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CONFORMED SUBMISSION TYPE: S-4
PUBLIC DOCUMENT COUNT: 16
FILED AS OF DATE: 19990913

FILER:

 COMPANY DATA:
  COMPANY CONFORMED NAME: CINCINNATI BELL INC /OH/
  CENTRAL INDEX KEY: 0000716133
  STANDARD INDUSTRIAL CLASSIFICATION: TELEPHONE COMMUNICATIONS (NO RADIO TELEPHONE) [4813]
  IRS NUMBER: 311056105
  STATE OF INCORPORATION: OH
  FISCAL YEAR END: 1231

 FILING VALUES:
  FORM TYPE: S-4
  SEC ACT:
  SEC FILE NUMBER: 333-86971
  FILM NUMBER: 99710181

 BUSINESS ADDRESS:
  STREET 1: 201 E FOURTH ST 102 732
  CITY: CINCINNATI
  STATE: OH
  ZIP: 45202
  BUSINESS PHONE: 5133979900

 MAIL ADDRESS:
  STREET 1: P O BOX 2301
  CITY: CINCINNATI
  STATE: OH

 FORMER COMPANY:
  FORMER CONFORMED NAME: CBI INC
  DATE OF NAME CHANGE: 19830814

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AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON SEPTEMBER 13, 1999

REGISTRATION NO. 333--

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CINCINNATI BELL INC.

(Exact name of Registrant as specified in its charter)

OHIO	4813	31-1056105
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

201 EAST FOURTH STREET, 102-760
P.O. BOX 2301
CINCINNATI, OHIO 45201-2301
TELEPHONE: (513) 397-9900

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

THOMAS E. TAYLOR, ESQ.
CINCINNATI BELL INC.
201 EAST FOURTH STREET, 102-760
P.O. BOX 2301
CINCINNATI, OHIO 45201-2301
TELEPHONE: (513) 397-9900

(Name, address, including zip code, and telephone number, including area code,

of agent for service)

COPIES TO:

ROBERT A. KINDLER, ESQ.
ROBERT I. TOWNSEND, III, ESQ.
CRAVATH, SWAINE & MOORE
WORLDWIDE PLAZA, 825 EIGHTH AVENUE
NEW YORK, NEW YORK 10019
(212) 474-1000

MICHAEL P. WHALEN, ESQ.
RIORDAN & MCKINZIE
695 TOWN CENTER DRIVE
SUITE 1500
COSTA MESA, CALIFORNIA 92626
(714) 433-2618

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE OF THE SECURITIES TO THE PUBLIC: Upon consummation of the merger referred to herein.

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

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

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

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

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- ---

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	PROPOSED MAXIMUM AMOUNT TO BE	PROPOSED MAXIMUM OFFERING PRICE PER	AGGREGATE

OFFERING AMOUNT OF SECURITIES TO BE REGISTERED	REGISTERED	UNIT PRICE	REGISTRATION FEE
Common Stock, par value $0.01 per share(1).....	103,152,121(2)	N/A	$1,604,375,450(3)	$446,016.38(4)
7 1/4% Junior Convertible Preferred Stock Due 2007, without par value.....	1,400,000	N/A	$162,786,144(5)	$45,254.55(4)
Depositary Shares, each representing a one-twentieth interest in a share of 6 3/4% Cumulative Convertible Preferred Stock, without par value.....	3,105,000	N/A	$117,601,875(6)	$32,693.33(4)
6 3/4% Cumulative Convertible Preferred Stock, without par value.....	155,250	N/A	N/A	N/A(7)

(1) This Registration Statement also covers the associated preferred stock purchase rights (the "Rights") issued pursuant to a Rights Agreement dated as of April 29, 1997, as amended, between Cincinnati Bell and The Fifth Third Bank, as rights agent. Until the occurrence of certain events, the Rights will not be exercisable for or evidenced separately from shares of common stock, par value $0.01 per share ("Cincinnati Bell Common Stock"), of Cincinnati Bell Inc. ("Cincinnati Bell").

(2) Based on (a) the maximum number of shares of Cincinnati Bell Common Stock estimated to be issuable upon the completion of the merger (the "Merger") of Ivory Merger Inc., a Delaware corporation and wholly owned subsidiary of Cincinnati Bell, with and into IXC Communications, Inc., a Delaware corporation, ("IXC"), calculated as the sum of (i) 41,077,720, the aggregate number of shares of common stock, par value $0.01 per share ("IXC Common Stock"), of IXC outstanding on September 7, 1999 (other than shares owned by IXC, Cincinnati Bell or Ivory Merger Inc.) to be exchanged for Cincinnati Bell Common Stock in the Merger or issuable pursuant to outstanding options prior to the date the Merger is expected to be completed, (ii) 5,964,000, the aggregate number of shares of IXC Common Stock issuable upon conversion of the IXC 7 1/4% Junior Convertible Preferred Stock Due 2007 and (iii) 2,134,539, the aggregate number of shares of IXC Common Stock issuable upon conversion of the IXC 6 3/4% Cumulative Convertible Preferred Stock, or, if applicable, the number of depositary shares which represents such series of preferred stock presently outstanding multiplied by (b) the exchange ratio of 2.0976 shares of Cincinnati Bell Common Stock to be exchanged for each share of IXC Common Stock.

(3) Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act, and calculated pursuant to Rule 457(f) under the Securities Act. Pursuant to Rule 457(f)(1) under the Securities Act, the proposed maximum aggregate offering price of Cincinnati Bell Common Stock was calculated in accordance with Rule 457(c) under the Securities Act as: (a) $32.625, the average of the high and low prices per share of IXC Common Stock on September 7, 1999, as reported on The Nasdaq National Market, multiplied by (b) 49,176,259, the aggregate number of shares of IXC Common Stock (i) to be exchanged for Cincinnati Bell Common Stock in the Merger or issuable pursuant to outstanding options prior to the date the Merger is expected to be completed, (ii) issuable upon conversion of the IXC 7 1/4% Junior Convertible Preferred Stock Due 2007 and (iii) issuable upon conversion of the IXC 6 3/4% Cumulative Convertible Preferred Stock, or, if applicable, the number of depositary shares which represents such series of preferred stock presently outstanding.

(4) Calculated by multiplying the proposed maximum aggregate offering price for all securities to be registered by .000278. $268,665.72 of the registration fee was previously paid in connection with Cincinnati Bell's and IXC's Preliminary Proxy Statement on Schedule 14A filed with the Commission on August 18, 1999. Pursuant to Rule 457(b), this amount is not remitted herewith, and only the balance of $255,298.54 is required to be paid in connection with the filing of this Registration Statement.

(5) Estimated solely for the purpose of calculating the registration fee in accordance with Rules 457(f)(1) and (c) under the Securities Act based on (a) the average of the bid and asked prices, $151.00 and $152.00, respectively, on September 7, 1999, of the IXC 7 1/4% Junior Convertible Preferred Stock Due 2007 multiplied by (b) the estimated maximum number of shares of the IXC 7 1/4% Junior Convertible Preferred Stock Due 2007 to be acquired in the Merger (1,074,496).

(6) Estimated solely for the purpose of calculating the registration fee in accordance with Rules 457(f)(1) and (c) under the Securities Act based on (a) the average of the bid and asked prices, $37.25 and $38.50, respectively, on September 7, 1999, of the Depositary Shares of the IXC 6 3/4% Cumulative Convertible Preferred Stock multiplied by (b) the estimated maximum number of Depositary Shares of IXC 6 3/4% Cumulative Convertible Preferred Stock to be acquired in the Merger (3,105,000).

(7) Included in the fee payable with respect to the related Depositary Shares pursuant to Rule 457(i) of the Securities Act. No additional filing fee is payable.

[LOGO]

IXC COMMUNICATIONS, INC.

1122 CAPITAL OF TEXAS HIGHWAY SOUTH
AUSTIN, TEXAS 78746-6426

September 13, 1999

Dear Stockholder:

You are cordially invited to attend a special meeting of the stockholders of IXC Communications, Inc., which we will hold on Friday, October 29, 1999, at 9:00 a.m., local time, at Barton Creek Country Club, 8212 Barton Club Drive, Austin, Texas 78735.

At the special meeting, we will ask you to vote on the merger of IXC and a subsidiary of Cincinnati Bell Inc. As a result of the merger, IXC will become a subsidiary of Cincinnati Bell. In the merger, you will receive 2.0976 shares of Cincinnati Bell common stock for each outstanding share of IXC common stock that you own. At the special meeting, we will also ask you to vote on an internal reorganization of IXC involving a merger between IXC and one of its wholly owned subsidiaries which will take place immediately before the merger of IXC and the Cincinnati Bell subsidiary.

Holders of IXC 7 1/4% preferred stock will receive one share of Cincinnati Bell 7 1/4% preferred stock in the merger for each share of IXC 7 1/4% preferred stock they own. Holders of IXC 6 3/4% preferred stock will receive one depositary share of Cincinnati Bell 6 3/4% preferred stock in the merger for each depositary share of IXC 6 3/4% preferred stock they own. Each share of IXC 12 1/2% preferred stock will remain outstanding as 12 1/2% preferred stock of the surviving corporation in the merger. After the merger, holders of Cincinnati Bell 7 1/4% preferred stock and Cincinnati Bell 6 3/4% preferred stock will each be entitled to one vote for each whole share of Cincinnati Bell preferred stock they own and these shares of Cincinnati Bell preferred stock will be convertible into Cincinnati Bell common stock on a basis that gives effect to the exchange ratio in the merger.

Cincinnati Bell common stock is listed on the New York Stock Exchange under the trading symbol "CSN" and on September 9, 1999, Cincinnati Bell common stock closed at $18 per share. You will not incur federal income tax as a result of the merger, except on any cash received for fractional shares.

We cannot complete the merger or the IXC internal reorganization unless the holders of a majority of the outstanding shares of IXC common stock vote to adopt the merger agreement and the agreement governing the IXC internal reorganization. Only stockholders who hold shares of IXC common stock at the close of business on September 22, 1999 will be entitled to vote at the special meeting.

YOU SHOULD CONSIDER THE MATTERS DISCUSSED UNDER "RISK FACTORS RELATING TO THE MERGER" BEGINNING ON PAGE 16 OF THE ENCLOSED PROXY STATEMENT/PROSPECTUS BEFORE VOTING. PLEASE REVIEW CAREFULLY THE ENTIRE PROXY STATEMENT/PROSPECTUS.

AFTER CAREFUL CONSIDERATION, THE IXC BOARD OF DIRECTORS HAS APPROVED THE MERGER AGREEMENT AND THE AGREEMENT GOVERNING THE IXC INTERNAL REORGANIZATION,

AND HAS DETERMINED THAT THE MERGER, THE IXC INTERNAL REORGANIZATION, THE MERGER AGREEMENT AND THE AGREEMENT GOVERNING THE IXC REORGANIZATION ARE ADVISABLE, FAIR TO AND IN THE BEST INTERESTS OF IXC AND ITS STOCKHOLDERS. THE IXC BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE ADOPTION OF THE MERGER AGREEMENT AND THE AGREEMENT GOVERNING THE IXC INTERNAL REORGANIZATION.

You can find additional information regarding Cincinnati Bell and IXC in the section entitled "Where You Can Find More Information" on page 94 of the enclosed proxy statement/prospectus.

Thank you for your cooperation.

Sincerely,
/s/ John M. Zrno

John M. Zrno
President and Chief Executive Officer

YOUR VOTE IS IMPORTANT.
PLEASE COMPLETE, SIGN, DATE AND RETURN YOUR PROXY.

Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved the merger or the IXC internal reorganization described in the proxy statement/prospectus or the Cincinnati Bell common stock to be issued in connection with the merger, or determined if the proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

THE PROXY STATEMENT/PROSPECTUS IS DATED SEPTEMBER 13, 1999, AND IS FIRST BEING MAILED TO STOCKHOLDERS ON OR ABOUT SEPTEMBER 14, 1999.

REFERENCES TO ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about IXC and Cincinnati Bell from other documents that are not included in or delivered with this proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain those documents incorporated by reference in this proxy statement/prospectus by requesting them in writing or by telephone from the appropriate company at the following addresses:

IXC Communications, Inc.
1122 Capital of Texas Highway South
Austin, Texas 78746-6426
Telephone: (512) 328-1112
Attention: Investor Relations Coordinator

Cincinnati Bell Inc.
201 East Fourth Street, 102-760
P.O. Box 2301
Cincinnati, Ohio 45201-2301
Telephone: (800) 345-6301
Attention: Director of Investor Relations

IF YOU WOULD LIKE TO REQUEST DOCUMENTS, PLEASE DO SO BY OCTOBER 22, 1999 IN ORDER TO RECEIVE THEM BEFORE YOUR SPECIAL MEETING.

