders of possible opportunities to sell their shares at temporarily higher prices.

Classified board and filling of vacancies on the board of directors. The charter provides that the directors shall be divided into three classes, each of which shall serve a staggered three-year term, and that vacancies on our board of directors that may occur between annual meetings may be filled by our board of directors. In addition, this provision specifies that any director elected to fill a vacancy on our board of directors will serve for the balance of the term of the replaced director. At each annual meeting of stockholders, successors to the class of directors whose term expires at that annual meeting shall be elected for a three-year term.

Qualification of directors. The charter provides that, subject to the contractual board representation rights set forth in the exchange agreement, it is a qualification of at least 81% of the directors that they not be (1) beneficial owners of 15% or more of our common stock, (2) affiliates or associates of any beneficial owner of 15% or more of our common stock or (3) persons whose beneficial ownership of securities would be required to be aggregated on any Schedule 13D or Schedule 13G required to be filed under the Exchange Act by any beneficial owner of 15% or more of our common stock.

Removal of directors. The charter provides that directors can be removed only by the stockholders for cause and then only by the affirmative vote of the holders of not less than two-thirds of the combined voting power of the voting stock.

Voting requirement for some business combinations. The charter also provides that, in addition to any affirmative vote required by law, the affirmative vote of holders of two-thirds of the voting power of

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the voting stock will be necessary to approve any business combination, proposed by an interested stockholder. The additional voting requirements will not apply, however, if:

- the business combination was approved by not less than a majority of the continuing directors;
- a series of conditions are satisfied requiring, in summary, the following:

(A) that the consideration to be paid to stockholders in the business combination must be at least equal to the higher of:

(1) the highest per-share price paid by the interested stockholder in acquiring any shares of common stock during the two years prior to the announcement date of the business combination or in the transaction in which it became an interested stockholder, this date is referred to as the determination date, whichever is higher; or

(2) the fair market value per share of common stock on the announcement date or determination date, whichever is higher, in either case appropriately adjusted for any stock dividend, stock split, combination of shares or similar events with non-cash consideration treated similarly; and

(B) various procedural requirements are complied with, including the

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consent solicitation of proxies according to the rules of the SEC and no decrease in regular dividends, if any, after the interested stockholder became an interested stockholder, except as approved by a majority of the continuing directors.

An interested stockholder is defined as anyone who is the beneficial owner of more than 15% of the voting power of the voting stock, other than CoreComm Holdco and any employee stock plans sponsored by us, and includes any person who is an assignee of or has succeeded to any shares of voting stock in a transaction not involving a public offering that were at any time within the prior two-year period beneficially owned by an interested stockholder. The term beneficial owner includes persons directly and indirectly owning or having the right to acquire or vote the stock. Interested stockholders participate fully in all stockholder voting.

A business combination includes the following transactions:

- merger or consolidation of us or any subsidiary of ours with an interested stockholder or with any other corporation or entity which is, or after the merger or consolidation would be, an affiliate, associate or a Schedule 13D related party of an interested stockholder;
- the sale or other disposition by us or a subsidiary of ours of assets having a fair market value of \$10,000,000 or more if an interested stockholder, or an affiliate, an associate or a Schedule 13D related party of an interested stockholder is a party to the transaction;
- the adoption of any plan or proposal for our liquidation or dissolution proposed by or on behalf of an interested stockholder, or an affiliate, an associate or a Schedule 13D related party of an interested stockholder; or
- any reclassification of securities, recapitalization, merger with a subsidiary, or other transaction which has the effect, directly or indirectly, of increasing the proportionate share of any class of our outstanding stock, or securities convertible into stock, or a subsidiary owned by an interested stockholder, or an affiliate, an associate or a Schedule 13D related party of an interested stockholder.

Determinations of the fair market value of non-cash consideration are made by a majority of the continuing directors.

The term continuing directors means any member of our board of directors, while that person is a member of our board of directors, who is not an affiliate, associate, Schedule 13D related party or representative of the interested stockholder and was a member of our board of directors prior to the time that the interested stockholder became an interested stockholder, and any successor of a continuing

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director while that successor is a member of our board of directors, who is not an affiliate, associate, Schedule 13D related party or representative of the interested stockholder and is recommended or elected to succeed the continuing director by a majority of continuing directors.

The term Schedule 13D related party means an individual or entity whose beneficial ownership of securities would be required to be aggregated on any Schedule 13D or Schedule 13G required to be filed by an interested stockholder.

Voting requirements for some amendments to the charter. The charter provides that the provisions set forth in this section under the heading

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"Special Charter Provisions" may not be repealed or amended in any respect, unless that action is approved by the affirmative vote of the holders of not less than two-thirds of the voting power of the voting stock. The requirement of an increased stockholder vote is designed to prevent a stockholder who controls a majority of the voting power of the voting stock from avoiding the requirements of the provisions discussed above by simply amending or repealing those provisions.

SPECIAL BY-LAWS PROVISIONS

Advance notification of business to be transacted at stockholder meetings. Our amended by-laws provide that to be properly brought before the annual or any special stockholders' meeting, business must be either

- (1) specified in the notice of meeting, or any supplement or amendment thereto, given by or at the direction of our board of directors,
- (2) otherwise properly brought before the meeting by or at the direction of our board of directors, or
- (3) otherwise properly brought before the meeting by a stockholder by giving timely notice in writing to us.

To be timely, a stockholder's notice must be delivered to or mailed and received at our principal executive offices not less than 75 days nor more than 90 days prior to the meeting; provided, that in the event that less than 90 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be received by us not later than the close of business on the fifteenth day following the day on which the notice of the date of the meeting was mailed or the public disclosure was made, whichever first occurs.

Election of directors. Our amended by-laws provide that our board of directors consists of between three and 15 directors, the exact number as fixed from time to time by the board of directors.

Stockholder nominations. Except for the right of Michael Karp and Booth American Company to designate directors in accordance with the exchange agreement, a stockholder may nominate directors only if the stockholder delivers written notice to us not less than 75 days nor more than 90 days prior to an annual meeting of our stockholders; provided, however, that in the event that less than 90 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be received by us not later than the close of business on the fifteenth day following the day on which the notice of the date of the meeting was mailed or the public disclosure was made, whichever first occurs.

THE STOCKHOLDER RIGHTS PLAN

We adopted a stockholder rights plan on December 17, 2001. In connection with the stockholder rights plan, our board of directors declared and paid a dividend of one preferred share purchase right for each share of our common stock outstanding on December 17, 2001. Each right entitles the holder, under some circumstances, to purchase from us one one-thousandth of a share of our Series A Junior Participating Preferred Stock, par value \$0.01 per share, at an exercise price of initially four times the average closing price of our common stock over the first five days of trading following the SEC declaring

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this registration statement effective, subject to adjustment. There are 1,000,000 shares of Series A preferred stock authorized for issuance under the

plan.

Initially, the rights are attached to outstanding certificates representing our common stock, and no separate certificates representing the rights are distributed. The rights will separate from our common stock, be represented by separate certificates and will become exercisable upon the earlier of:

- ten business days following a public announcement that a person or group has acquired or has obtained the right to acquire 15% or more of our outstanding common stock; or
- ten business days, or a later date as may be determined by the action of the board of directors prior to the time that any person or group becomes an acquiring person, after the commencement of, or announcement of an intention to make, a tender offer or exchange offer for 15% or more of our outstanding common stock.

If after the rights become exercisable we agree to merge into another entity, another entity merges into us or we sell or transfer more than 50% of our assets, each right will entitle the holder to purchase a number of shares of common stock of the resulting entity at a discount.

If after someone has acquired 15% or more of our common stock or our board of directors declares any person to be an adverse person upon a determination that a person has become the beneficial owner of a substantial amount of our common stock, which shall in no event be less than 5% of the outstanding common stock, each holder of a right will be entitled to receive shares of our common stock at a discount. Any rights that are or were owned by an acquirer of more than 15% of our outstanding common stock or any person that the board of directors declares to be an adverse person will be null and void.

We may exchange the rights at a ratio of one share of common stock for each right at any time after someone acquires 15% or more of our common stock but before that person acquires 50% or more of our common stock. We may also redeem the rights at our option at a price of \$0.01 per right, subject to adjustment, at any time before the tenth day following the announcement that someone has acquired 15% or more of our common stock. The rights expire on the earliest of December 17, 2011, an exchange or redemption of the rights as described above, or the completion of a merger as described above. The rights distribution is not taxable to stockholders.

The stockholder rights plan is intended to encourage a potential acquirer to negotiate directly with the board of directors, but may have anti-takeover effects. The stockholder rights plan could significantly dilute the ownership interests of an acquirer in CoreComm Holdco and therefore may have the effect of delaying, deterring or preventing a change in control of CoreComm.

For further description, please refer to the stockholder rights plan, which was filed with the SEC as Exhibit 4.2 to the registration statement of which this prospectus forms a part.