See "Where You Can Find More Information" on page 94.

[LOGO]

IXC COMMUNICATIONS, INC.
NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON OCTOBER 29, 1999

To the Stockholders of IXC Communications, Inc.:

We will hold a special meeting of the stockholders of IXC Communications, Inc. on Friday, October 29, 1999, at 9:00 a.m., local time, at Barton Creek Country Club, 8212 Barton Club Drive, Austin, Texas 78735, for the following purposes:

1. To consider and vote upon a proposal to adopt the merger agreement among Cincinnati Bell Inc., a subsidiary of Cincinnati Bell and IXC. In the merger, IXC will become a subsidiary of Cincinnati Bell, and each outstanding share of IXC common stock, excluding any shares held by parties to the merger agreement, will be converted into the right to receive 2.0976 shares of Cincinnati Bell common stock.

2. To consider and vote upon a proposal to adopt the agreement governing the IXC internal reorganization between IXC and a wholly owned subsidiary of IXC, involving a merger of IXC and a wholly owned subsidiary of IXC, which will take place immediately before the merger of IXC and Cincinnati Bell.

We will transact no other business at the special meeting, except for business properly brought before the special meeting or any adjournment or postponement of it by the IXC board of directors.

Only holders of record of shares of IXC common stock at the close of business on September 22, 1999, the record date for the special meeting, are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of it. Only holders of record of shares of IXC preferred stock at the close of business on the record date for the special meeting are entitled to notice of the meeting and any adjournments or postponements of it.

We cannot complete the merger and the IXC internal reorganization described above unless the holders of a majority of the outstanding shares of IXC common stock vote to adopt the merger agreement and the agreement governing the IXC internal reorganization. We will not complete the IXC internal reorganization unless we are going to complete the merger immediately thereafter.

FOR MORE INFORMATION ABOUT THE MERGER AND THE IXC INTERNAL REORGANIZATION, PLEASE REVIEW THE ACCOMPANYING PROXY STATEMENT/PROSPECTUS AND THE MERGER AGREEMENT AND THE AGREEMENT GOVERNING THE IXC INTERNAL REORGANIZATION ATTACHED

AS ANNEXES 1 AND 2.

Whether or not you plan to attend the special meeting, please complete, sign and date the enclosed proxy and return it promptly in the enclosed postage-paid envelope. If you do not vote by proxy or in person at the special meeting, it will count as a vote against the merger agreement and the agreement governing the IXC internal reorganization.

Please do not send any stock certificates at this time.

By Order of the Board of Directors,

/s/ Jeffrey C. Smith

Jeffrey C. Smith
Secretary

Austin, Texas
September 13, 1999

[LOGO]

CINCINNATI BELL INC.

201 EAST FOURTH STREET, 102-1900

P.O. BOX 2301

CINCINNATI, OHIO 45201-2301

September 13, 1999

Dear Shareholder:

You are cordially invited to attend a special meeting of the shareholders of Cincinnati Bell Inc., which we will hold on Friday, October 29, 1999, at 9:00 a.m., local time, at Reakirt Auditorium, Cincinnati Museum Center at Union Terminal, 1301 Western Avenue, Cincinnati, Ohio 45203.

At the special meeting, we will ask you to vote on the issuance of Cincinnati Bell common stock to stockholders of IXC Communications, Inc. in the merger of IXC and a subsidiary of Cincinnati Bell. As a result of the merger, IXC will become a subsidiary of Cincinnati Bell. In the merger, holders of IXC common stock will receive 2.0976 shares of Cincinnati Bell common stock for each share of IXC common stock they own. In the merger, holders of IXC 7 1/4% preferred stock will receive one share of Cincinnati Bell 7 1/4% preferred stock for each share of IXC 7 1/4% preferred stock that they own, and holders of IXC 6 3/4% preferred stock will receive one depositary share of Cincinnati Bell 6 3/4% preferred stock for each depositary share of IXC 6 3/4% preferred stock that they own. In the merger, each share of IXC 12 1/2% preferred stock will

remain outstanding as 12 1/2% preferred stock of the surviving corporation in the merger.

We cannot issue the Cincinnati Bell common stock to IXC stockholders, which is necessary for the merger of IXC and a subsidiary of Cincinnati Bell, unless the holders of a majority of all shares of Cincinnati Bell common stock casting votes at the special meeting approve the issuance of shares of Cincinnati Bell common stock in the merger. Only shareholders who hold shares of Cincinnati Bell common stock at the close of business on September 22, 1999 will be entitled to vote at the special meeting.

YOU SHOULD CONSIDER THE MATTERS DISCUSSED UNDER "RISK FACTORS RELATING TO THE MERGER" BEGINNING ON PAGE 16 OF THE ENCLOSED PROXY STATEMENT/PROSPECTUS BEFORE VOTING. PLEASE REVIEW CAREFULLY THE ENTIRE PROXY STATEMENT/PROSPECTUS.

AFTER CAREFUL CONSIDERATION, THE CINCINNATI BELL BOARD OF DIRECTORS HAS UNANIMOUSLY APPROVED THE MERGER AGREEMENT AND DETERMINED THAT THE MERGER AND THE MERGER AGREEMENT ARE ADVISABLE, FAIR TO AND IN THE BEST INTERESTS OF CINCINNATI BELL AND ITS SHAREHOLDERS. THE CINCINNATI BELL BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE ISSUANCE OF SHARES OF CINCINNATI BELL COMMON STOCK IN THE MERGER.

You can find additional information regarding Cincinnati Bell and IXC in the section entitled "Where You Can Find More Information" on page 94 of the enclosed proxy statement/prospectus.

Thank you for your cooperation.

Sincerely,

/s/ Richard G. Ellenberger

Richard G. Ellenberger
President and Chief Executive Officer

YOUR VOTE IS IMPORTANT.
PLEASE COMPLETE, SIGN, DATE AND RETURN YOUR PROXY.

Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved the merger described in the proxy statement/prospectus or the Cincinnati Bell common stock to be issued in connection with the merger, or determined if the proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

THE PROXY STATEMENT/PROSPECTUS IS DATED SEPTEMBER 13, 1999,
AND IS FIRST BEING MAILED TO SHAREHOLDERS ON OR ABOUT SEPTEMBER 14, 1999.

[LOGO]

CINCINNATI BELL INC.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON OCTOBER 29, 1999

To the Shareholders of Cincinnati Bell Inc.:

We will hold a special meeting of the shareholders of Cincinnati Bell Inc. on Friday, October 29, 1999, at 9:00 a.m., local time, at Reakirt Auditorium, Cincinnati Museum Center at Union Terminal, 1301 Western Avenue, Cincinnati, Ohio 45203, for the following purpose:

To consider and vote upon a proposal to approve the issuance of shares of Cincinnati Bell common stock in the merger of IXC Communications, Inc. and a subsidiary of Cincinnati Bell. In the merger, IXC will become a subsidiary of Cincinnati Bell, and all outstanding shares of IXC common stock, excluding any shares held by parties to the merger agreement, will be converted into the right to receive 2.0976 shares of Cincinnati Bell common stock.

We will transact no other business at the special meeting, except for business properly brought before the special meeting or any adjournment or postponement of it by the Cincinnati Bell board of directors.

Only holders of record of shares of Cincinnati Bell common stock at the close of business on September 22, 1999, the record date for the special meeting, are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of it.

We cannot issue the Cincinnati Bell common stock to IXC stockholders, which is necessary for the merger of IXC and a subsidiary of Cincinnati Bell, unless the holders of a majority of all shares of Cincinnati Bell common stock casting votes at the Cincinnati Bell special meeting approve the issuance of shares of Cincinnati Bell common stock in the merger, assuming that the total votes cast represent more than 50% of all Cincinnati Bell capital stock entitled to vote.

FOR MORE INFORMATION ABOUT THE MERGER, PLEASE REVIEW THE ACCOMPANYING PROXY STATEMENT/ PROSPECTUS AND THE MERGER AGREEMENT ATTACHED AS ANNEX 1.

Whether or not you plan to attend the special meeting, please complete, sign and date the enclosed proxy and return it promptly in the enclosed postage-paid envelope. If you do not vote by proxy or in person at the special meeting, it will have no effect in determining whether the issuance of shares of Cincinnati Bell common stock in the merger will be approved.

By Order of the Board of Directors,
/s/ Thomas E. Taylor

Thomas E. Taylor
Secretary

Cincinnati, Ohio

September 13, 1999

TABLE OF CONTENTS

Annexes

QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: WHY ARE CINCINNATI BELL AND IXC PROPOSING TO MERGE?

A: Cincinnati Bell and IXC believe that the merger will create an innovative, highly competitive company with an integrated high capacity communications network. Cincinnati Bell and IXC believe that the combined company will be well-positioned to capitalize on future growth opportunities and provide more comprehensive and integrated products, services and support to customers.

To review the reasons for the merger in greater detail, see pages 27 through 29 and 43 through 45.

Q: WHAT DO I NEED TO DO NOW?

A: After carefully reading and considering the information contained in this proxy statement/ prospectus, please complete and sign your proxy and return it in the enclosed return envelope as soon as possible, so that your shares may be represented at your special meeting.

If you sign and send in your proxy and do not indicate how you want to vote, we will count your proxy as a vote in favor of adoption of the merger agreement and the agreement governing the IXC internal reorganization if you are an IXC stockholder, or in favor of the issuance of shares of Cincinnati Bell common stock in the merger if you are a Cincinnati Bell shareholder.

If you are an IXC stockholder and you abstain from voting or do not vote, it will be equivalent to a vote against adoption of the merger agreement and the agreement governing the IXC internal reorganization. If you are a Cincinnati Bell shareholder and you abstain from voting or do not vote, it will have no effect in determining whether the issuance of shares of Cincinnati Bell common stock in the merger will be approved.

The IXC special meeting will take place on Friday, October 29, 1999. The Cincinnati Bell special meeting will take place on Friday, October 29, 1999. You may attend your special meeting and vote your shares in person rather than signing and mailing your proxy.

Q: CAN I CHANGE MY VOTE AFTER I HAVE MAILED MY SIGNED PROXY?

A: Yes. You can change your vote at any time before your proxy is voted at your

special meeting. You can do this in one of three ways. First, you can send a written notice stating that you would like to revoke your proxy. Second, you can complete and submit a new proxy. If you choose either of these two methods, you must submit your notice of revocation or your new proxy to IXC at the address on page 96 or to Cincinnati Bell at the address on page 96. Third, you can attend your special meeting and vote in person.

Q: IF MY BROKER HOLDS MY SHARES IN "STREET NAME", WILL MY BROKER VOTE MY SHARES?

A: Your broker will vote your shares only if you provide instructions on how to vote. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares. If you are an IXC stockholder and you do not provide your broker with instructions on how to vote your shares, it will be equivalent to a vote against adoption of the merger agreement and the agreement governing the IXC internal reorganization. If you are a Cincinnati Bell shareholder and you do not provide your broker with instructions on how to vote your shares, it will have no effect in determining whether the issuance of shares of Cincinnati Bell common stock in the merger will be approved.

Q: SHOULD I SEND IN MY IXC STOCK CERTIFICATES NOW?

A: No. After the merger is completed, we will send IXC stockholders written instructions for exchanging their IXC stock certificates. IXC stockholders should not send in their stock certificates now. Cincinnati Bell shareholders will keep their existing share certificates.

Q: WHEN DO YOU EXPECT TO COMPLETE THE MERGER?

A: We expect to complete the merger in the fourth calendar quarter of 1999 or early in 2000. We are working to complete the merger as quickly as possible and intend to do so

shortly after the special meetings, provided that we have obtained the regulatory approvals necessary for the merger.

Q: WHO CAN HELP ANSWER MY QUESTIONS?

A: If you have any questions about the merger or if you need additional copies of this proxy statement/prospectus or the enclosed proxy, you should contact:

IXC STOCKHOLDERS:
Georgeson Shareholders Communications Inc.
17 State Street
New York, New York 10004
Telephone: (800) 223-2064

(212) 440-9800

Investor Relations Coordinator
IXC Communications, Inc.
1122 Capital of Texas Highway South
Austin, Texas 78746-6426
Telephone: (512) 328-1112

CINCINNATI BELL SHAREHOLDERS:
Georgeson Shareholders Communications Inc.
17 State Street
New York, New York 10004
Telephone: (800) 223-2064

(212) 440-9800

Director of Investor Relations
Cincinnati Bell Inc.
201 East Fourth Street, 102-760
P.O. Box 2301
Cincinnati, Ohio 45201-2301
Telephone: (800) 345-6301

SUMMARY

THIS SUMMARY HIGHLIGHTS SELECTED INFORMATION FROM THIS PROXY STATEMENT/PROSPECTUS AND MAY NOT CONTAIN ALL OF THE INFORMATION THAT IS IMPORTANT TO YOU. TO UNDERSTAND THE MERGER FULLY AND FOR A MORE COMPLETE DESCRIPTION OF THE LEGAL TERMS OF THE MERGER, YOU SHOULD READ CAREFULLY THIS ENTIRE PROXY STATEMENT/PROSPECTUS AND THE OTHER DOCUMENTS TO WHICH WE HAVE REFERRED YOU. SEE "WHERE YOU CAN FIND MORE INFORMATION" ON PAGE 94. WE HAVE INCLUDED PAGE REFERENCES PARENTHETICALLY TO DIRECT YOU TO A MORE COMPLETE DESCRIPTION OF THE TOPICS PRESENTED IN THIS SUMMARY.

GENERAL

WHAT YOU WILL RECEIVE IN THE MERGER

CINCINNATI BELL SHAREHOLDERS

After the merger, each share of Cincinnati Bell common stock will remain outstanding.

IXC STOCKHOLDERS

In the merger, holders of IXC common stock will receive 2.0976 shares of Cincinnati Bell common stock for each share of IXC common stock that they own.

Stockholders will receive cash for any fractional shares which they would otherwise receive in the merger. This amount will be calculated by multiplying the fractional share interest of Cincinnati Bell common stock to which each IXC stockholder would be entitled by the closing price of Cincinnati Bell common stock on the closing date.

In the merger, holders of IXC 7 1/4% preferred stock will receive one share of Cincinnati Bell 7 1/4% preferred stock for each share of IXC 7 1/4% preferred stock that they own, and holders of IXC 6 3/4% preferred stock will receive one depositary share of Cincinnati Bell 6 3/4% preferred stock for each depositary share of IXC 6 3/4% preferred stock that they own. In the merger, each share of IXC 12 1/2% preferred stock will remain outstanding as 12 1/2% preferred stock of the surviving corporation in the merger.

IXC STOCKHOLDERS SHOULD NOT SEND IN THEIR IXC STOCK CERTIFICATES UNTIL INSTRUCTED TO DO SO AFTER THE MERGER IS COMPLETED.

OWNERSHIP OF CINCINNATI BELL AFTER THE MERGER

Based on the number of outstanding shares of IXC common stock on September 9, 1999, the most recent practicable date prior to the date of this proxy statement/prospectus, IXC stockholders will receive a total of approximately 86,164,625 shares of Cincinnati Bell common stock in the merger. Based on that number and on the number of outstanding shares of Cincinnati Bell common stock on September 9, 1999, after the merger former IXC stockholders will own approximately 39%, and existing Cincinnati Bell shareholders will own approximately 61%, of the outstanding shares of Cincinnati Bell common stock.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER (page 54)

The merger will be tax-free to holders of IXC common stock for United States federal income tax purposes, except with respect to cash received for fractional shares of Cincinnati Bell common stock.

TAX MATTERS ARE VERY COMPLICATED AND THE TAX CONSEQUENCES OF THE MERGER TO YOU WILL DEPEND ON THE FACTS OF YOUR OWN SITUATION. YOU SHOULD CONSULT YOUR OWN TAX ADVISOR FOR A FULL UNDERSTANDING OF THE TAX CONSEQUENCES OF THE MERGER TO YOU.

BOARD OF DIRECTORS RECOMMENDATIONS (pages 29 and 45)

The Cincinnati Bell board of directors has determined that the merger and the merger agreement are advisable, fair to and in the best interests of Cincinnati Bell and its shareholders and unanimously recommends that Cincinnati Bell shareholders vote FOR the issuance of shares of Cincinnati Bell common stock in the merger.

The IXC board of directors has determined that the merger, the IXC internal reorganization, the merger agreement and the agreement governing the IXC internal reorganization are advisable, fair to and in the best interests of IXC

and its stockholders and recommends that IXC stockholders vote FOR the adoption of the merger agreement and the agreement governing the IXC internal reorganization.

To review the background and reasons for the merger and the IXC internal reorganization in greater detail, as well as certain risks related to the merger, see pages 16 through 17, 23 through 29, 43 through 45 and 61.

FAIRNESS OPINIONS OF FINANCIAL ADVISORS

CINCINNATI BELL (page 45)

In deciding to approve the merger and the issuance of shares of Cincinnati Bell common stock in the merger, the Cincinnati Bell board of directors considered the opinion, dated July 20, 1999, of its financial advisor, Salomon Smith Barney Inc., as to the fairness, from a financial point of view, as of that date, of the 2.0976 exchange ratio to Cincinnati Bell. This opinion is attached as Annex 7 to this proxy statement/ prospectus. WE ENCOURAGE CINCINNATI BELL SHAREHOLDERS TO READ THIS OPINION CAREFULLY.

IXC (page 30)

In deciding to approve the merger, the IXC board of directors considered the opinions, each dated July 20, 1999, of its financial advisors, Morgan Stanley & Co. Incorporated and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as to the fairness, from a financial point of view, as of that date, of the 2.0976 exchange ratio to its stockholders. These opinions are attached as Annexes 8 and 9 to this proxy statement/ prospectus. WE ENCOURAGE IXC STOCKHOLDERS TO READ THESE OPINIONS CAREFULLY.

INTERESTS OF IXC'S DIRECTORS AND MANAGEMENT IN THE MERGER (page 51)

IXC stockholders should note that some IXC directors and officers have interests in the merger as directors or officers that are different from, or in addition to, the interests of other IXC stockholders. You should be aware of these interests because they may conflict with yours. If we complete the merger, two IXC directors will become members of the board of directors of Cincinnati Bell and several current IXC executive officers will continue to be employees of IXC. The indemnification arrangements for current IXC directors and officers will also be continued. In addition, options to acquire IXC common stock held by IXC executives and key employees will automatically vest unless the executive or key employee elects to vest his or her options in accordance with the original vesting schedule. Under the IXC Outside Directors' Phantom Stock Plan, to the extent not already vested, the accounts of non-employee directors of IXC will automatically vest at the effective time of the merger and will be paid within 10 days after the effective time.

THE SPECIAL MEETINGS

CINCINNATI BELL (page 17)

The special meeting of Cincinnati Bell shareholders will be held at Reakirt Auditorium, Cincinnati Museum Center at Union Terminal, 1301 Western Avenue, Cincinnati, Ohio 45203, at 9:00 a.m., local time, on Friday, October 29, 1999. At the Cincinnati Bell special meeting, shareholders will be asked to approve the issuance of shares of Cincinnati Bell common stock in the merger.

IXC (page 19)

The special meeting of IXC stockholders will be held at Barton Creek Country Club, 8212 Barton Club Drive, Austin, Texas 78735, at 9:00 a.m., local time, on Friday, October 29, 1999. At the IXC special meeting, stockholders will be asked to adopt the merger agreement and the agreement governing the IXC internal reorganization.

RECORD DATES; VOTING POWER

CINCINNATI BELL (page 17)

Cincinnati Bell shareholders are entitled to vote at the Cincinnati Bell special meeting if they owned shares of Cincinnati Bell common stock as of the close of business on September 22, 1999, the Cincinnati Bell record date.

On September 9, 1999, there were approximately 132,041,901 shares of Cincinnati Bell common stock entitled to vote at the Cincinnati Bell special meeting. Cincinnati Bell shareholders will have one vote at the Cincinnati Bell special meeting for each share of Cincinnati Bell common stock that they owned on the Cincinnati Bell record date.

IXC (page 20)

IXC stockholders are entitled to vote at the IXC special meeting if they owned shares of IXC common stock as of the close of business on September 22, 1999, the IXC record date.

On September 9, 1999, there were 37,412,215 shares of IXC common stock entitled to vote at the IXC special meeting. IXC stockholders will have one vote at the IXC special meeting for each share of IXC common stock that they owned on the IXC record date.

VOTES REQUIRED

CINCINNATI BELL (page 18)

The affirmative vote of the holders of a majority of all shares of Cincinnati Bell common stock casting votes at the Cincinnati Bell special

meeting is required to approve the issuance of shares of Cincinnati Bell common stock in the merger, assuming that the total votes cast represent more than 50% of all Cincinnati Bell capital stock entitled to vote.

IXC (page 20)

The affirmative vote of a majority of the shares of IXC common stock outstanding on the IXC record date is required to adopt the merger agreement and the agreement governing the IXC internal reorganization.

VOTING BY DIRECTORS AND EXECUTIVE OFFICERS

CINCINNATI BELL (page 18)

On September 9, 1999, directors and executive officers of Cincinnati Bell and their affiliates owned and were entitled to vote approximately 2,340,220 shares of Cincinnati Bell common stock, or approximately 1.8% of the shares of Cincinnati Bell common stock outstanding on that date.

The directors and executive officers of Cincinnati Bell have indicated that they intend to vote the Cincinnati Bell common stock which they own for the issuance of shares of Cincinnati Bell common stock in the merger.

IXC (page 20)

On September 9, 1999, directors and executive officers of IXC and their affiliates owned and were entitled to vote 7,547,203 shares of IXC common stock, or approximately 20% of the shares of IXC common stock outstanding on that date.

The directors and executive officers of IXC have indicated that they intend to vote the IXC common stock which they own for adoption of the merger agreement and the agreement governing the IXC internal reorganization. Under the terms of a stockholders agreement with Cincinnati Bell, Richard D. Irwin, Chairman of the Board of IXC, and Ralph J. Swett, a director of IXC, have agreed to vote their IXC common stock for adoption of the merger agreement and the agreement governing the IXC internal reorganization. On September 9, 1999, Messrs. Irwin and Swett together owned and were entitled to vote 6,011,737 shares of IXC common stock, or approximately 16% of the shares of IXC common stock outstanding on that date.

THE MERGER (page 23)

THE MERGER AGREEMENT IS ATTACHED AS ANNEX 1 TO THIS PROXY STATEMENT/PROSPECTUS. WE ENCOURAGE YOU TO READ THE MERGER AGREEMENT. IT IS THE PRINCIPAL DOCUMENT GOVERNING THE MERGER.

CONDITIONS TO THE COMPLETION OF THE MERGER (page 62)

Cincinnati Bell and IXC will complete the merger only if they satisfy or, in some cases, waive, several conditions, including the following:

- holders of a majority of the outstanding shares of IXC common stock must have adopted the merger agreement and the agreement governing the IXC internal reorganization

- holders of a majority of all shares of Cincinnati Bell common stock casting votes must have approved the issuance of shares of Cincinnati Bell common stock in the merger

- the waiting period required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 must have expired or been terminated

- all consents, approvals or orders of, authorizations of, or actions by, the Federal Communications Commission and all necessary state public utility commission approvals must have been obtained

- no legal restraints or prohibitions may exist which prevent the completion of the merger or are reasonably likely to have a material adverse effect on Cincinnati Bell or IXC

- Cincinnati Bell common stock issuable to IXC stockholders in the merger must have been approved for listing on the New York Stock Exchange

- Riordan & McKinzie, counsel to IXC, must have delivered an opinion to IXC stating that the merger will qualify for United States federal income tax purposes as a reorganization within the meaning of the Internal Revenue Code

- Cincinnati Bell must have received $400 million under the terms of an investment agreement among Cincinnati Bell, Oak Hill Capital Partners L.P. and certain related parties of Oak Hill (which are together referred to as Oak Hill), which occurred on July 21, 1999

- Cincinnati Bell and IXC must have satisfied the representations, warranties and obligations contained in the merger agreement in all material respects.

TERMINATION OF THE MERGER AGREEMENT (page 64)

1. Cincinnati Bell and IXC can jointly agree to terminate the merger agreement at any time without completing the merger.

2. Cincinnati Bell or IXC can terminate the merger agreement if:

- the merger is not completed by April 30, 2000, provided that either Cincinnati Bell or IXC may extend this date until July 31, 2000 if the fourth condition described above under "--Conditions to the Completion of the Merger" has not been satisfied

- the holders of a majority of the outstanding shares of IXC common stock do not adopt the merger agreement and the agreement governing the IXC internal reorganization

- the holders of a majority of all shares of Cincinnati Bell casting votes do not approve the issuance of shares of Cincinnati Bell common stock in the merger

- a governmental authority or other legal action permanently prohibits the completion of the merger or is reasonably likely to have a material adverse effect on Cincinnati Bell or IXC

- a condition to the completion of the merger cannot be satisfied because the other party breached or failed to comply in any material respect with any of the representations or warranties it made or any of its obligations under the merger agreement and has not cured the breach or failure within 30 days.