TRANSFER AGENT AND REGISTRAR

Our transfer agent and registrar for our common stock is Continental Stock Transfer & Trust Company.

SECTION 203 OF THE DELAWARE GENERAL CORPORATION LAW

Generally, Section 203 of the Delaware General Corporation Law prohibits a publicly held Delaware corporation from engaging in any business combination with an interested stockholder for a period of three years following the time that a stockholder becomes an interested stockholder, unless:

- prior to that time either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder is approved by the board of directors of the corporation;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation

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outstanding at the time the transaction commenced, excluding, for purposes of determining the number of shares outstanding, those shares held by persons who are both directors and officers and employee stock plans; or

- at or after that time the business combination is approved by the board and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

A business combination includes mergers, consolidations, asset sales, transfers and other transactions resulting in a financial benefit to the interested stockholder. An interested stockholder is a person who, together with affiliates and associates, owns 15% or more of the corporation's voting stock.

INDEMNIFICATION PROVISIONS

Section 145 of the Delaware General Corporation Law authorizes a corporation to indemnify its directors, officers, employees and agents against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement reasonably incurred, including liabilities under the Securities Act, provided they act in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation, although in the case of proceedings brought by or on behalf of the corporation, indemnification is limited to expenses and is not permitted if the individual is adjudged liable to the corporation, unless the court determines otherwise. Our charter and amended by-laws require us to indemnify our officers and directors to the full extent permitted by Delaware law.

Section 102(b)(7) of the Delaware General Corporation Law authorizes a corporation to limit or eliminate its directors' liability to the corporation or its stockholders for monetary damages for breaches of fiduciary duties, other than for

- (1) breaches of the duty of loyalty;
 - (2) acts or omissions not in good faith or that involve intentional misconduct or knowing violations of law;
 - (3) unlawful payments of dividends, stock purchases or redemptions;
- or
- (4) transactions from which a director derives an improper personal benefit.

Section 145 of the Delaware General Corporation Law authorizes a corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation against any liability asserted against him or her and incurred by him or her in his or her capacity as a director, officer, employee or agent of the corporation, or

arising out of his or her status as a director, officer, employee or agent of the corporation. Our charter and amended by-laws provide that we may, to the full extent permitted by law, purchase and maintain insurance on behalf of any of our directors, officers, employees or agents against any liability that may be asserted against him or her and we currently maintain this insurance. We have liability insurance covering our directors and officers for claims asserted against them or incurred by them in their capacity as directors and officers, including claims brought under the Securities Act.

Insofar as indemnification for liabilities arising from the Securities Act may be permitted to directors, officers or persons controlling the registrant under the foregoing provisions, the registrant has been informed that in the opinion of the SEC, this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

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DESCRIPTION OF OUR INDEBTEDNESS

OTHER INDEBTEDNESS

As of March 31, 2002, our subsidiaries had \$9.7 million of indebtedness in capital leases. For more information, please refer to our historical financial statements and the related notes. Upon completion of the merger, the principal amount of public notes that were not tendered or converted will remain outstanding debt obligations of CoreComm Limited, which will be a wholly-owned subsidiary of CoreComm Holdco. In addition, our subsidiaries may incur substantial indebtedness in the future.

SENIOR SECURED CREDIT FACILITY

On September 28, 2000, CoreComm Limited entered into a senior secured credit facility with The Chase Manhattan Bank as lender, administrative agent and collateral agent that was amended and restated on April 11, 2001. Our senior secured credit facility provides for both a term loan facility and a revolving credit facility. Our term loan facility is for an initial aggregate amount of \$106.1 million and has a final maturity of April 1, 2006 that, subject to the satisfaction of conditions, may be extended to September 22, 2008. At March 31, 2002, we had \$106.1 million outstanding under our term loan facility. Our revolving credit facility is for a total of \$50.0 million and has a termination date of April 1, 2006 that, subject to the satisfaction of conditions, may be extended to September 22, 2008. At March 31, 2002, we had \$50.0 million outstanding under our revolving credit facility.

The interest rate on both our term loan facility and our revolving credit facility is initially, at our option, either:

- 3.50% per annum plus the base rate, which is the higher of:
 - the rate as publicly announced from time to time by The Chase Manhattan Bank as its prime rate, or
 - the federal funds effective rate plus 0.50% per annum; or
 - the reserve-adjusted London Interbank Offered Rate (Adjusted LIBOR) plus 4.50% per annum.

The applicable margin for our facilities will be subject to reductions based on the ratio of our consolidated total debt to annualized EBITDA.

At March 31, 2002, the interest rate on our term loan facility was 6.86%.

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At March 31, 2002, the interest rate on our revolving credit facility was 6.86%. Beginning April 13, 2002 and ending October 12, 2002, the interest rate is 6.75%. We are able to repay and reborrow on our revolving credit facility. Availability under our revolving credit facility is subject to a commitment fee equal to 1.50%, subject to reduction to 1.00% per annum based upon the rate of utilization of our facilities. This commitment fee is payable quarterly in arrears until termination of the lender's commitment.

We pay a letter of credit fee for the pro rata account of each lender in an amount equal to the dollar equivalent of the daily amount available to be drawn or outstanding under letters of credit, if any are outstanding, at a per annum rate equal to the interest rate applicable to the revolving credit facility. In addition, we pay a per annum fronting fee equal to 0.25% of the daily amount available to be drawn down under any letters of credit.

The loans under our term loan facility are subject to quarterly amortization payments over the life of the facility. In addition, we will have to make partial repayments of our term loans, subject to exceptions, for:

- net proceeds from a sale of assets;
- net proceeds from an issuance of debt or equity;

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- net proceeds from insurance following a casualty event; and
- excess cash flow.

Once the term loans have been repaid, the term loans will not be permitted to be reborrowed.

We and all of our present and future direct and indirect subsidiaries, other than subsidiaries that we may designate as unrestricted subsidiaries, unconditionally guarantee payment under our senior secured credit facility. These guarantees are secured by a pledge of and a perfected security interest in all of the assets of these entities, including 100% of the stock of our subsidiaries.

Our senior secured credit facility contains customary covenants and restrictions on our ability and the ability of our subsidiaries to engage in some activities, including:

- issuing new indebtedness;
- creating liens;
- incurring capital expenditures;
- making investments;
- declaring dividends, repurchasing or redeeming capital stock and prepaying subordinated debt;
- entering into any merger, consolidation, acquisition, sale of assets or lease; and
- entering into hedging transactions.

Our senior secured credit facility also requires us and our subsidiaries to observe the following customary financial covenants:

- a minimum active access lines and minimum on-net access lines requirement;
- a minimum consolidated services revenue requirement;
- a maximum consolidated total secured debt to total capital ratio and a maximum consolidated total debt to total capital ratio;
- a positive EBITDA requirement;
- a maximum consolidated total secured debt to annualized EBITDA ratio and a maximum consolidated total debt to annualized EBITDA ratio;
- a minimum consolidated EBITDA to consolidated cash interest expense;
- a minimum consolidated EBITDA to consolidated fixed charge ratio; and
- a maximum capital expenditures requirement.

Our senior secured credit facility contains customary events of default, including payment defaults, breach of representations and warranties, covenant defaults, cross-defaults on other indebtedness, events of bankruptcy and insolvency, ERISA defaults, judgment defaults, failure of any guaranty or security agreement supporting our senior secured credit facility to be in full force and effect, and change in control of us.

10.75% UNSECURED CONVERTIBLE PIK NOTES DUE 2011

On April 12, 2001, we and CoreComm Limited issued, as joint and several obligors, a 10.75% Unsecured Convertible PIK Note due 2011 to NTL Incorporated in the principal amount of \$15,000,000. This 2011 PIK Note was issued for the purchase price of \$15,000,000, which was paid in cash. The principal features of the 2011 PIK Note are as follows:

- Ranking. The 2011 PIK Note ranks as a senior debt obligation of ours and as a subordinated debt obligation of CoreComm Limited.

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- Interest. The 2011 PIK Note accrues interest at a rate of 10.75% per annum, to be paid semiannually on October 15 and April 15 of each year, commencing October 15, 2001. Interest on the 2011 PIK Note is to be paid in kind through the issuance of additional notes in principal amounts equal to the interest payments then due, which we sometimes refer to as the PIK Notes. The terms of the PIK Notes are substantially identical to the 2011 PIK Note, except that:

(1) the conversion rate of each PIK Note will reflect that the conversion price of CoreComm Limited common stock to be issued upon conversion is the greater of:

(a) a 20% premium to the 25-day average market price of the CoreComm Limited common stock on the date of issuance of the PIK Note; and

(b) \$1.00;

(2) the maturity date of each PIK Note will be April 12, 2011; and

(3) the special conversion price of each PIK Note will be the greater

of:

(a) 66 2/3% of the 25-day average market price of the CoreComm Limited common stock immediately preceding the record date for the issuance of the PIK Note; and

(b) the change of control price as determined in the 2011 PIK Note. To the extent that there exists any accrued and unpaid interest attributable to the principal amount of the 2011 PIK Note to be converted at the time of conversion, the number of shares of CoreComm Limited common stock to be delivered by CoreComm Limited will be increased in an amount equal to the quotient of the accrued and unpaid interest as of the conversion date divided by 120% of the 25-day average market price of the CoreComm Limited common stock on the conversion date.

On December 31, 2001, the aggregate principal amount outstanding of the 2011 PIK Note and the PIK Note paid as interest and dated as of October 15, 2001, was \$16,173,982.

- Maturity Date. The 2011 PIK Note and all PIK Notes mature on April 12, 2011.
- Redemption. Beginning on April 12, 2003, we and CoreComm Limited have the option, as joint and several obligors, to redeem the 2011 PIK Note in whole or in part upon thirty days prior written notice to a holder of the 2011 PIK Note, at the redemption prices set forth in the 2011 PIK Note along with any accrued and unpaid interest. Any redemption initiated by CoreComm Limited or by us will be tolled for up to 90 days, solely for the purpose of allowing the holder of the 2011 PIK Note to satisfy any applicable legal or regulatory approvals required to effect the conversion into shares of CoreComm Limited common stock. The tolling period may be extended if we or CoreComm Limited do not comply with their obligations under the 2011 PIK Note to assist in effecting conversion.
- Conversion. The holder of the 2011 PIK Note may convert the 2011 PIK Note into shares of CoreComm Limited common stock at the conversion rate of one share for every \$1 in principal amount, subject to adjustment in the circumstances set forth in the 2011 PIK Note. However, we, the holder of this note and CoreComm Limited have entered into letter agreements relating to the conversion feature of this note and the PIK Notes following the acceptance of shares under the exchange offer for CoreComm Limited common stock. Through those letter agreements, consistent with the original terms of the notes, we and CoreComm Limited have agreed to exercise our rights under the notes so that, following our accepting CoreComm Limited common stock under the exchange offer for CoreComm Limited common stock, the convertibility feature of the notes will be altered so that rather than the notes being convertible into shares of CoreComm Limited common stock, they will become convertible into shares of our common stock. At that time, the conversion price of \$1.00, or other applicable conversion price in the case of the PIK Notes, will be equitably adjusted by applying the exchange ratio in the exchange offer for CoreComm Limited common stock, which results in a new conversion price of \$38.90 per share of our common stock for the 2011 PIK Note. The holder has agreed not to exercise its rights to convert into CoreComm

Limited common stock for six months from February 5, 2002, unless that right has previously ceased as described above. In the event that we do not accept CoreComm Limited common stock under the exchange offers, the

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conversion feature would remain into CoreComm Limited common stock. The 2011 PIK Note is redeemable, in whole or in part, at our option, at any time after April 12, 2003, at a redemption price of 103.429% that declines annually to 100% in April 2007, in each case together with accrued and unpaid interest to the redemption date.

- Change of Control. If a change of control occurs, as determined under the terms of the 2011 PIK Note, a holder of the 2011 PIK Note has a one-time option, for a period of 30 days following written notice from CoreComm Limited, which written notice must be given at least 15 days prior to the expected date of the change of control, to convert the principal amount of the 2011 PIK Note, including any accrued and unpaid interest, into shares of CoreComm Limited common stock at the change of control conversion rate set forth in the 2011 PIK Note. If the holder of the 2011 PIK Note fails to convert at this special conversion rate, then following the change of control transaction the holder may convert the 2011 PIK Note into the type of consideration received by the CoreComm Limited common stock holders in the change of control transaction, in an amount that reflects the number of shares of CoreComm Limited common stock into which the 2011 PIK Note was convertible immediately prior to the change of control transaction.
- Transfer Restrictions. The 2011 PIK Note was issued in a transaction exempt from the registration requirements of the Securities Act, and so cannot be transferred except by way of a valid registration statement or an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.
- Other Matters. The 2011 PIK Note does not contain any provisions relating to:
 - (1) establishment or maintenance of a sinking fund;
 - (2) restrictions on liens to secure indebtedness and issuance of disqualified preferred stock;
 - (3) restrictions on incurring additional indebtedness or refinancing existing indebtedness;
 - (4) events of default;
 - (5) restrictions on the declaration or payment of dividends on CoreComm Holdco capital stock; or
 - (6) covenants with respect to
 - (a) maintenance of cash-flow to interest expense,
 - (b) asset ratio,
 - (c) restricted payments,
 - (d) transactions with affiliates, or
 - (e) use of proceeds from an asset sale.

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We summarize below the material differences between the rights of holders of outstanding securities and holders of our common stock. First, we compare the material differences between the rights of our stockholders under our current restated certificate of incorporation and amended by-laws in the left column and the rights of a CoreComm Limited stockholder under the current CoreComm Limited restated certificate of incorporation, and by-laws in the right column. Then, we summarize the material provisions of the rights of the holders of public notes. We do not intend for this summary to be a complete statement of the rights of holders of shares of our common stock or a comprehensive comparison with the rights of the holders of outstanding securities, or a complete description of the specific provisions referred to in this summary. For more information on the Holdco common stock, please refer to the section of the prospectus entitled "Description of Capital Stock -- Common Stock."

This summary is qualified in its entirety by reference to the documents governing the outstanding securities and our common stock, copies of which have been filed as exhibits to the registration statement of which this prospectus is a part.

COMPARISON OF COMMON STOCK OF CORECOMM HOLDCO AND LIMITED

GENERAL

CORECOMM HOLDCO	CORECOMM LIMITED
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The rights of our stockholders are governed by our charter and amended by-laws, in addition to Delaware law.	The rights of CoreComm Limited stockholders are governed by CoreComm Limited's restated certificate of incorporation and by-laws, in addition to Delaware law.

AUTHORIZED CAPITAL

CORECOMM HOLDCO	CORECOMM LIMITED
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Our authorized capital stock consists of: 250,000,000 shares of our common stock, with a par value of \$0.01 per share; there were 30,000,054 shares of common stock outstanding as of January 25, 2002; and 10,000,000 shares of preferred stock, with a par value of \$0.01 per share; there were no issued or outstanding shares of preferred stock as of January 25, 2002.	The authorized capital stock of CoreComm Limited consists of: 600,000,000 shares of Limited common stock, with a par value of \$0.01 per share; there were 140,326,706 shares of common stock outstanding as of January 25, 2002; and 5,000,000 shares of preferred stock, with a par value of \$0.01 per share; there were 50,000 shares of Series A, 1,086 shares of Series A-1 and 250,000 shares of Series B preferred stock issued and outstanding as of January 25, 2002, all of which were held by CoreComm Holdco.

AMENDMENT OF GOVERNING DOCUMENTS

CHARTER

CORECOMM HOLDCO

CORECOMM LIMITED

Except for the matters specified in the following section, an authorization of the our board, followed by the vote of a majority of the outstanding shares of our common stock is required for an amendment

Except for the matters specified in the following section, an authorization of the CoreComm Limited board, followed by the vote of a majority of the outstanding shares of Limited common stock

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CORECOMM HOLDCO

CORECOMM LIMITED

to our charter.

is required for an amendment to the CoreComm Limited charter.

An amendment to our charter with respect to the following provisions requires the affirmative vote of the holders of at least 2/3 of the combined voting power of all of our then-outstanding shares entitled to vote:

An amendment to the CoreComm Limited charter with respect to the following provisions requires the affirmative vote of the holders of at least 2/3 of the combined voting power of all of the then-outstanding shares of CoreComm Limited entitled to vote:

- The board of directors;
- Removal of directors;
- Prohibition of stockholder action by written consent without a meeting;
- Special meetings of stockholders;
- Business combinations with interested parties;
- Limitation on liability of directors;
- Action with respect to the amended by-laws; and
- Modifications of specified provisions of the charter

- The board of directors;
- Prohibition of stockholder action by written consent without a meeting;
- Special meetings of stockholders;
- Business combinations with interested parties;
- Limitation on liability of directors; and
- Action with respect to the amended by-laws.

BYLAWS

CORECOMM HOLDCO

CORECOMM LIMITED

Our amended by-laws may be adopted, amended or repealed by: the board of directors or the affirmative vote of holders of at least 2/3 of the combined voting power of all of our then-outstanding shares entitled to vote

The CoreComm Limited by-laws may be adopted, amended or repealed by: the board of directors or the affirmative vote of holders of at least 2/3 of the combined voting power of all of the then- outstanding shares of CoreComm Limited entitled to vote.

NUMBER OF DIRECTORS

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CORECOMM HOLDCO

CORECOMM LIMITED

Our amended by-laws provide that the board of directors shall consist of between three and 15 directors which number is fixed by the board of directors from time to time. The current number of directors is seven.