3. Cincinnati Bell can also terminate the merger agreement if IXC or any of its directors or officers participates in discussions or negotiations with third parties regarding certain takeover proposals or other business transactions in breach of the merger agreement.

4. IXC can also terminate the merger agreement if Cincinnati Bell or any of its directors or officers participates in discussions or negotiations with third parties regarding certain takeover proposals or other business transactions in breach of the merger agreement.

TERMINATION FEES

CINCINNATI BELL (page 65)

Cincinnati Bell must pay IXC a termination fee of $105 million if:

- Cincinnati Bell or its shareholders receive a takeover proposal or a takeover proposal otherwise becomes publicly known and Cincinnati Bell or IXC then terminates the merger agreement for the first or third reason described in paragraph 2 above under "--Termination of the Merger Agreement"

- IXC terminates the merger agreement for the reason described in paragraph 4 above

under "--Termination of the Merger Agreement".

Cincinnati Bell is not required to pay IXC the termination fee unless Cincinnati Bell or any of its subsidiaries enters into an agreement for or

completes any takeover proposal within 12 months of the termination of the merger agreement.

IXC (page 64)

IXC must pay Cincinnati Bell a termination fee of $105 million if:

- IXC or its stockholders receive a takeover proposal or a takeover proposal otherwise becomes publicly known and Cincinnati Bell or IXC then terminates the merger agreement for the first or second reason described in paragraph 2 above under "--Termination of the Merger Agreement"

- Cincinnati Bell terminates the merger agreement for the reason described in paragraph 3 above under "--Termination of the Merger Agreement".

IXC is not required to pay Cincinnati Bell the termination fee unless IXC or any of its subsidiaries enters into an agreement for or completes any takeover proposal within 12 months of the termination of the merger agreement.

THE STOCK OPTION AGREEMENTS (page 69)

Cincinnati Bell and IXC have granted to each other options to purchase shares of the other party's common stock equal to approximately 19.9% of the number of outstanding shares of their common stock if any of the events occur that entitle that party to receive the termination fee under the merger agreement. Each option agreement imposes a limit of $26.25 million on the total amount the other party may receive from the stock option.

THE STOCKHOLDERS AGREEMENTS (page 71)

General Electric Pension Trust and Messrs. Irwin and Swett, who on September 9, 1999 collectively held approximately 26% of IXC common stock then outstanding, have agreed with Cincinnati Bell to vote the shares of IXC common stock over which they have voting power or control in favor of the adoption of the merger agreement and the agreement governing the IXC internal reorganization.

REGULATORY APPROVALS (page 56)

United States antitrust laws prohibit Cincinnati Bell and IXC from completing the merger until after they have furnished certain information and materials to the Antitrust Division of the Department of Justice and the Federal Trade Commission and a required waiting period has expired or been terminated. Cincinnati Bell and IXC filed the required notification and report forms with the Antitrust Division and the Federal Trade Commission on July 27, 1999, and August 3, 1999, respectively. The waiting period with respect to each of Cincinnati Bell and IXC was terminated on August 27, 1999.

The Federal Communications Commission must approve the transfer of control of IXC's FCC licenses and authorizations to Cincinnati Bell. As of August 4,

1999, Cincinnati Bell and IXC filed initial applications for approval with the Federal Communications Commission, and on August 20, 1999, Cincinnati Bell and IXC filed amended applications. As part of its approval process, on September 3, 1999, the Federal Communications Commission requested public comment on this transfer of control. IXC and Cincinnati Bell expect the Federal Communications Commission approval to be obtained by November 30, 1999, unless this approval is delayed.

Cincinnati Bell and IXC must also provide certain information to and, in some cases, receive clearance for the merger from certain state public utility commissions. As of August 16, 1999, Cincinnati Bell and IXC had furnished information to these public utility commissions and expect all necessary clearances to be obtained by November 30, 1999, unless the applicable public utility commissions extend the waiting period for these clearances or request additional information.

ACCOUNTING TREATMENT (page 57)

The merger will be accounted for using the purchase method of accounting with Cincinnati Bell having acquired IXC.

APPRAISAL RIGHTS (page 58)

Under the Delaware General Corporation Law, IXC common stockholders are not entitled to appraisal rights in connection with the merger. IXC is in the process of applying to list its shares of preferred stock on a national securities exchange or The Nasdaq National Market. Holders of IXC preferred stock will only be entitled to appraisal rights if the shares of IXC preferred stock are not listed on a national securities exchange or The Nasdaq National Market prior to the IXC record date. Under the Ohio General Corporation Law, Cincinnati Bell shareholders are not entitled to dissenters rights in connection with the merger.

EXPENSES (page 67)

Each of Cincinnati Bell and IXC will bear all expenses it incurs in connection with the merger, except that Cincinnati Bell and IXC will share equally the costs of filing the registration statement, of which this proxy statement/ prospectus is a part, with the Securities and Exchange Commission, printing and mailing this proxy statement/prospectus and the filing fees incurred in connection with obtaining regulatory approval under the Hart-Scott-Rodino Act.

THE COMPANIES (page 22)

IXC COMMUNICATIONS, INC.
1122 Capital of Texas Highway South
Austin, Texas 78746-6426

(512) 328-1112

IXC is a leading provider of data and voice telecommunications transmission services. IXC owns and operates an advanced coast-to-coast digital communications network that includes 13,000 route miles of fiber optic transmission facilities. IXC's network-based delivery solutions are designed to address the speed and capacity requirements of the global telecommunications market. IXC offerings include private line, fast packet (ATM and frame relay), Internet and long distance switched and dedicated services. IXC is at the forefront of the industry's new class of emerging domestic and international carriers.

CINCINNATI BELL INC.
201 East Fourth Street, 102-760
P.O. Box 2301
Cincinnati, Ohio 45201-2301
(800) 345-6301

Cincinnati Bell is a full service, integrated communications company that provides competitive local communications as well as data, Internet, wireless, directory, long distance and data networking services to customers in the Cincinnati, Ohio metropolitan area and in many other Midwestern cities.

The local communications services division provides local, long distance, data networking and transport, Internet access and pay phone services, as well as sales of communications equipment, in southwestern Ohio, northern Kentucky and southeastern Indiana, to both residential and business customers. The directory services division sells directory advertising and information services primarily to customers in the geographic areas described above. Cincinnati Bell also resells long distance and Internet access services and provides data services and products to small- and medium-sized business customers mainly in a five-state Midwestern area, and telecommunications and computer equipment in the secondary market. The wireless services division provides advanced digital personal communications and sales of related communications equipment to both businesses and residential customers in its Greater Cincinnati and Dayton, Ohio operating areas.

MARKET PRICE AND DIVIDEND INFORMATION (page 72)

Shares of Cincinnati Bell common stock are listed on the New York Stock Exchange. Shares of IXC common stock are listed on The Nasdaq National Market. The following table presents:

- the last reported sale price of one share of Cincinnati Bell common stock, as reported on the New York Stock Exchange Composite Transaction Tape

- the last reported sale price of one share of IXC common stock, as reported on The Nasdaq National Market and

- the market value of one share of IXC common stock on an equivalent per

share basis determined as if the merger had been completed,

in each case as if the merger had been completed on July 20, 1999, the last full trading day prior to the public announcement of the proposed merger, and on September 9, 1999, the last day for which such information could be calculated prior to the date of this proxy statement/prospectus. The equivalent price per share data for IXC common stock has been determined by multiplying the last reported sale price of one share of Cincinnati Bell common stock on each of these dates by the exchange ratio of 2.0976.

	EQUIVALENT PRICE PER SHARE OF CINCINNATI BELL IXC COMMON STOCK	IXC COMMON STOCK
July 20, 1999	$ 23.56	$ 36.25
September 9, 1999	18.00	33.56

Cincinnati Bell has historically paid a regular quarterly dividend to its shareholders. In connection with the merger, Cincinnati Bell discontinued its quarterly dividend starting after the August 3, 1999 payment date. IXC has never paid dividends to its stockholders.

COMPARATIVE PER SHARE INFORMATION

We have summarized below the income (loss) from continuing operations before extraordinary items, cash dividends per common share and the book value per common share data for Cincinnati Bell and IXC on a historical, pro forma

combined and pro forma equivalent basis. We combined historical consolidated financial information of Cincinnati Bell and IXC using the purchase method of accounting for business combinations. Each of Cincinnati Bell's and IXC's fiscal year ends on December 31.

The unaudited "pro forma combined" and the unaudited "pro forma equivalent--IXC" information assumes that the merger occurred on January 1, 1998. The unaudited "pro forma combined" information combines the financial information of Cincinnati Bell for the fiscal year ended December 31, 1998, and the six-month period ended June 30, 1999, with the financial information of IXC for the fiscal year ended December 31, 1998, and the six-month period ended June 30, 1999.

The unaudited "pro forma equivalent--IXC" information was calculated by multiplying the corresponding pro forma combined data by the exchange ratio of 2.0976. This information shows how each share of IXC common stock would have participated in net earnings, cash dividends and book value of Cincinnati Bell if the merger had been completed at the beginning of the earliest period presented. However, these amounts do not necessarily reflect future per share levels of net earnings, cash dividends or book value of Cincinnati Bell. The following information which is unaudited comparative and unaudited pro forma per share data is derived from the historical and unaudited pro forma combined condensed financial statements of Cincinnati Bell and IXC.

YOU SHOULD READ THE INFORMATION IN THIS SECTION ALONG WITH CINCINNATI BELL'S AND IXC'S HISTORICAL CONSOLIDATED FINANCIAL STATEMENTS AND ACCOMPANYING NOTES INCLUDED IN THE DOCUMENTS DESCRIBED UNDER "WHERE YOU CAN FIND MORE INFORMATION" ON PAGE 94. YOU SHOULD ALSO READ THE UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS AND ACCOMPANYING DISCUSSION AND NOTES INCLUDED IN THIS PROXY STATEMENT/PROSPECTUS STARTING ON PAGE 73.

AT OR FOR THE SIX MONTHS ENDED JUNE 30, (UNAUDITED)	AT OR FOR THE YEAR ENDED DECEMBER 31,			
	1998	1997	1999	1998
CINCINNATI BELL--HISTORICAL				
Basic earnings per common share from continuing operations	$0.60	$0.76	$0.39	$0.29
Diluted earnings per common share from continuing operations	0.59	0.74	0.38	0.28
Cash dividends declared per common share	0.40	0.40	0.20	0.20
Book value per outstanding common share	1.04	4.26	1.28	4.56
IXC--HISTORICAL				
Basic and diluted loss per common share				

from continuing operations..... $ (4.28)	$ (3.47)	$ (5.14)	$ (2.18)	Cash dividends declared per common share.....	
N/A	N/A	N/A	N/A	Book value (deficit) per outstanding common share.....	(1.99)
	(0.52)	(2.35)	(0.11)		

AT OR FOR THE SIX MONTHS ENDED JUNE 30, 1999 (UNAUDITED)	AT OR FOR THE YEAR ENDED DECEMBER 31, 1998 (UNAUDITED)	
PRO FORMA COMBINED		
Basic and diluted loss per common share from continuing operations.....	$ (0.65)	$ (0.77)
Cash dividends declared per common share.....		
N/A	N/A	
Book value per outstanding common share.....		
N/A	9.72	
PRO FORMA EQUIVALENT--IXC		
Basic and diluted loss per common share from continuing operations.....	$ (1.36)	$ (1.62)
Cash dividends declared per common share.....		
N/A	N/A	
Book value per outstanding common share.....		
N/A	20.38	

- ------------------------

N/A--Not Applicable

SELECTED HISTORICAL AND UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL DATA

CINCINNATI BELL

The following selected financial data of Cincinnati Bell at December 31, 1998, 1997, 1996, 1995 and 1994, and for each of the five years in the period ended December 31, 1998, are derived from audited consolidated financial statements incorporated by reference in this proxy statement/prospectus. The following selected financial data of Cincinnati Bell at June 30, 1999 and 1998, and for the six-month periods ended June 30, 1999 and 1998, are derived from

unaudited consolidated financial statements incorporated by reference in this proxy statement/prospectus.