The CoreComm Limited by-laws provide that the board of directors shall consist of between three and 15 directors which number is fixed by the board of directors from time to time. The current number of directors is four.

CLASSIFICATION OF DIRECTORS

CORECOMM HOLDCO

CORECOMM LIMITED

The board of directors is divided into three classes, each as nearly equal in number as possible, with one class being elected annually to a three-year term.

The board of directors is divided into three classes, each as nearly equal in number as possible, with one class being elected annually to a three-year term.

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DIRECTOR NOMINATIONS

CORECOMM HOLDCO

CORECOMM LIMITED

Except for the right of Michael Karp and Booth American Company to designate directors in accordance with the exchange agreement, a stockholder must make any nomination for a director in writing to our secretary not less than 75 days nor more than 90 days prior to an annual meeting of our stockholders; provided, however, that in the event that less than 90 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be received by our secretary not later than the close of business on the fifteenth day following the day on which the notice of the date of the meeting was mailed or the public disclosure was made, whichever first occurs.

A stockholder must make any nomination for a director in writing to the secretary of CoreComm Limited not less than 75 days nor more than 90 days prior to an annual meeting of CoreComm Limited's stockholders; provided, however, that in the event that less than 90 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be received by the secretary of CoreComm Limited not later than the close of business on the fifteenth day following the day on which the notice of the date of the meeting was mailed or the public disclosure was made, whichever first occurs.

DIRECTOR QUALIFICATION

CORECOMM HOLDCO

CORECOMM LIMITED

Our charter provides that, subject to the

None.

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contractual board representation rights set forth in the exchange agreement, it is a qualification of at least 81% of the directors that they not be (1) beneficial owners of 15% or more of Holdco's common stock, (2) affiliates or associates of any beneficial owner of 15% or more of our common stock or (3) persons whose beneficial ownership of securities would be required to be aggregated on any Schedule 13D or Schedule 13G required to be filed under the Securities Exchange Act by any beneficial owner of 15% or more of our common stock.

REMOVAL OF DIRECTORS

CORECOMM HOLDCO

Our directors may be removed at any time, but only for cause and only by holders of at least 2/3 of the combined voting power of all of our then-outstanding shares entitled to vote at an election of directors. However, so long as holders of preferred stock are entitled to elect one or more directors, with respect to removal for cause of a director so elected, the vote of the holders of that class or series of preferred stock and not the vote of the outstanding shares as a whole is required.

CORECOMM LIMITED

CoreComm Limited directors may be removed at any time, but only for cause and only by holders of at least 2/3 of the combined voting power of all of the then-outstanding shares of CoreComm Limited entitled to vote at an election of directors.

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ANNUAL MEETINGS OF STOCKHOLDERS

CORECOMM HOLDCO

The annual meeting of stockholders must be held on a date and at a place within or without Delaware as may be designated by resolution of the board of directors.

CORECOMM LIMITED

The annual meeting of stockholders must be held on a date and at a place within or without Delaware as may be designated by resolution of the board of directors.

SPECIAL MEETINGS OF STOCKHOLDERS

CORECOMM HOLDCO

Special meetings of the stockholders, for any purposes, may be called at any time by the board of directors, by the chairman of the

CORECOMM LIMITED

Special meetings of the stockholders, for any purposes, may be called at any time by the board of directors, by the chairman of the

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board or by the president.

board or by the president.

STOCKHOLDER PROPOSALS

CORECOMM HOLDCO

A stockholder of ours wishing to bring business before the annual or special stockholders' meeting must provide written notice to the corporation's secretary. The notice must be received not less than 75 days nor more than 90 days prior to the meeting; provided, however, that in the event that less than 90 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be received by our secretary not later than the close of business on the fifteenth day following the day on which the notice of the date of the meeting was mailed or the public disclosure was made, whichever first occurs.

CORECOMM LIMITED

A CoreComm Limited stockholder wishing to bring business before the annual or special stockholders' meeting must provide written notice to the corporation's secretary. The notice must be received not less than 75 days nor more than 90 days prior to the meeting; provided, however, that in the event that less than 90 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be received by the secretary of CoreComm Limited not later than the close of business on the fifteenth day following the day on which the notice of the date of the meeting was mailed or the public disclosure was made, whichever first occurs.

STOCKHOLDER RIGHTS PLANS

CORECOMM HOLDCO

We entered into a Rights Agreement dated as of December 17, 2001 with Continental Stock Transfer & Trust Company as rights agent. Rights will separate from our common stock and become exercisable following the earlier of (a) the tenth business day following a public announcement that a person or group has acquired or has obtained the right to acquire 15% or more of our outstanding common stock or (b) the tenth business day, or a later date as may be determined by the action of our board of directors prior to the time that any person or group becomes an acquiring person, after the commencement of, or announcement of an intention to make, a tender offer or exchange offer

CORECOMM LIMITED

CoreComm Limited entered into a Rights Agreement dated as of September 29, 2000 between CoreComm Limited and Continental Stock Transfer & Trust Company as rights agent. Rights will separate from CoreComm Limited's common stock and become exercisable following the earlier of (a) the tenth business day following a public announcement that a person or group has acquired or has obtained the right to acquire 18% or more of CoreComm Limited's outstanding common stock or (b) the tenth business day, or a later date as may be determined by the action of CoreComm Limited's board of directors prior to the time that any person or group becomes an

CORECOMM HOLDCO

CORECOMM LIMITED

for 15% or more of our outstanding common stock. There is an exception for (1) an acquisition of shares of our common stock under or as permitted by the Exchange Agreement and (2) beneficial owners of our common stock that, together with their affiliates and associates, own 15% or more of our outstanding common stock immediately after the consummation of the transactions contemplated by the exchange agreement unless and until that person or entity becomes the beneficial owner of an additional 1% of our outstanding common stock other than as permitted by the Exchange Agreement.

After the distribution date, each right will entitle the holder, other than the acquiring person or group, to purchase shares of our common stock at a 50% discount to its market price as of the purchase date.

If after the rights become exercisable we agree to merge into another entity, another entity merges into us or we sell or transfer more than 50% of our assets, each right will entitle the holder to purchase a number of shares of common stock of the resulting entity at a discount.

If after someone has acquired 15% or more of our common stock or our board of directors declares any person to be an adverse person upon a determination that a person has become the beneficial owner of a substantial amount of our common stock, which shall in no event be less than 5% of the outstanding common stock, each holder of a right will be entitled to receive shares of our common stock at a discount. Any rights that are or were owned by an acquirer of more than 15% of our outstanding common stock or any person that our board of directors declares to be an adverse person will be null and void.

We may exchange the rights at a ratio of one share of common stock for each right at any time after someone acquires 15% or more of our common stock but before that person acquires 50% or more of our common stock. We may also redeem the rights at our option at a price of \$0.01 per right, subject to adjustment, at any time before the tenth

acquiring person, after the commencement of, or announcement of an intention to make, a tender offer or exchange offer for 18% or more of CoreComm Limited's outstanding common stock. There is an exception for beneficial owners of Limited common stock that, together with their affiliates and associates, own 18% or more of the outstanding Limited common stock on the date of the rights agreement unless and until that person or entity becomes the beneficial owner of an additional 1% of CoreComm Limited's outstanding common stock.

After the distribution date, each right will entitle the holder, other than the acquiring person or group, to purchase shares of Limited common stock at a 50% discount to its market price as of the purchase date.

If after the rights become exercisable CoreComm Limited agrees to merge into another entity, another entity merges into CoreComm Limited or CoreComm Limited sells or transfers more than 50% of its assets, each right will entitle the holder to purchase a number of shares of common stock of the resulting entity at a discount.

If after someone has acquired 18% or more of CoreComm Limited's common stock or CoreComm Limited's board of directors declares any person to be an adverse person upon a determination that a person has become the beneficial owner of a substantial amount of CoreComm Limited's common stock, which shall in no event be less than 5% of the outstanding common stock, each holder of a right will be entitled to receive shares of Limited common stock at a discount. Any rights that are or were owned by an acquirer of more than 18% of CoreComm Limited's outstanding common stock or any person that CoreComm Limited's board of directors declares to be an adverse person will be null and void.

CoreComm Limited may exchange the rights at a ratio of one share of common stock for each right at any time after someone acquires 18% or more of CoreComm Limited's common stock but before that person acquires 50% or more of CoreComm Limited's common stock. CoreComm Limited may also redeem the rights at its option at a price of

day following the announcement that someone has acquired 15% or more of our common stock. The rights expire on the earliest of December 17, 2011, an exchange or redemption of the rights as described above, or the completion of a merger as described above. The rights distribution is not taxable to stockholders.