You should note the following in reading the Cincinnati Bell selected historical financial information:

- on December 31, 1998, Cincinnati Bell completed a tax-free spin-off of its wholly owned subsidiary, Convergys Corporation, by distributing one share of Convergys common stock for each share of Cincinnati Bell common stock owned by Cincinnati Bell shareholders of record on December 1, 1998. As a result, the consolidated financial results for all periods have been restated to reflect the disposition of Convergys as discontinued operations

- in February 1998, Cincinnati Bell announced its intention to acquire from AT&T PCS an 80% interest in a PCS wireless business in the Greater Cincinnati and Dayton, Ohio markets. The agreement specified that before the completion of the transaction, Cincinnati Bell and AT&T PCS would operate under an interim agreement where losses would be funded in the same percentages as the proposed transaction. Cincinnati Bell's required funding of the losses was $27.3 million in 1998 through the completion of the acquisition at December 31, 1998. This loss has been included in Cincinnati Bell's financial results as a wireless venture loss line item below operating income. Beginning in 1999 the results of this business are included in Cincinnati Bell's operating results.

The following extraordinary, unusual or infrequently occurring item has impacted operating income for the periods presented:

- in 1995, Cincinnati Bell initiated a restructuring plan to reduce the number of its employees. A restructuring liability was established to provide for the voluntary and involuntary separation of employees. Cincinnati Bell recorded charges of $131.6 million, net of pension settlement gains, to reflect the cost of this plan. Since the establishment of the reserve, certain gains have been realized that have been reflected as income. The amounts include $21.0 million and $27.4 million in 1997 and 1996, respectively, for pension settlement gains, and $1.1 million and $2.3 million in 1998 and 1996, respectively, for reversals of unneeded reserves.

For purposes of Cincinnati Bell and IXC selected historical financial data and for Cincinnati Bell and IXC pro forma combined condensed financial data, EBITDA represents operating income before interest expense, interest income, income taxes, depreciation, amortization and special charges (such as restructuring or merger-related charges). EBITDA should not be considered as an alternative to, or more meaningful than, (1) operating income, as determined in accordance with generally accepted accounting principles, as an indicator of operating performance or (2) cash flows from operating activities, as determined in accordance with generally accepted accounting principles, as a measure of liquidity. EBITDA is presented as additional information because certain

investors consider it to be a useful indicator of a company's ability to meet its debt service requirements. Because EBITDA is not calculated identically by all companies, the presentation in this proxy statement/prospectus may not be comparable to similarly titled measures of other companies.

For purposes of computing the ratio of earnings to combined fixed charges and preferred dividends for Cincinnati Bell historical financial data and Cincinnati Bell and IXC pro forma combined condensed financial data, (1) earnings consist of pretax income (loss) from continuing operations, excluding minority interest in losses of consolidated subsidiaries and equity investees income (losses), and (2) fixed charges consist of pretax interest (including capitalized interest) on all indebtedness, amortization of debt discount and expense, that portion of rental expense which Cincinnati Bell believes to be representative of interest, and dividend requirements on mandatorily redeemable preferred securities and preferred dividends.

YOU SHOULD READ THE INFORMATION IN THIS SECTION ALONG WITH CINCINNATI BELL'S FINANCIAL STATEMENTS AND ACCOMPANYING NOTES INCORPORATED BY REFERENCE IN THIS PROXY STATEMENT/PROSPECTUS. SEE "WHERE YOU CAN FIND MORE INFORMATION" ON PAGE 94.

	HISTORICAL						
	AT OR FOR THE SIX MONTHS ENDED JUNE 30,	AT OR FOR THE YEAR ENDED DECEMBER 31,					
	(UNAUDITED)						
	1998	1997	1996	1995	1994	1999	1998
	(DOLLARS IN MILLIONS, EXCEPT PER SHARE AMOUNTS)						
INCOME STATEMENT DATA:							
Revenues	$885.1	$834.5	$779.8	$736.0	$704.3	$495.8	$436.0
Operating income	180.0	191.4	180.6	9.4	108.8	97.1	80.7
Income (loss) from continuing operations	81.8	102.3	99.5	(29.1)	43.0	53.0	38.6
Income (loss) from continuing operations per common share-- basic	0.60	0.76	0.74	(0.22)	0.33	0.39	0.29
Income (loss) from continuing operations per common share-- diluted	0.59	0.74	0.73	(0.22)	0.33	0.38	0.28
Dividends declared per common share	0.40	0.40	0.40	0.40	0.40	0.20	0.20
BALANCE							

SHEET DATA: Total assets	$ 1,041.0	$ 1,275.1	$ 1,415.9	$ 1,363.8	$ 1,474.8	$ 1,135.1	$ 1,336.9
Total debt (including capital lease obligations)	553.0	399.5	409.0	423.7	514.9	616.6	418.8
Shareowners' equity	142.1	579.7	634.4	478.1	552.4	176.5	622.3
OTHER DATA:							
EBITDA	$290.0	$294.7	$271.9	$257.3	$230.6	$162.0	$134.7
Cash provided by operating activities	212.3	197.4	132.0	151.5	207.8	60.5	85.0
Ratio of earnings to combined fixed charges and preferred dividends	5.5	5.7	6.0	--	2.5	3.6	
Deficiency of earnings to combined fixed charges and preferred dividends	--	--	--	$45.1	--	--	

IXC

The following selected financial data of IXC at December 31, 1998 and 1997 and for the three years ended December 31, 1998 are derived from the audited consolidated financial statements incorporated by reference in this proxy statement/prospectus. The following selected financial data of IXC at June 30, 1999 and 1998, and for the six-month periods ended June 30, 1999 and 1998, are derived from unaudited condensed consolidated financial statements incorporated by reference in this proxy statement/prospectus. The selected financial data for all other periods and as of all other dates is derived from audited consolidated financial statements not incorporated by reference herein. The financial information for all periods presented prior to June 30, 1998 has been restated to include the results of operations of Eclipse Telecommunications, Inc., which was acquired by IXC in June 1998 in a transaction accounted for as a pooling of interests.

You should note the following in reading the IXC selected historical financial information:

- in April 1998, IXC completed a tender offer to repurchase $284.2 million of its 12 1/2% senior notes prior to their scheduled maturity. With the early redemption of the 12 1/2% senior notes, IXC recognized a charge of approximately $67.0 million, net of taxes, as an extraordinary item in 1998

- during the six-month period ended June 30, 1999, IXC announced plans to

exit certain operations in its switched wholesale business. As a result, IXC recorded a $25.8 million charge, consisting of severance costs, charges for asset write-downs, estimated costs to decommission certain assets that will no longer be necessary, and lease termination costs on assets and office space that will not be needed after the restructuring.

YOU SHOULD READ THE INFORMATION IN THIS SECTION ALONG WITH IXC'S FINANCIAL STATEMENTS AND ACCOMPANYING NOTES INCORPORATED BY REFERENCE IN THIS PROXY STATEMENT/PROSPECTUS. SEE "WHERE YOU CAN FIND MORE INFORMATION" ON PAGE 94.

HISTORICAL	AT OR FOR THE SIX MONTHS ENDED JUNE 30,	AT OR FOR THE YEAR ENDED DECEMBER 31, (UNAUDITED)						
	1998	1997	1996	1995	1994	1999	1998	
	(DOLLARS IN MILLIONS, EXCEPT PER SHARE AMOUNTS)							
INCOME STATEMENT DATA:								
Revenues	$668.6	$ 521.6	$ 282.0	$ 154.7	$ 129.0	$319.3	$313.5	
Operating income (loss)	(30.8)	(49.5)	(19.9)	3.4	16.7	(108.4)	(11.8)	
Income (loss) from continuing operations	(95.5)	(99.2)	(44.2)	(2.4)	6.7	(156.4)	(50.6)	
Income (loss) from continuing operations per common share--basic and diluted	(4.28)	(3.47)	(1.52)	(0.15)	0.25	(5.14)	(2.18)	
Dividends declared per common share	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
BALANCE SHEET DATA:								
Total assets	$ 1,748.2	$ 968.9	$ 485.3	$ 365.7	$ 122.7	$ 2,101.5	$ 1,437.3	
Total debt (including capital lease obligations)	693.0	320.7	305.6	302.8	70.6	773.0	500.7	
Redeemable preferred stock	447.9	403.4	--	--	--	471.1	425.9	
Stockholders' equity (deficit)	(72.5)	(18.7)	75.3	23.5	23.6	(87.9)	(3.9)	
OTHER DATA:								

EBITDA.....
$90.7 $23.2 $16.0 $22.5 $29.7 $(6.6)
$38.6 Cash provided (used) by
operating activities.....
202.3 21.8 (22.9) 13.7 14.2 105.5 41.3

- ------------------------

N/A--Not Applicable

CINCINNATI BELL AND IXC PRO FORMA COMBINED

The following selected unaudited pro forma combined condensed financial data of Cincinnati Bell and IXC combine the consolidated financial information of Cincinnati Bell at or for the year ended December 31, 1998 and the six-month period ended June 30, 1999, with the consolidated financial information of IXC at or for the period ended December 31, 1998, and the six-month period ended June 30, 1999. The selected unaudited pro forma combined condensed financial data is derived from the unaudited pro forma combined condensed financial statements contained elsewhere in this proxy statement/prospectus. We have prepared the unaudited pro forma combined condensed financial information using the purchase method of accounting. This pro forma information does not give effect to any restructuring costs or to any potential cost savings or other synergies that could result from the merger.

The unaudited pro forma combined condensed financial information does not purport to represent what the combined company's financial position or results of operations would have been had the merger occurred at the beginning of the earliest period presented or to project the combined financial position or results of operations for any future date or period.

YOU SHOULD READ THE FINANCIAL INFORMATION IN THIS SECTION ALONG WITH HISTORICAL AND UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS AND ACCOMPANYING NOTES, EITHER INCORPORATED BY REFERENCE OR INCLUDED IN THIS PROXY STATEMENT/PROSPECTUS. SEE "UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS" ON PAGE 73 AND "WHERE YOU CAN FIND MORE INFORMATION" ON PAGE 94.

PRO FORMA		AT OR FOR THE SIX MONTHS ENDED JUNE 30, 1999	
THE YEAR ENDED DECEMBER 31, 1998			
(DOLLARS IN MILLIONS, EXCEPT PER SHARE AMOUNTS)			
INCOME STATEMENT DATA:			
Revenues	$ 1,553.7	$815.1	
Operating income (loss)	109.5	(29.9)	
Loss from continuing operations	(116.7)	(149.9)	
Loss from continuing operations per common share--basic and diluted	(0.65)	(0.77)	
Dividends declared per common share	N/A	N/A	

BALANCE SHEET DATA: Total assets	N/A	$ 5,701.0	Total debt (including capital lease obligations)
	N/A	1,787.6	Redeemable preferred stock
	N/A	187.3	Minority interest
	N/A	364.9	Shareowners' equity
	N/A	1,997.6	
OTHER DATA: EBITDA	$383.0	$155.4	Ratio of earnings to combined fixed charges and preferred dividends
	--	--	Deficiency of earnings to combined fixed charges and preferred dividends
	$73.4	$134.5	

- ------------------------

N/A--Not Applicable

RISK FACTORS RELATING TO THE MERGER

IN ADDITION TO THE OTHER INFORMATION INCLUDED AND INCORPORATED BY REFERENCE IN THIS PROXY STATEMENT/ PROSPECTUS, CINCINNATI BELL SHAREHOLDERS SHOULD CONSIDER CAREFULLY THE MATTERS DESCRIBED BELOW IN DETERMINING WHETHER TO APPROVE THE ISSUANCE OF SHARES OF CINCINNATI BELL COMMON STOCK IN THE MERGER AND IXC STOCKHOLDERS SHOULD CONSIDER CAREFULLY THE MATTERS DESCRIBED BELOW IN DETERMINING WHETHER TO ADOPT THE MERGER AGREEMENT AND THE AGREEMENT GOVERNING THE IXC INTERNAL REORGANIZATION.

- THE EXCHANGE RATIO FOR SHARES OF CINCINNATI BELL COMMON STOCK TO BE RECEIVED IN THE MERGER IS FIXED AND WILL NOT BE ADJUSTED IN THE EVENT OF ANY CHANGE IN STOCK PRICE. Under the merger agreement, each share of IXC common stock will be converted into the right to receive 2.0976 shares of Cincinnati Bell common stock. This exchange ratio is a fixed number and will not be adjusted in the event of any increase or decrease in the price of Cincinnati Bell common stock or IXC common stock. The prices of Cincinnati Bell common stock and IXC common stock at the closing of the merger may vary from their respective prices on the date of this proxy statement/ prospectus and on the dates of the special meetings. These prices may vary as a result of changes in the business, operations or prospects of Cincinnati Bell or IXC, market assessments of the likelihood that the merger will be completed, the timing of the completion of the merger, the prospects of post-merger operations, regulatory considerations, general market and economic conditions and other factors. Because the date that the merger is completed may be later than the dates of the special meetings, the prices of Cincinnati Bell common stock and

IXC common stock on the dates of the special meetings may not be indicative of their respective prices on the date the merger is completed. We urge Cincinnati Bell shareholders and IXC stockholders to obtain current market quotations for Cincinnati Bell common stock and IXC common stock.

- THE INTEGRATION OF CINCINNATI BELL AND IXC FOLLOWING THE MERGER WILL PRESENT SIGNIFICANT CHALLENGES. Cincinnati Bell and IXC will face significant challenges in consolidating functions, integrating their organizations, procedures, operations and product lines in a timely and efficient manner, and retaining key Cincinnati Bell and IXC personnel. The integration of Cincinnati Bell and IXC will be complex and time-consuming. The failure to successfully integrate Cincinnati Bell and IXC and to successfully manage the challenges presented by the integration process may result in Cincinnati Bell and IXC not achieving the anticipated potential benefits of the merger.

- THE MERGER MAY CAUSE CUSTOMERS TO DELAY PURCHASING DECISIONS. There can be no assurance that the customers of each of Cincinnati Bell and IXC will continue to use and purchase Cincinnati Bell's or IXC's products or services as they have in the past without regard to the proposed merger. Uncertainties regarding new product development by the combined company, for example, may cause customers to delay purchasing decisions.

- THE PRICE OF CINCINNATI BELL COMMON STOCK MAY BE AFFECTED BY FACTORS DIFFERENT FROM THOSE AFFECTING THE PRICE OF IXC COMMON STOCK. Upon completion of the merger, holders of IXC common stock will become holders of Cincinnati Bell common stock. Cincinnati Bell's business is different from that of IXC, and Cincinnati Bell's results of operations, as well as the price of Cincinnati Bell common stock, may be affected by factors different than those affecting IXC's results of operations and the price of IXC common stock. For a discussion of Cincinnati Bell's and IXC's businesses and certain factors to consider in connection with such businesses, see Cincinnati Bell's Annual Report on Form 10-K for the fiscal year ended December 31, 1998 and IXC's Annual Report on Form 10-K for the fiscal year ended December 31, 1998, as amended, which are incorporated by reference in this proxy statement/prospectus.

- THE MERGER IS SUBJECT TO THE RECEIPT OF CONSENTS AND APPROVALS FROM GOVERNMENT ENTITIES THAT MAY IMPOSE CONDITIONS THAT COULD HAVE A MATERIAL ADVERSE EFFECT ON CINCINNATI BELL OR IXC OR CAUSE ABANDONMENT OF THE MERGER. Completion of the merger is conditioned upon the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Act and the receipt of potential consents, orders, approvals or clearances, as required, from the Federal Communications Commission and state public utility commissions. The terms and conditions of these consents, orders, approvals and clearances may require the divestiture of divisions, operations or assets of Cincinnati Bell or IXC or may affect

the FCC licenses or authorizations of Cincinnati Bell or IXC. These required divestitures or other conditions, if any, may have a material adverse effect on the business, financial condition or results of operations of Cincinnati Bell or IXC or may cause the abandonment of the merger by Cincinnati Bell or IXC. Cincinnati Bell and IXC have not determined how they will respond to any of these potential conditions, limitations or divestitures which may be required.

THE CINCINNATI BELL SPECIAL MEETING

WE ARE FURNISHING THIS PROXY STATEMENT/PROSPECTUS TO SHAREHOLDERS OF CINCINNATI BELL AS PART OF THE SOLICITATION OF PROXIES BY THE CINCINNATI BELL BOARD OF DIRECTORS FOR USE AT THE CINCINNATI BELL SPECIAL MEETING.

DATE, TIME AND PLACE

We will hold the Cincinnati Bell special meeting on Friday, October 29, 1999, at 9:00 a.m., local time, at Reakirt Auditorium, Cincinnati Museum Center at Union Terminal, 1301 Western Avenue, Cincinnati, Ohio 45203.

PURPOSE OF CINCINNATI BELL SPECIAL MEETING

At the Cincinnati Bell special meeting, we are asking holders of Cincinnati Bell common stock to approve the issuance of shares of Cincinnati Bell common stock in order for each IXC stockholder to receive in the merger 2.0976 shares of Cincinnati Bell common stock for each share of IXC common stock that they own. See "The Merger" and "The Merger Agreement and Related Documents". The Cincinnati Bell board of directors has unanimously approved the merger agreement and the merger, and has determined that the merger and the merger agreement are advisable, fair to and in the best interests of Cincinnati Bell and its shareholders. The Cincinnati Bell board of directors unanimously recommends that Cincinnati Bell shareholders vote FOR the issuance of shares of Cincinnati Bell common stock in the merger.

CINCINNATI BELL RECORD DATE; STOCK ENTITLED TO VOTE; QUORUM

Only holders of record of Cincinnati Bell common stock at the close of business on September 22, 1999, the Cincinnati Bell record date, are entitled to notice of and to vote at the Cincinnati Bell special meeting. On September 9, 1999, the most recent practicable date prior to the date of this proxy statement/prospectus, approximately 132,041,901 shares of Cincinnati Bell common stock were issued and outstanding and held by approximately 23,307 holders of record. A quorum will be present at the Cincinnati Bell special meeting if a majority of the shares of Cincinnati Bell common stock issued and outstanding and entitled to vote on the Cincinnati Bell record date are represented in person or by proxy. If a quorum is not present at the Cincinnati Bell special meeting, we expect that the meeting will be adjourned or postponed to solicit additional proxies. Holders of record of Cincinnati Bell common stock on the Cincinnati Bell record date are entitled to one vote per share at the Cincinnati Bell

special meeting on the proposal to approve the issuance of shares of Cincinnati Bell common stock in the merger.

VOTES REQUIRED

The issuance of shares of Cincinnati Bell common stock in the merger requires the affirmative vote of the holders of a majority of all shares of Cincinnati Bell common stock casting votes in person or by proxy at the Cincinnati Bell special meeting, assuming that the total votes cast, including votes cast against the proposal, represent more than 50% of all Cincinnati Bell capital stock entitled to vote. If a Cincinnati Bell shareholder abstains from voting or does not vote, it will have no effect in determining whether the issuance of shares of Cincinnati Bell common stock in the merger will be approved.

VOTING BY CINCINNATI BELL DIRECTORS AND EXECUTIVE OFFICERS

At the close of business on September 9, 1999, directors and executive officers of Cincinnati Bell and their affiliates owned and were entitled to vote approximately 2,340,220 shares of Cincinnati Bell common stock, which represented approximately 1.8% of the shares of Cincinnati Bell common stock outstanding on that date. Each Cincinnati Bell director and executive officer has indicated his or her present intention to vote, or cause to be voted, the shares of Cincinnati Bell common stock owned by him or her for the issuance of shares of Cincinnati Bell in the merger.

VOTING OF PROXIES

All shares represented by properly executed proxies received in time for the Cincinnati Bell special meeting will be voted at the Cincinnati Bell special meeting in the manner specified by the holders of those proxies. Properly executed proxies that do not contain voting instructions will be voted for the issuance of shares of Cincinnati Bell common stock in the merger.

Shares of Cincinnati Bell common stock represented at the Cincinnati Bell special meeting but not voting, including shares of Cincinnati Bell common stock for which proxies have been received but for which holders of shares have abstained, will be treated as present at the Cincinnati Bell special meeting for purposes of determining the presence or absence of a quorum for the transaction of all business.

Only shares affirmatively voted for the issuance of shares of Cincinnati Bell common stock in the merger, including properly executed proxies that do not contain voting instructions, will be counted as favorable votes for that proposal. Brokers who hold shares of Cincinnati Bell common stock in street name for customers who are the beneficial owners of those shares may not give a proxy to vote those shares without specific instructions from those customers. These

non-voted shares are referred to as broker non-votes and will have no effect in determining whether the issuance of shares of Cincinnati Bell common stock in the merger will be approved.

The persons named as proxies by a Cincinnati Bell shareholder may propose and vote for one or more adjournments of the Cincinnati Bell special meeting, including adjournments to permit further solicitations of proxies. No proxy voted against the proposal to issue shares of Cincinnati Bell common stock in the merger will be voted in favor of any such adjournment or postponement.

Cincinnati Bell does not expect that any matter other than the proposal to issue shares of Cincinnati Bell common stock in the merger will be brought before the Cincinnati Bell special meeting. If, however, the Cincinnati Bell board of directors properly presents other matters, the persons named as proxies will vote in accordance with their judgment.

REVOCABILITY OF PROXIES

The grant of a proxy on the enclosed form of proxy does not preclude a Cincinnati Bell shareholder from voting in person at the Cincinnati Bell special meeting. A Cincinnati Bell shareholder may revoke a proxy at any time prior to its exercise by filing with Cincinnati Bell a duly executed revocation of proxy, by submitting a duly executed proxy to Cincinnati Bell bearing a later date or by appearing at the Cincinnati Bell special meeting and voting in person. Attendance at the Cincinnati Bell special meeting will not itself revoke a proxy.

SOLICITATION OF PROXIES

Cincinnati Bell will bear the cost of the solicitation of proxies from its shareholders. In addition to solicitation by mail, the directors, officers and employees of Cincinnati Bell and its subsidiaries may solicit proxies from Cincinnati Bell shareholders by telephone or other electronic means or in person. Arrangements will also be made with brokerage houses and other custodians, nominees and fiduciaries for the forwarding of solicitation materials to the beneficial owners of stock held of record by these persons, and Cincinnati Bell will reimburse them for their reasonable out-of-pocket expenses.

Cincinnati Bell will mail a copy of this proxy statement/prospectus to each holder of record of Cincinnati Bell common stock on the Cincinnati Bell record date.

Georgeson & Company Inc. will assist in the solicitation of proxies by Cincinnati Bell. Cincinnati Bell will pay Georgeson & Company a fee of $12,500, plus reimbursement of certain out-of-pocket expenses, and will indemnify Georgeson & Company against any losses arising out of Georgeson & Company's proxy soliciting services on behalf of Cincinnati Bell.

THE IXC SPECIAL MEETING

WE ARE FURNISHING THIS PROXY STATEMENT/PROSPECTUS TO STOCKHOLDERS OF IXC AS PART OF THE SOLICITATION OF PROXIES BY THE IXC BOARD OF DIRECTORS FOR USE AT THE IXC SPECIAL MEETING.

DATE, TIME AND PLACE

We will hold the IXC special meeting on Friday, October 29, 1999, at 9:00 a.m., local time, at Barton Creek Country Club, 8212 Barton Club Drive, Austin, Texas 78735.

PURPOSE OF IXC SPECIAL MEETING

At the IXC special meeting, we are asking holders of record of IXC common stock to:

- consider and vote on a proposal to adopt the merger agreement among Cincinnati Bell, Ivory Merger Inc., a Delaware corporation and a wholly owned subsidiary of Cincinnati Bell, and IXC, providing for the merger of Ivory Merger Inc. with and into IXC. After the merger, IXC will be a subsidiary of Cincinnati Bell

- consider and vote on a proposal to adopt the agreement governing the IXC internal reorganization between IXC and IXC Merger Sub, Inc., a wholly owned subsidiary of IXC, providing for an internal reorganization involving the merger of IXC Merger Sub, Inc. with and into IXC prior to the merger with the Cincinnati Bell subsidiary.

The IXC board of directors has approved the merger agreement and the agreement governing the IXC internal reorganization, and has determined that the merger, the IXC internal reorganization, the

merger agreement and the agreement governing the IXC reorganization are advisable, fair to and in the best interests of IXC and its stockholders. The IXC board of directors recommends that IXC stockholders vote FOR the adoption of the merger agreement and the agreement governing the IXC internal reorganization.

IXC RECORD DATE; STOCK ENTITLED TO VOTE; QUORUM

Only holders of record of IXC common stock at the close of business on September 22, 1999, the IXC record date, are entitled to notice of and to vote at the IXC special meeting and any adjournments or postponements of it. Only holders of record of shares of IXC preferred stock at the close of business on the IXC record date are entitled to notice of the IXC special meeting and any adjournments or postponements of it.

On September 9, 1999, the most recent practicable date prior to the date of this proxy statement/ prospectus, 37,412,215 shares of IXC common stock were outstanding and held by approximately 307 holders of record. A quorum will be present at the IXC special meeting if a majority of the shares of IXC common stock issued and outstanding and entitled to vote on the IXC record date are represented in person or by proxy. If a quorum is not present at the IXC special meeting, we expect that the IXC special meeting will be adjourned or postponed to solicit additional proxies. Holders of record of IXC common stock on the IXC record date are entitled to one vote per share at the IXC special meeting on the proposals to adopt the merger agreement and the agreement governing the IXC internal reorganization.