\$0.01 per right, subject to adjustment, at any time before the tenth day following the announcement that someone has acquired 18% or more of CoreComm Limited's common stock. The rights expire on the earliest of October 16, 2010, an exchange or redemption of the rights as described above, or the completion of a merger as described above. The rights distribution is not taxable to stockholders.

CERTAIN BUSINESS COMBINATIONS

CORECOMM HOLDCO

Our charter provides that, in addition to any affirmative vote required by law, the affirmative vote of holders of two-thirds of the voting power of the our voting stock will be necessary to approve any business combination, proposed by an interested stockholder in specified circumstances.

An interested stockholder is defined as anyone who is the beneficial owner of more than 15% of the voting power of the voting stock, other than ourselves and any employee stock plans sponsored by us, and includes any person who is an assignee of or has succeeded to any shares of voting stock in a transaction not involving a public offering that were at any time within the prior two-year period beneficially owned by an interested stockholder. The term beneficial owner includes persons directly and indirectly owning or having the right to acquire or vote the stock. Interested stockholders participate fully in all stockholder voting.

A business combination includes the following transactions:

- merger or consolidation of us or any subsidiary of ours with an interested stockholder or with any other corporation or entity which is, or after the merger or consolidation would be, an affiliate, associate or a Schedule 13D related party of an interested stockholder;
- the sale or other disposition by us or a subsidiary of ours of assets having a fair market value of \$10,000,000 or more if an interested stockholder, or an affiliate, an associate or a Schedule 13D related party of an

CORECOMM LIMITED

The CoreComm Limited charter provides that, in addition to any affirmative vote required by law, the affirmative vote of holders of two-thirds of the voting power of the CoreComm Limited voting stock will be necessary to approve any business combination, proposed by an interested stockholder in specified circumstances.

An interested stockholder is defined as anyone who is the beneficial owner of more than 15% of the voting power of the voting stock, other than CoreComm Limited and any employee stock plans sponsored by CoreComm Limited, and includes any person who is an assignee of or has succeeded to any shares of voting stock in a transaction not involving a public offering that were at any time within the prior two-year period beneficially owned by an interested stockholder. The term beneficial owner includes persons directly and indirectly owning or having the right to acquire or vote the stock. Interested stockholders participate fully in all stockholder voting.

A business combination includes the following transactions:

- merger or consolidation of CoreComm Limited or any subsidiary of CoreComm Limited with an interested stockholder or with any other corporation or entity which is, or after the merger or consolidation would be, an affiliate or associate of an interested stockholder;
- the sale or other disposition by CoreComm Limited or a subsidiary of CoreComm Limited of assets having a fair market value of \$5,000,000 or more if an interested stockholder, or an affiliate or an associate of an interested

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- interested stockholder is a party to the transaction;
- the adoption of any plan or proposal for our

- stockholder is a party to the transaction;
- the adoption of any plan or proposal for

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CORECOMM HOLDCO

- liquidation or dissolution proposed by or on behalf of an interested stockholder, or an affiliate, an associate or a Schedule 13D related party of an interested stockholder; or
- any reclassification of securities, recapitalization, merger with a subsidiary, or other transaction which has the effect, directly or indirectly, of increasing the proportionate share of any class of our outstanding stock, or securities convertible into stock, or a subsidiary owned by an interested stockholder, or an affiliate, an associate or a Schedule 13D related party of an interested stockholder.

The term Schedule 13D related party means an individual or entity whose beneficial ownership of securities would be required to be aggregated on any Schedule 13D or Schedule 13G required to be filed by an interested stockholder.

CORECOMM LIMITED

- CoreComm Limited's liquidation or dissolution proposed by or on behalf of an interested stockholder, or an affiliate or an associate of an interested stockholder; or
- any reclassification of securities, recapitalization, merger with a subsidiary, or other transaction which has the effect, directly or indirectly, of increasing the proportionate share of any class of CoreComm Limited's outstanding stock, or securities convertible into stock, or a subsidiary owned by an interested stockholder, or an affiliate or an associate of an interested stockholder.

STATE ANTI-TAKEOVER LAW

CORECOMM HOLDCO

We are subject to Section 203 of the Delaware General Corporation Law which prohibits a publicly held Delaware corporation from engaging in any business combination with an interested stockholder for a period of three years following the time that a stockholder becomes an interested stockholder unless specified conditions are met. Please refer to the section of the prospectus entitled "Description of Capital Stock -- Section 203 of the Delaware General Corporation Law."

CORECOMM LIMITED

CoreComm Limited is subject to Section 203 of the Delaware General Corporation Law which prohibits a publicly held Delaware corporation from engaging in any business combination with an interested stockholder for a period of three years following the time that a stockholder becomes an interested stockholder unless specified conditions are met. Please refer to the section of the prospectus entitled "Description of Capital Stock -- Section 203 of the Delaware General Corporation Law."

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DESCRIPTION OF PUBLIC NOTES

By tendering your public notes for shares of our common stock, you will be investing in a different type of security, in a different entity. The following sets forth a brief description of the terms of the public notes. This is not a complete description of the terms, for which you are encouraged to read the indenture and the supplements governing the public notes. Please refer to the section of the prospectus entitled "Where You Can Find More Information." In addition, we encourage you to read the following risk factors: "Risk Factors -- Risk factors relating to the exchange offers -- CoreComm Limited would hold virtually no material assets following the completion of the Holdco recapitalization and may not be able to meet its obligations under the public notes," "Risk Factors -- Risk factors relating to the exchange offers -- Holders of public notes could face reduced liquidity following the exchange offers" and "Risk Factors -- Risk factors relating to the exchange offers -- Holders of public notes that tender in the exchange offers will be giving up their rights to receive interest."

PRINCIPAL, MATURITY AND INTEREST

CoreComm Limited issued public notes with a maximum aggregate principal amount of \$175.0 million. As a result of the first phase of the Holdco recapitalization and prior conversions of public notes into shares of Limited common stock, \$4.75 million principal amount remains outstanding and not held by us. The public notes will mature on October 1, 2006. Interest on the public notes accrues at a rate of 6% per annum from the date of original issuance and is payable semiannually on April 1 and October 1, commencing on April 1, 2000. CoreComm Limited is required to make each interest payment to the holders of record of the public notes on the immediately preceding March 15 and September 15. Interest is computed on the basis of a 360-day year comprised of twelve 30-day months. As a result of the Holdco recapitalization and other factors, CoreComm Limited may not be able to pay the principal amount of any outstanding public notes when it becomes due and payable. Please refer to the section of the prospectus entitled "Risk Factors -- Risk factors relating to failure to tender outstanding securities in the exchange offers -- CoreComm Limited would hold virtually no material assets following the completion of the Holdco recapitalization and may not be able to meet its obligations under the public notes."

CONVERSION

The holder of any public note has the right prior to its maturity, to convert the principal amount thereof, or any portion thereof that is an integral multiple of \$1,000, into shares of common stock of CoreComm Limited at \$0.75, previously \$27.39, per share, subject to adjustment, except that if a public note is called for redemption, the conversion right will terminate at the close of business on the business day immediately preceding the date fixed for redemption. Immediately prior to completion of the merger, CoreComm Limited, CoreComm Holdco and the trustee for the public notes will execute and deliver a supplemental indenture to provide that any public notes not tendered or converted will become convertible into CoreComm Holdco common stock and the conversion price per share of the public notes will be adjusted based on the exchange ratio for CoreComm Limited common stock.

SUBORDINATION OF PUBLIC NOTES

The public notes are subordinate in right of CoreComm Limited's senior debt. The indenture does not restrict the amount of senior debt or other indebtedness of CoreComm Limited or any subsidiary of CoreComm Limited. The payment of the principal of, interest on or any other amounts due on the public notes is subordinated in right of payment to the prior payment in full of all senior debt of CoreComm Limited.

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No payment on account of principal of, redemption of, interest on or any other amounts due on the public notes, and no redemption, purchase or other acquisition of the public notes may be made unless:

(1) full payment of amounts then due on all senior debt have been made or duly provided for under the terms of the instrument governing senior debt; and

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(2) at the time for, or immediately after giving effect to, any payment, redemption, purchase or other acquisition, there does not exist under any senior debt or any agreement under which any senior debt has been issued, any default which has not been cured or waived and which has resulted in the full amount of senior debt being declared due and payable. In addition, the indenture provides that if any of the holders of any issue of senior debt notify CoreComm Limited and the trustee that a default has occurred giving the holders of senior debt the right to accelerate its maturity, referred to as a payment blockage notice, no payment on account of principal, redemption, interest, special interest, if any, or any other amounts due on the public notes and no purchase, redemption or other acquisition of the public notes will be made for the period, referred to as the payment blockage period, commencing on the date notice is received and ending on the earlier of (a) the date on which the event of default is cured or waived, or (b) 180 days from the date notice is received. Notwithstanding the foregoing, only one payment blockage notice with respect to the same event of default or any other events of default existing and unknown to the person giving notice at the time of notice on the same issue of senior debt may be given during any period of 360 consecutive days unless that event of default or those other events of default have been cured or waived for a period of not less than 90 consecutive days. No new payment blockage period may be commenced by the holders of senior debt during any period of 360 consecutive days unless all events of default which triggered the preceding payment blockage period have been cured or waived. Presently, CoreComm Limited is a party under our senior secured credit facility, under which \$156.1 million is outstanding, all of which is considered senior debt.

Upon any distribution of its assets in connection with any dissolution, winding-up, liquidation or reorganization of CoreComm Limited or acceleration of the principal amount due on the public notes because of any event of default, all senior debt must be paid in full before the holders of the public notes are entitled to any payments whatsoever.

In the event the Holdco recapitalization is completed successfully, CoreComm Limited will own little or no material assets. Accordingly, in the event of CoreComm Limited's subsequent insolvency, holders of the public notes may not recover their investment.

In the event that the trustee or any holder of public notes receives any payment or distribution of assets of CoreComm Limited of any kind in contravention of any of the terms of the indenture, whether in cash, property or securities, including, by way of set-off or otherwise, in respect of the public notes before all senior debt is paid in full, then payment or distribution will be held by the recipient in trust for the benefit of holders of senior debt, and will be immediately paid over or delivered to the holders of senior debt or their representative or representatives to the extent necessary to make payment in full of all senior debt remaining unpaid, after giving effect to any concurrent payment or distribution, or provision therefor, to or for the holder of senior debt.

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The public notes are obligations exclusively of CoreComm Limited. Since CoreComm Limited's only material asset is its ownership of approximately 13% of our outstanding capital stock, and, as a result of covenants in our senior secured credit facility, CoreComm Limited is not able to receive cash from us or our subsidiaries, CoreComm Limited has a reduced ability to service the public notes.

Any right of CoreComm Limited to receive assets of any of its subsidiaries upon their liquidation or reorganization, and the consequent right of the holders of the public notes to participate in those assets, will be effectively subordinated to the claims of that subsidiary's creditors, including trade creditors, except to the extent that CoreComm Limited is itself recognized as a creditor of that subsidiary, in which case the claims of CoreComm Limited would still be subordinate to any security interests in the assets of that subsidiary and any indebtedness of that subsidiary senior to that held by CoreComm Limited.

OPTIONAL REDEMPTION

Except as set forth under "-- Optional Tax Redemption," the public notes are not redeemable at CoreComm Limited's option prior to October 1, 2002. Thereafter, the public notes will be subject to redemption at the option of CoreComm Limited, in whole or in part, upon not less than 30 nor more than

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60 days' notice, at the redemption prices set forth below, expressed as percentages of principal amount plus accrued and unpaid interest, in each case, to the applicable redemption date, if redeemed during the twelve-month period beginning on October 1 of the years indicated below:

YEAR	PERCENTAGE
----	-----
2002.....	103.429%
2003.....	102.571%
2004.....	101.714%
2005.....	100.857%
2006.....	100.000%

In each case of a redemption of any public notes referred to under "-- Optional Tax Redemption," redemption of public notes shall be made at the principal amount thereof together with accrued and unpaid interest and special interest, if any, to the applicable redemption date.

MANDATORY REDEMPTION AND REPURCHASE

CoreComm Limited is not required to make mandatory redemption or sinking fund payments with respect to the public notes.

CHANGE OF CONTROL

As a result of the amendments to the indenture agreed to by holders of 97.1% of the formerly outstanding public notes in an earlier phase of the Holdco recapitalization, the indenture does not contain any other provision that permits the holders of the public notes to require that CoreComm Limited repurchase or redeem the public notes in the event of a takeover, recapitalization or similar restructuring.

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SELECTION AND NOTICE

If less than all of the public notes are to be redeemed at any time, selection of public notes for redemption will be made by the trustee in compliance with the requirements of any securities exchange on which the public notes are listed. In the absence of any requirements of any securities exchange or if the public notes are not listed, selection of the public note to be redeemed will be made on a pro rata basis, provided that no public notes of \$1,000 or less will be redeemed in part. Notice of redemption will be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each holder of public notes to be redeemed at its registered address. If any public note is to be redeemed in part only, the notice of redemption that relates to that public note will state the portion of the principal amount to be redeemed. A new public note in principal amount equal to the unredeemed portion will be issued in the name of the holder upon cancellation of the original public note. On and after the redemption date, interest ceases to accrue on public notes or portions of them called for redemption.

COVENANTS

As a result of the amendments to the indenture agreed to by holders of 97.1% of the formerly outstanding public notes in an earlier phase of the Holdco recapitalization, the indenture does not contain any substantial negative covenants regarding either change of control or sales of assets of CoreComm Limited.

LIMITATION ON STATUS AS INVESTMENT COMPANY

The indenture provides that CoreComm Limited will not, and will not permit any subsidiary to, conduct its business in a fashion that would cause CoreComm Limited to be required to register as an investment company under the Investment Company Act of 1940, as amended.

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EVENTS OF DEFAULT AND REMEDIES

The indenture provides that each of the following constitutes an event of default in addition to other events listed in the indenture:

(1) default for 30 days in the payment when due of interest on the public notes;

(2) a default in the payment of principal of any public when due at its stated maturity;

(3) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed by CoreComm Limited or its subsidiaries, or the payment of which is guaranteed by CoreComm Limited or any of its subsidiaries which default:

- is caused by a failure to pay when due principal or interest on that indebtedness within the grace period provided in that indebtedness, which payment default continues beyond any applicable grace period; or
- results in the acceleration of that indebtedness prior to its express maturity and, in each case, the principal amount of any indebtedness, together with the principal amount of any other indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates \$20.0 million or more;

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(4) failure by CoreComm Limited or subsidiaries of CoreComm Limited to pay final judgments for the payment of money, other than any judgment as to which a reputable insurance company has accepted liability subject to customary terms, aggregating in excess of \$10.0 million, which judgments are not paid, wired, discharged or stayed within 60 days after their entry; and

(5) events of bankruptcy or insolvency with respect to CoreComm Limited or its subsidiaries.

If any event of default occurs and is continuing, the trustee or the holders of at least 25% in principal amount of the then outstanding public notes may declare all the public notes to be due and payable immediately, subject to the provisions limiting payment described in "-- Subordination of Public Notes." Notwithstanding the foregoing, in the case of an event of default arising from events of bankruptcy or insolvency, with respect to CoreComm Limited or its subsidiaries, all outstanding public notes will become due and payable without further action or notice. Holders of the public notes may not enforce the indenture or the public notes except as provided in the indenture. Subject to limitations, holders of a majority in principal amount of the then outstanding public notes may direct the trustee in its exercise of any trust or power. The trustee may withhold from holders of the public notes notice of any continuing default or event of default, except a default or event of default relating to the payment of principal or interest, if it determines that withholding notice is in their interest.

In the event of a declaration of acceleration of the public notes because an event of default has occurred and is continuing as a result of the acceleration of any indebtedness described in clause (3) above, the declaration of acceleration of the public notes will be automatically annulled if:

(1) the holders of any indebtedness described in clause (3) have rescinded the declaration of acceleration in respect of that indebtedness within 30 days after the date of declaration;

(2) the annulment of the acceleration of the public notes would not conflict with any judgment or decree of a court of competent jurisdiction; and

(3) all existing events of default, except for nonpayment of principal of or interest on the public notes that became due solely because of the acceleration of the public notes, have been cured or waived.

The holders of a majority in aggregate principal amount of the then outstanding public notes by notice to the trustee may on behalf of all of the holders waive any existing default or event of default and its consequences under the indenture except a continuing default or event of default in the payment of interest on or the principal of the public notes.

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CoreComm Limited is required to deliver to the trustee annually a statement regarding compliance with the indenture, and CoreComm Limited is required, upon becoming aware of any default or event of default, to deliver to the trustee a statement specifying the default or event of default.

The interest payment that was due under the outstanding public notes on April 1, 2002 has not been made and CoreComm Limited is in default under the public notes. Therefore the \$4.75 million of convertible notes not held by CoreComm Holdco has been classified as a current liability. The consideration we are offering in our exchange offer for the public notes includes \$30.00 in cash,

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which represents the April 1, 2002 interest payment, for each \$1,000 in principal amount outstanding.

NO PERSONAL LIABILITY OF DIRECTORS, OFFICERS, EMPLOYEES AND STOCKHOLDERS

No director, officer, employee, incorporator or stockholder of CoreComm Limited has liability for any obligations of CoreComm Limited under the public notes or the indenture or for any claim based on, in respect of, or by reason of, these obligations or their creation. Each holder of the public notes by accepting a public note waives and releases all of this liability. The waiver and release are part of the consideration for issuance of the public notes. This waiver may not be effective to waive liabilities under the federal securities laws, and it is the view of the SEC that a waiver of liabilities is against public policy.