VOTES REQUIRED

The adoption of the merger agreement and the agreement governing the IXC internal reorganization requires the affirmative vote of a majority of the shares of IXC common stock outstanding on the IXC record date. IF AN IXC STOCKHOLDER ABSTAINS FROM VOTING OR DOES NOT VOTE (EITHER IN PERSON OR BY PROXY), IT WILL HAVE THE SAME EFFECT AS IF THAT IXC STOCKHOLDER HAD VOTED AGAINST ADOPTION OF THE MERGER AGREEMENT AND THE AGREEMENT GOVERNING THE IXC INTERNAL REORGANIZATION.

VOTING BY IXC DIRECTORS AND EXECUTIVE OFFICERS

At the close of business on September 9, 1999, Messrs. Irwin and Swett and their respective affiliates owned and were entitled to vote 6,011,737 shares of IXC common stock outstanding on that date. At the close of business on September 9, 1999, directors and executive officers of IXC and their affiliates owned and were entitled to vote 7,547,203 shares of IXC common stock, which represented approximately 20% of the shares of IXC common stock outstanding on that date. Each IXC director and executive officer has indicated his or her present intention to vote, or cause to be voted, the IXC common stock owned by him or her for the adoption of the merger agreement and the agreement governing the IXC internal reorganization. General Electric and Messrs. Irwin and Swett have agreed to vote the shares of IXC common stock over which they have voting power or control in favor of the adoption of the merger agreement and the agreement governing the IXC internal reorganization. See "The Merger Agreement and Related Documents--Stockholders Agreements".

VOTING OF PROXIES

All shares represented by properly executed proxies received in time for the IXC special meeting will be voted at the IXC special meeting in the manner specified by the holders of those proxies. Properly executed proxies that do not contain voting instructions will be voted for adoption of the merger agreement and the agreement governing the IXC internal reorganization.

Shares of IXC common stock represented at the IXC special meeting but not

voting, including shares of IXC common stock for which proxies have been received but for which holders of shares have abstained, will be treated as present at the IXC special meeting for purposes of determining the presence or absence of a quorum for the transaction of all business.

Only shares affirmatively voted for adoption of the merger agreement and the agreement governing the IXC internal reorganization, including properly executed proxies that do not contain voting instructions, will be counted as favorable votes for these proposals. Brokers who hold shares of IXC common stock in street name for customers who are the beneficial owners of those shares may not give a proxy to vote those shares without specific instructions from those customers. These non-voted shares are referred to as broker non-votes and have the same effect as votes against adoption of the merger agreement and the agreement governing the IXC internal reorganization.

The persons named as proxies by an IXC stockholder may propose and vote for one or more adjournments of the IXC special meeting, including adjournments to permit further solicitations of proxies. No proxy voted against the proposals to adopt the merger agreement and the agreement governing the IXC internal reorganization will be voted in favor of any such adjournment or postponement.

IXC does not expect that any matter other than the proposals to adopt the merger agreement and the agreement governing the IXC internal reorganization will be brought before the IXC special meeting. If, however, the IXC board of directors properly presents other matters, the persons named as proxies will vote in accordance with their judgment.

REVOCABILITY OF PROXIES

The grant of a proxy on the enclosed form of proxy does not preclude an IXC stockholder from voting in person at the IXC special meeting. An IXC stockholder may revoke a proxy at any time prior to its exercise by filing with IXC a duly executed revocation of proxy, by submitting a duly executed proxy to IXC bearing a later date or by appearing at the IXC special meeting and voting in person. Attendance at the IXC special meeting will not itself revoke a proxy.

SOLICITATION OF PROXIES

IXC will bear the cost of the solicitation of proxies from its stockholders. In addition to solicitation by mail, the directors, officers and employees of IXC and its subsidiaries may solicit proxies from IXC stockholders by telephone or other electronic means or in person. Arrangements will also be made with brokerage houses and other custodians, nominees and fiduciaries for the forwarding of solicitation materials to the beneficial owners of stock held of record by these persons, and IXC will reimburse them for their reasonable out-of-pocket expenses.

IXC will mail a copy of this proxy statement/prospectus to each holder of record of IXC common stock on the IXC record date.

Georgeson & Company will assist in the solicitation of proxies by IXC. IXC will pay Georgeson & Company a fee of $10,000, plus reimbursement of certain out-of-pocket expenses, and will indemnify Georgeson & Company against any losses arising out of Georgeson & Company's proxy soliciting services on behalf of IXC.

IXC STOCKHOLDERS SHOULD NOT SEND STOCK CERTIFICATES WITH THEIR PROXIES. A transmittal form with instructions for the surrender of IXC common stock certificates will be mailed to IXC stockholders as soon as practicable after completion of the merger and the IXC internal reorganization.

THE COMPANIES

IXC

IXC is a leading provider of data and voice telecommunications transmission services. IXC owns and operates an advanced coast-to-coast digital communications network that includes 13,000 route miles of fiber optic transmission facilities. IXC's network-based delivery solutions are designed to address the speed and capacity requirements of the global telecommunications market. IXC offerings include private line, fast packet (ATM and frame relay), Internet and long distance switched and dedicated services. IXC is at the forefront of the industry's new class of emerging domestic and international carriers.

CINCINNATI BELL

Cincinnati Bell is a full service, integrated communications company that provides competitive local communications as well as data, Internet, wireless, directory, long distance and data networking services to customers in the Cincinnati, Ohio metropolitan area and in many other Midwestern cities.

The local communications services division provides local, long distance, data networking and transport, Internet access and pay phone services, as well as sales of communications equipment, in southwestern Ohio, northern Kentucky and southeastern Indiana, to both residential and business customers. The directory services division sells directory advertising and information services primarily to customers in the geographic areas described above. Cincinnati Bell also resells long distance and Internet access services and provides data services and products to small- and medium-sized business customers mainly in a five-state Midwestern area, and telecommunications and computer equipment in the secondary market. The wireless services division provides advanced digital personal communications and sales of related communications equipment to both businesses and residential customers in its Greater Cincinnati and Dayton, Ohio operating areas.

THE MERGER

THE DISCUSSION IN THIS PROXY STATEMENT/PROSPECTUS OF THE MERGER AND THE PRINCIPAL TERMS OF EACH OF:

- THE MERGER AGREEMENT DATED AS OF JULY 20, 1999, AMONG CINCINNATI BELL, IVORY MERGER INC. AND IXC

- THE AGREEMENT GOVERNING THE IXC INTERNAL REORGANIZATION DATED AS OF AUGUST 16, 1999, BETWEEN IXC AND IXC MERGER SUB, INC.

- THE CINCINNATI BELL STOCK OPTION AGREEMENT DATED AS OF JULY 20, 1999, BETWEEN CINCINNATI BELL AND IXC

- THE IXC STOCK OPTION AGREEMENT DATED AS OF JULY 20, 1999, BETWEEN CINCINNATI BELL AND IXC

- THE STOCKHOLDER AGREEMENT DATED AS OF JULY 20, 1999, BETWEEN CINCINNATI BELL AND GENERAL ELECTRIC PENSION TRUST

- THE STOCKHOLDERS AGREEMENT DATED AS OF JULY 20, 1999, AMONG CINCINNATI BELL, RICHARD D. IRWIN AND RALPH J. SWETT,

IS NOT COMPLETE AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE MERGER AGREEMENT, THE AGREEMENT GOVERNING IXC INTERNAL REORGANIZATION, THE CINCINNATI BELL STOCK OPTION AGREEMENT, THE IXC STOCK OPTION AGREEMENT, THE STOCKHOLDER AGREEMENT AND THE STOCKHOLDERS AGREEMENT, COPIES OF WHICH ARE ATTACHED TO THIS PROXY STATEMENT/PROSPECTUS AS ANNEXES 1, 2, 3, 4, 5 AND 6 AND ARE INCORPORATED HEREIN BY REFERENCE.

BACKGROUND TO THE MERGER

On February 4, 1999, IXC announced that it was considering various strategic alternatives to create advanced, diversified products and services and to achieve the scale necessary to provide complete voice, data and Internet solutions to a broad customer base. It stated that alternatives under consideration included, among others, the sale or swap of fiber assets, joint ventures or a combination of IXC with another company. IXC also announced that it had retained Morgan Stanley for assistance in reviewing strategic alternatives. In the following months, IXC was contacted by companies interested in discussing a transaction with IXC. After discussions with Morgan Stanley, some of these companies and IXC entered into mutual nondisclosure agreements. IXC explored potential transactions with these companies, including, in certain cases, performing due diligence reviews of their businesses, engaging in negotiations, and allowing these companies to review IXC's business and to make presentations to the IXC board of directors. During the course of these activities, some of these companies made proposals for a possible transaction. The proposals were all subject to various conditions such as satisfactory due diligence, approval of the board of directors of the potential strategic partner, the negotiation of a definitive agreement and other conditions. None of

these proposals resulted in a definitive agreement to be presented to the IXC board of directors.

On April 21, 1999, Richard G. Ellenberger, President and Chief Executive Officer of Cincinnati Bell, Kevin W. Mooney, Chief Financial Officer of Cincinnati Bell, and Michael Callaghan, Vice President of Corporate Development of Cincinnati Bell, met with J. Taylor Crandall, Managing Director of Oak Hill, Benjamin Diesbach, Consultant to Oak Hill, David Russekoff, Principal of Oak Hill, and Jonathan Friesel, an Associate at Oak Hill, during which meeting they discussed the possibility of Cincinnati Bell and Oak Hill together acquiring an equity interest in IXC and participating in the management of IXC.

On April 23, 1999, Messrs. Crandall, Diesbach, Russekoff and Friesel met with Messrs. Irwin and Swett, each a co-founder and director of IXC, to discuss the possibility of Oak Hill making an investment in IXC.

On April 28, 1999, Cincinnati Bell informed Oak Hill that it would be interested in investigating the possibility of developing a relationship with IXC and Oak Hill.

On May 6, 1999, Messrs. Ellenberger, Mooney, Crandall, Russekoff, Diesbach and Friesel met with Messrs. Irwin and Swett to discuss the background of Cincinnati Bell and what contribution it could make in a possible relationship with IXC. Mr. Crandall also reviewed Oak Hill's background and discussed a possible relationship with Cincinnati Bell and IXC.

On May 14, 1999, Cincinnati Bell formally engaged Salomon Smith Barney as its financial advisor in connection with a possible transaction involving Cincinnati Bell and IXC. Salomon Smith Barney had provided from time to time financial advisory and other banking services to Cincinnati Bell.

On May 18, 1999, Cincinnati Bell formally engaged Cravath, Swaine & Moore as its legal advisor in connection with a possible transaction involving Cincinnati Bell, IXC and Oak Hill.

On May 19, 1999, Messrs. Ellenberger, Mooney, Callaghan, Crandall, Diesbach, Russekoff and Friesel met with representatives of Salomon Smith Barney to discuss the views of Salomon Smith Barney regarding a possible transaction involving Cincinnati Bell, IXC and Oak Hill.

On May 20, 1999, Messrs. Ellenberger, Crandall and Russekoff met with Donald W. Torey, Executive Vice President of General Electric Investment Corporation, which serves as an advisor to the Trustees of General Electric Pension Trust, and Wolf Bragin, a director of IXC and Vice President of General Electric Investment Corporation, to discuss a possible relationship among Cincinnati Bell, IXC and Oak Hill. At the meeting, Oak Hill indicated that, in connection with any relationship among Cincinnati Bell, IXC and Oak Hill, it was interested in making a significant investment in Cincinnati Bell and in purchasing 50% of

General Electric's shares of IXC common stock for cash. In addition, on May 20, 1999, Messrs. Ellenberger and Crandall met with James D. Kiggen, Chairman of the Board of Cincinnati Bell, to discuss a possible relationship among Cincinnati Bell, IXC and Oak Hill.

On May 21, 1999, at a regularly scheduled meeting of the Cincinnati Bell board of directors, Cincinnati Bell management and representatives of Salomon Smith Barney reviewed with the Cincinnati Bell board of directors the strategic fit and background of IXC as well as a matching of IXC's perceived needs to Cincinnati Bell's strengths. A possible relationship with Oak Hill was discussed and Mr. Crandall addressed the Cincinnati Bell board of directors briefly on these matters. These discussions included, among other things, a possible business combination with IXC. As a result of this review, the Cincinnati Bell board of directors authorized Cincinnati Bell management to proceed with its due diligence investigation of IXC.