GOVERNING LAW AND JUDGMENTS

The public notes and the indenture are governed exclusively by the laws of the State of New York without giving effect to applicable principles of conflicts of laws.

CoreComm Limited will submit to the jurisdiction of the United States federal and New York state courts located in the Borough of Manhattan, City and State of New York for purposes of all legal actions and proceedings instituted in connection with the public notes and the indenture. CoreComm Limited has appointed National Registered Agents, Inc. as its authorized agent upon which process may be served in any action.

CONCERNING THE TRUSTEE

The indenture contains limitations on the rights of the trustee, should it become a creditor of CoreComm Limited, to obtain payment of claims in specified cases, or to realize on property received in respect of any claim as security or otherwise. The trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest it must eliminate that conflict within 90 days, apply to the SEC for permission to continue or resign.

The holders of the majority in aggregate principal amount of the then outstanding public notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the trustee under the indenture, subject to exceptions. The indenture provides that in case an event of default occurs, which is not be cured or waived, the trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to these provisions, the trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request of any holder of public notes, unless that holder shall have offered to the trustee security and indemnity satisfactory to it against any loss, liability or expense.

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MATTERS RELATING TO OUTSTANDING SECURITIES

As of June 25, 2002, there were 141,655,388 shares of common stock, par value \$0.01 per share, of CoreComm Limited issued and outstanding. As of June 25, 2002, there was \$164.75 million in aggregate principal amount of 6% Convertible Subordinated Notes due 2006 issued and outstanding, including \$160 million in principal amount held by CoreComm Holdco.

The following details the ownership of outstanding securities of CoreComm Limited by executive officers, directors and control persons of CoreComm Holdco

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and the affiliates thereof:

NAME	SHARES OF CORECOMM LIMITED COMMON STOCK BENEFICIALLY		AGGREGATE PRINCIPAL AMOUNT OF PUBLIC NOTES HELD	PERCENTAGE
	OWNED (1)			
Barclay Knapp.....	3,158,090	2.22%	0	
Thomas J. Gravina(2).....	6,141,000	4.37%	0	
Michael A. Peterson.....	254,922	0.18%	0	
Gregg N. Gorelick.....	395,052	0.28%	0	
George S. Blumenthal(3).....	2,450,082	1.73%	0	
Ralph H. Booth, II(4).....	0	0%	0	
Alan J. Patricof.....	170,435	0.12%	0	
Warren Potash.....	255,290	0.18%	0	
CoreComm Holdco, Inc.(5).....	304,223,534	68.23%	\$160,000,000	
Michael Karp.....	0	0%	0	

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- (1) Includes shares of CoreComm Limited common stock purchased upon the exercise of options which are exercisable or become so in the next 60 days, warrants and shares of CoreComm Limited common stock purchased upon the conversion of the public notes, 10.75% Senior Unsecured Convertible PIK Notes, 10.75% Unsecured Convertible PIK Notes, Series A and A-1 Preferred Stock and Series B Preferred Stock.
 - (2) Based solely upon Schedule 13-D (Amendment No. 3), filed with the SEC on January 8, 2002, by Thomas J. Gravina. Includes 96,000 shares of CoreComm Limited common stock held by Mr. Gravina's minor children, as to which shares Mr. Gravina disclaims beneficial ownership.
 - (3) Includes 4,455 shares of CoreComm Limited common stock owned by trusts for the benefit of Mr. Blumenthal's children. An additional 6,750 shares of CoreComm Limited common stock are owned by Mr. Blumenthal's wife, as to which shares Mr. Blumenthal disclaims beneficial ownership. In addition, 336,201 options are held by Grantor Retained Annuity Trusts.
 - (4) Based upon Schedule 13-D, filed with the SEC on April 23, 2001, by Ralph H. Booth II, and Booth American Company. Also based upon Form 4's filed by Ralph H. Booth, II since April 23, 2001.
 - (5) Includes \$160,000,000 in public notes, convertible into 213,333,334 shares of CoreComm Limited common stock; 51,086 shares of Series A and A-1 Preferred Stock, convertible into 43,663,342 shares of CoreComm Limited common stock; and 250,000 shares of Series B Preferred Stock, convertible into 47,226,858 shares of CoreComm Limited common stock.

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The following is a summary of all transactions in outstanding securities of CoreComm Limited consummated during the past 60 days by CoreComm Holdco, any of CoreComm Holdco's directors or executive officers, any person that controls CoreComm Holdco, any associate or majority owned subsidiaries of CoreComm Limited or CoreComm Holdco, and between CoreComm Limited and any executive officer or director of any subsidiary of CoreComm Limited or CoreComm Holdco:

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LIMITED COMMON STOCK

NAME OF PERSON INVOLVED	DATE	NUMBER OF SHARES	PRICE PER SHARE	WHERE & HOW TRANSACTION EFFECTED
THOMAS J. GRAVINA				
CoreComm Limited.....	12/26/2001	500,000	\$0.1600	Sale/Brokerage Transaction
	12/26/2001	516,415	\$0.1600	Sale/Brokerage Transaction
	12/26/2001	900,000	\$0.1600	Sale/Brokerage Transaction
MICHAEL A. PETERSON				
CoreComm Limited.....	01/25/2002	76,332	\$0.1100	Sale/Brokerage Transaction

PUBLIC NOTES

NAME OF PERSON INVOLVED	DATE	AGGREGATE PRINCIPAL AMOUNT	PRICE PER \$1,000 IN AGGREGATE PRINCIPAL AMOUNT	WHERE & HOW TRANSACTION EFFECTED
GEORGE S. BLUMENTHAL....	12/17/2001	\$7,250,000	\$38.92(1)	Exchanged in the phase of Holdco recapitalization
BARCLAY KNAPP.....	12/17/2001	\$ 300,000	\$38.92(1)	Exchanged in the phase of the Holdco recapitalization
WARREN POTASH.....	12/17/2001	\$ 250,000	\$38.92(1)	Exchanged in the phase of the Holdco recapitalization

(1) \$39.10 represents \$30.00 in cash and 9.1047 shares of our common stock based upon an estimated fair market value of \$0.98 per share.

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MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is the opinion of Skadden, Arps, Slate, Meagher & Flom (Illinois), special federal income tax counsel to CoreComm Holdco, with regard to the material U.S. federal income tax consequences to persons who exchange outstanding securities for CoreComm Holdco common stock and cash, if any, under the exchange offers. The discussion is based upon the Internal Revenue Code of 1986, as amended, Treasury Regulations, judicial authorities, published positions of the Internal Revenue Service and other applicable authorities, all as in effect on the date hereof and all of which are subject to change or differing interpretations, possibly with retroactive effect. The discussion does not address all of the tax consequences that may be relevant to a particular holder or holders subject to special treatment under U.S. federal income tax laws. This discussion is limited to persons who hold outstanding securities and any CoreComm Holdco common stock as capital assets. We have not sought, and do not intend to seek, a ruling from the IRS regarding any matter discussed herein. No assurance can be given that the IRS would not assert, or that a court would

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not sustain, a position contrary to any of the tax aspects set forth below. PROSPECTIVE INVESTORS MUST CONSULT THEIR OWN TAX ADVISORS AS TO THE FEDERAL INCOME TAX CONSEQUENCES OF ACQUIRING, HOLDING AND DISPOSING OF HOLDCO COMMON STOCK, AS WELL AS THE EFFECTS OF STATE, LOCAL AND NON-U.S. TAX LAWS.

For purposes of this discussion, a holder who is a U.S. person means any one of the following:

- a citizen or resident of the United States,
- a corporation, partnership, or other entity created or organized in the United States or under the laws of the United States or of any political subdivision thereof,
- an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source, or
- a trust, the administration of which is subject to the primary supervision of the U.S. courts and that has one or more U.S. persons who have the authority to control all substantial decisions of the trust, or that was in existence on August 20, 1996 and properly elected to continue to be treated as a U.S. person.

If a partnership, including any entity treated as a partnership for U.S. federal income tax purposes is a beneficial owner of outstanding securities or CoreComm Holdco common stock, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership.

For purposes of this discussion, the term U.S. holder means a holder that is a U.S. person and the term non-U.S. holder means a holder who is not a U.S. person.

U.S. HOLDERS

The exchange of CoreComm Limited common stock for CoreComm Holdco common stock pursuant to the exchange offer should be tax free to U.S. holders as part of the larger Section 351 of the Internal Revenue Code transaction that includes the other contributions of property to CoreComm Holdco that have already been completed in connection with the first phase of the Holdco recapitalization. Alternatively, a U.S. holder's exchange of CoreComm Limited common stock pursuant to the exchange offer should qualify as a tax-free stock-for-stock reorganization for federal income tax purposes. No assurance can be given, however, that the IRS could not successfully recharacterize the transactions involved in the Holdco recapitalization, including a U.S. stockholder's exchange of CoreComm Limited common stock, as a taxable liquidation of CoreComm Limited. The tax treatment of the Holdco recapitalization depends upon all the facts and circumstances and it is tax counsel's opinion that the IRS should not be successful in any attempt to recharacterize this transaction. Thus, U.S. holders who exchange CoreComm Limited common stock for CoreComm Holdco common stock under the exchange offer should not be subject to U.S. federal income tax and should have the same tax basis and holding period in the CoreComm Holdco common stock received as they had immediately prior to the exchange in

the CoreComm Limited common stock exchanged therefor. Because there are no clearly controlling legal precedents, the law regarding the tax treatment of the Holdco recapitalization is uncertain, and tax counsel is unable to render a more definitive opinion.

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A U.S. holder's exchange of public notes for CoreComm Holdco common stock and cash should be partially tax free, as discussed below, as part of the larger Section 351 of the Internal Revenue Code transaction that includes the other contributions of property to CoreComm Holdco that have already been completed in connection with the first phase of the Holdco recapitalization. No assurance can be given, however, that the IRS could not successfully recharacterize the transactions involved in the Holdco recapitalization, including a U.S. holder's exchange of public notes, as a taxable liquidation of CoreComm Limited. The tax treatment of the Holdco recapitalization depends upon all the facts and circumstances and it is tax counsel's opinion that the IRS should not be successful in any attempt to recharacterize this transaction. Thus, U.S. holders of public notes who exchange their public notes for CoreComm Holdco common stock and cash under the exchange offer should recognize gain, but not loss, in an amount equal to the lesser of (x) the amount of gain realized and (y) the cash received in the exchange. A U.S. holder's realized gain is the excess of the fair market value, as of the date of the exchange, of the CoreComm Holdco common stock and cash received over the holder's adjusted tax basis in public notes exchanged therefor. Although the issue is not free from doubt, a U.S. holder who would otherwise recognize capital gain as a result of the receipt of cash in the exchange should be required to report such gain as ordinary interest income to the extent of any accrued market discount but may be required to recognize as ordinary interest income any accrued market discount to the extent of any gain realized, not limited by the amount of cash received. A U.S. holder will generally have the same holding period and tax basis, increased by the amount of any income or gain recognized in the exchange and decreased by the amount of cash received, in the CoreComm Holdco common stock received as such holder had immediately prior to the exchange in the public notes exchanged therefor. Because there are no clearly controlling legal precedents, the law regarding the tax treatment of the Holdco recapitalization is uncertain, and tax counsel is unable to render a more definitive opinion.

If, contrary to tax counsel's opinion, the exchange of outstanding securities for CoreComm Holdco common stock were held to be part of a taxable liquidation of CoreComm Limited for U.S. federal income tax purposes, exchanging U.S. holders potentially could incur material tax liabilities. If the exchange were held to be taxable, exchanging security holders would generally be required to recognize capital gain or loss on the exchange of outstanding securities based upon the difference between the holder's adjusted tax basis therein and the sum of the fair market value of the CoreComm Holdco common stock, as of the date of the exchange, and any cash received. If the outstanding securities exchanged were held for more than one year, any resulting taxable capital gain or loss should be long-term capital gain or loss. In a taxable exchange, a new holding period for the CoreComm Holdco common stock would commence on the date following the exchange and the tax basis of the CoreComm Holdco common stock received would be its fair market value as of that date.

NON-U.S. HOLDERS.

The following is a summary of U.S. federal income tax consequences to non-U.S. holders of outstanding securities who exchange their outstanding securities for CoreComm Holdco common stock and cash, if any, under the exchange offers.

A non-U.S. holder who exchanges outstanding securities for CoreComm Holdco common stock and cash, if any, under the exchange offers will generally not be subject to U.S. federal income tax in respect of any gain realized on the exchange unless, contrary to tax counsel's opinion the exchange is otherwise a taxable exchange for U.S. federal income tax purposes and:

- the gain is effectively connected with the conduct of a trade or business of the non-U.S. holder within the United States;

- in the case of a non-U.S. holder who is an individual and holds outstanding securities as capital assets, the holder is present in the United States for 183 or more days in the taxable year of the exchange and certain other conditions are met; or
- the non-U.S. holder is subject to tax under the provisions of U.S. federal income tax law applicable to some U.S. expatriates.

Gain derived by a non-U.S. holder from a taxable exchange of outstanding securities that are effectively connected with the conduct of a trade or business within the United States by the non-U.S. holder is generally taxed at the graduated rates that are applicable to U.S. holders. In the case of a non-U.S. holder that is a corporation, this effectively connected income may also be subject to the U.S. branch profits tax. NON-U.S. HOLDERS ARE URGED TO CONSULT THEIR U.S. TAX ADVISORS REGARDING THE TAX CONSEQUENCES OF INVESTING IN OUR STOCK.

LEGAL MATTERS

The legality of the common stock offered in these exchange offers will be passed upon for us by Skadden, Arps, Slate, Meagher & Flom LLP New York, New York. Skadden, Arps, Slate, Meagher & Flom (Illinois), special tax counsel for CoreComm Holdco, will pass upon the tax consequences of these exchange offers.

EXPERTS

Ernst & Young LLP, independent auditors, have audited our consolidated financial statements and schedules at December 31, 2001 and 2000 and for the years ended December 31, 2001, 2000 and 1999, as set forth in their reports. Our financial statements are included in this prospectus in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

Ernst & Young LLP, independent auditors, have audited CoreComm Limited's consolidated financial statements and schedules at December 31, 2001 and 2000 and for the years ended December 31, 2001, 2000 and 1999, as set forth in their reports (which contain an explanatory paragraph describing conditions that raise doubt about the Company's ability to continue as a going concern as described in note 1 to the consolidated financial statements). CoreComm Limited's financial statements are included in this prospectus in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

BDO Seidman, LLP, independent auditors, have audited the combined financial statements of ATX Telecommunications Services Group as of December 31, 1999 and for each of the two years in the period ended December 31, 1999 as set forth in their report. ATX's financial statements have been included in this prospectus in reliance on BDO Seidman, LLP's report, given on their authority as experts in accounting and auditing.

The consolidated financial statements of Voyager.net, Inc. as of December 31, 1999 and 1998, and for the years ended December 31, 1999, 1998 and 1997 have been audited by PricewaterhouseCoopers LLP, independent accountants, whose report thereon appears herein. These financial statements, to the extent they have been included in this prospectus, have been so included in reliance on the report of such independent accountants given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

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CoreComm Limited files annual, quarterly and special reports, prospectuses and other information with the SEC. This prospectus constitutes a part of a registration statement on Form S-4 which we have filed with the SEC, under the Securities Act, with respect to the common stock offered in these exchange offers. This prospectus does not contain all of the information included in the registration statement. Some parts of the registration statement are omitted as allowed by the rules and regulations of the SEC. We

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refer you to the registration statement for further information about our company and the securities offered in this prospectus.

References in this prospectus to any of our contracts or other documents are not necessarily complete, and you should refer to the exhibits attached to the registration statement for copies of the actual contract or document. In addition, we also filed with the SEC a statement on Schedule TO under the Exchange Act to furnish information about the exchange offers, and we may also file amendments to the Schedule TO. You may read and copy the registration statement and the Schedule TO, any amendments to those documents, related exhibits and the other materials we file, or that CoreComm Limited has filed, with the SEC at the public reference facilities the SEC maintains at:

Judiciary Plaza
Room 1024
450 Fifth Street, N.W.
Washington, D.C. 20549

233 Broadway
New York, NY 10279

Citicorp Center
500 West Madison Street
Suite 1400
Chicago, IL 60661

Upon the effectiveness of the registration statement, we will become subject to the information requirements of the Exchange Act. We will then file reports, proxy statements and other information under the Exchange Act with the SEC. You can inspect and copy these reports and other information of our company at the locations set forth above or download these reports from the SEC's website set forth below. Copies of these materials can also be obtained by mail at prescribed rates from the Public Reference Section of the SEC, 450 Fifth Street, N.W., Washington, D.C. 20549 or by calling the SEC at 1-800-SEC-0330. The SEC maintains a website that contains reports, proxy statements and other information regarding us. The address of the SEC Web site is <http://www.sec.gov>.

Currently no public market exists for the shares of Holdco common stock. CoreComm Limited's outstanding common stock is currently listed on the Nasdaq National Market under the symbol "COMM." For a discussion of the proposed transfer of this Nasdaq listing, please refer to the section of the prospectus entitled "The Exchange Offers -- Effect of the Exchange Offers -- Transfer of Nasdaq Listing." All reports, proxy statements and other information concerning CoreComm Limited may be inspected at:

The National Association of
Securities Dealers
1735 K Street, N.W.
Washington, D.C. 20006

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CORECOMM HOLDCO, INC. AND SUBSIDIARIES

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