On May 25, 1999, Mr. Crandall met with Mr. Irwin to discuss a possible business combination involving Cincinnati Bell and IXC and the possibility of an investment by Oak Hill in Cincinnati Bell.

On May 28, 1999, at a regularly scheduled meeting of the IXC board of directors, Mr. Irwin briefed the IXC board of directors on the discussions held with Cincinnati Bell. At the meeting, the IXC board of directors approved a confidentiality agreement with Cincinnati Bell and Oak Hill.

On May 28, 1999, Cincinnati Bell, IXC and Oak Hill entered into a confidentiality agreement, containing customary terms and conditions.

From June 1 through June 17, 1999, representatives of Cincinnati Bell and Oak Hill, including their respective financial and legal advisors, met with representatives of IXC and conducted due diligence concerning the business and operations of IXC.

From June 1 through July 14, 1999, Mr. Irwin and John M. Zrno, President and Chief Executive Officer of IXC, informed the IXC board of directors periodically as to the status of the due diligence investigations conducted by IXC with respect to Cincinnati Bell and the ongoing discussions with Cincinnati Bell.

From June 14 through July 7, 1999, representatives of Oak Hill, including its legal advisors, met with representatives of Cincinnati Bell and conducted due diligence concerning the business and operations of Cincinnati Bell.

On June 21, 1999, the Cincinnati Bell board of directors held a regularly scheduled meeting attended by members of Cincinnati Bell's senior management and representatives of Salomon Smith Barney and Cravath, Swaine & Moore. Mr. Ellenberger discussed with the Cincinnati Bell board of directors the status of discussions with IXC and representatives of Cincinnati Bell management discussed the current status and results of their due diligence investigations. Based on

the presentations made, the Cincinnati Bell board of directors authorized and instructed Cincinnati Bell management to conduct additional due diligence on the business and operations of IXC.

From June 18 through July 7, 1999, representatives of Cincinnati Bell and Oak Hill, including their respective financial and legal advisors, continued their due diligence investigations concerning the business and operations of IXC.

On July 8 and July 9, 1999, representatives of IXC, including their financial and legal advisors, met with representatives of Cincinnati Bell and conducted due diligence concerning the business and operations of Cincinnati Bell.

On July 9, 1999, at a meeting of the Cincinnati Bell board of directors, Cincinnati Bell management and representatives of Salomon Smith Barney reviewed with the Cincinnati Bell board of directors the results of the additional due diligence investigations conducted by representatives of Cincinnati Bell and its advisors. The Cincinnati Bell board of directors authorized Cincinnati Bell management to commence discussions with IXC regarding the terms of a possible business combination and to commence discussions with Oak Hill regarding the terms of a possible investment by Oak Hill in Cincinnati Bell.

From July 9 through July 14, 1999, representatives of Cincinnati Bell and Oak Hill, together with their respective financial and legal advisors, held numerous meetings to discuss and negotiate the terms and conditions of the investment to be made by Oak Hill in Cincinnati Bell.

On July 14, 1999, Messrs. Ellenberger and Callaghan, Richard Pontin, President and Chief Operating Officer of Cincinnati Bell Telephone Company, a wholly owned subsidiary of Cincinnati Bell, and Mr. Crandall met with Messrs. Irwin and Zrno to discuss the principal economic terms of the proposed business combination involving Cincinnati Bell and the proposed investment to be made by Oak Hill in Cincinnati Bell. On July 14, 1999, drafts of the merger agreement and related documents (including a proposal by Cincinnati Bell to acquire 50% of General Electric's shares of IXC common stock for cash) were distributed by counsel to Cincinnati Bell, IXC, Oak Hill, General Electric and their respective advisors. On July 15, 1999, drafts of the merger agreement and related documents were distributed to the IXC board of directors. From July 15 through July 17, 1999, the respective counsels for Cincinnati Bell and IXC negotiated various terms of the merger agreement and related documents.

On July 18, 1999, the IXC board of directors held a meeting attended by representatives of Cincinnati Bell and Oak Hill, including their respective financial and legal advisors. Members of Cincinnati Bell's senior management and representatives of Salomon Smith Barney, Morgan Stanley and Merrill Lynch made presentations to the IXC board of directors regarding a possible business combination between IXC and Cincinnati Bell and a possible investment by Oak Hill in Cincinnati Bell.

From July 18 through July 20, 1999, representatives of Cincinnati Bell, IXC, Oak Hill and General Electric, together with their financial and legal advisors, held numerous meetings to discuss and negotiate the terms and conditions of the merger agreement, the stockholders agreements, the stock option agreements, the stock purchase agreement, the investment agreement and related documents and various other legal, financial and regulatory issues relating to the proposed business combination and related transactions.

On July 19, 1999, the IXC board of directors, members of IXC's senior management and representatives of Riordan & McKinzie met to discuss the proposed merger.

On July 20, 1999, the Cincinnati Bell board of directors held a meeting attended by members of Cincinnati Bell's senior management, Mr. Crandall, and representatives of Salomon Smith Barney and Cravath, Swaine & Moore. Prior to the meeting, Cravath, Swaine & Moore provided each member of the Cincinnati Bell board of directors with summaries and copies of each of the merger agreement, the stockholders agreements, the stock option agreements, the stock purchase agreement, the investment agreement and related documents and with summaries of the other transactions contemplated by the merger agreement. Mr. Ellenberger summarized the status of the negotiations between Cincinnati Bell and IXC, and between Cincinnati Bell and Oak Hill. Representatives of Salomon Smith Barney described its financial analysis with respect to the possible combination of Cincinnati Bell and IXC, and then delivered the oral opinion of Salomon Smith Barney, later confirmed in writing, to the effect that, as of July 20, 1999, the exchange ratio was fair, from a financial point of view, to Cincinnati Bell. Following discussions, the Cincinnati Bell board of directors considered the terms of the merger and the definitive agreements, and, after deliberation, approved the merger agreement, the stockholders agreements, the stock option agreements, the stock purchase agreement, the investment agreement and other related documents.

On the morning of July 20, 1999, the IXC board of directors held a telephonic meeting attended by members of IXC's senior management and representatives of Riordan & McKinzie and IXC's Delaware counsel to discuss the proposed merger.

In the evening of July 20, 1999, the IXC board of directors held a telephonic meeting attended by members of IXC senior management and representatives of Morgan Stanley, Merrill Lynch and Riordan & McKinzie. Prior to the meeting, Riordan & McKinzie provided each member of the IXC board of directors with copies of each of the merger agreement, the stockholders agreements, the stock option agreements, the stock purchase agreement, the investment agreement and related documents. The IXC board of directors considered the proposed merger agreement, stockholders agreements, stock option agreements, stock purchase agreement, investment agreement, certain related documents and the transactions contemplated by the merger agreement. Representatives of each of Morgan Stanley and Merrill Lynch described its

financial analysis with respect to the possible combination between IXC and Cincinnati Bell, and then delivered the oral opinion of each of Morgan Stanley and Merrill Lynch, each of which was later confirmed in writing, to the effect that, as of July 20, 1999, the exchange ratio was fair, from a financial point of view, to IXC stockholders, other than Cincinnati Bell and its affiliates. Following discussions, the IXC board of directors concluded that the merger was advisable, fair to and in the best interests of IXC and its stockholders and approved the merger agreement and related documents and recommended that IXC stockholders vote to adopt the merger agreement and related documents.

The merger agreement, the stockholders agreements, the stock option agreements, the stock purchase agreement, the investment agreement and related documents were signed by the parties on the night of July 20, 1999. On the morning of July 21, 1999, prior to the commencement of trading, Cincinnati Bell, IXC and Oak Hill issued a joint press release announcing the execution of the merger agreement and related documents.

Under the investment agreement between Cincinnati Bell and Oak Hill, on July 21, 1999, Oak Hill purchased convertible subordinated debentures of Cincinnati Bell for an aggregate purchase price of $400 million, which debentures bear interest at a rate of 6.75% per annum. These debentures are convertible at the option of Oak Hill at any time after the completion of the merger into shares of Cincinnati Bell common stock at a price of $29.89 per share. Based on the number of shares of Cincinnati Bell common stock outstanding on September 9, 1999 and assuming that the debentures were converted into Cincinnati Bell common stock at a conversion price of $29.89 per share, on a pro

forma basis after giving effect to the merger Oak Hill will own approximately 6% of the outstanding shares of Cincinnati Bell common stock immediately after the merger.

Under the stock purchase agreement between Cincinnati Bell and General Electric, on July 27, 1999, Cincinnati Bell purchased 300,000 shares of IXC common stock, and on August 16, 1999, Cincinnati Bell purchased 4,699,345 shares of IXC common stock for an aggregate purchase price of approximately $250 million. Based on the number of shares of IXC common stock outstanding on September 9, 1999, Cincinnati Bell owned approximately 13% of the outstanding shares of IXC common stock on that date.

REASONS FOR THE MERGER AND THE IXC BOARD OF DIRECTORS RECOMMENDATION

At its meeting on July 20, 1999, the IXC board of directors determined that the merger and the merger agreement were advisable, fair to and in the best interests of IXC and its stockholders, approved and declared advisable the merger and the merger agreement and recommended that the IXC stockholders adopt the merger agreement.

In reaching its decision to approve the merger and the merger agreement and

to recommend that IXC stockholders vote to adopt the merger agreement, the IXC board of directors consulted with IXC management and its financial and legal advisors and considered a number of factors, including the following:

PREMIUM AND FAIRNESS

- the fact that at the time it was approved by the IXC board of directors the consideration to be received in the merger represented a significant premium to IXC stockholders as compared to IXC's stock price before the February 1999 announcement that IXC had engaged Morgan Stanley to pursue strategic alternatives, and the price at which the IXC directors expected that the stock might trade if second quarter results were announced without the concurrent announcement of the merger transaction

- the written opinions of Morgan Stanley and Merrill Lynch each dated July 20, 1999, copies of which are attached as Annexes 8 and 9, respectively, to this proxy statement/prospectus, that, subject to the assumptions and limitations contained in their opinions, the exchange ratio was fair, from a financial point of view, as of that date to IXC stockholders, other than Cincinnati Bell and its affiliates, and the financial presentations made by Morgan Stanley and Merrill Lynch to the IXC board of directors in connection with delivering their opinions.

CINCINNATI BELL'S BUSINESS AND STOCK

- the views of the IXC board of directors that Cincinnati Bell had a good reputation on Wall Street, Cincinnati Bell's stock had a good performance record and Cincinnati Bell had a strong cash flow, the ability to raise capital and a large, established and stable business base

- the quality and depth of Cincinnati Bell's management team

- Cincinnati Bell's experience in the development and marketing of bundled services, reputation for operational, back-office and provisioning excellence and leadership in the deployment of DSL technology

- IXC's due diligence regarding Cincinnati Bell's business, operations, assets, financial condition, operating results and prospects.

FIT BETWEEN THE TWO COMPANIES

- the high degree of compatibility in the businesses of IXC and Cincinnati Bell

- the potential for operational and financial efficiencies as a result of the integration of the resources of IXC and Cincinnati Bell

- the combined company's potential for pursuing the retail market and more

fully realizing the potential of IXC's extensive, state-of-the-art fiber network and advanced Internet Protocol (IP) data services

- the greater financial resources that would be available to the combined company to exploit IXC's strategic assets.

INCREASED VALUE IN THE COMBINED COMPANY

- the proposed strategy for the combined company and the potential creation of significant increased value through the merger

- the presentations and discussions by representatives of Cincinnati Bell and Oak Hill regarding Cincinnati Bell and its plans indicating a significantly enhanced value for the combined company over the stand-alone values of IXC and Cincinnati Bell

- the fact that IXC directors, Messrs. Swett and Irwin, who, together with their affiliates, would hold approximately 12 million shares of the combined company, would take all stock in the merger, believing the potential upside in the stock price of the combined company outweighed the benefits of taking half the value of their shares of IXC common stock in cash

- the fact that General Electric, considered by the IXC board of directors to be one of the most respected institutional investors in the world, was in favor of the merger and would remain a stockholder of the combined company with approximately 10 million shares of stock on a fully diluted basis in the combined company

- the willingness of Oak Hill, a well-respected investment fund, to invest $400 million in the combined company in exchange for a debt instrument with a conversion price substantially higher than the price at which the Cincinnati Bell common stock would be valued in the merger

- the opportunity for IXC stockholders to participate, as holders of Cincinnati Bell common stock, in a combined enterprise that has greater financial, technical and marketing resources and would be expected to be a much stronger and more successful competitor in the telecommunications industry than IXC.

GENERAL INDUSTRY AND MARKET CONDITIONS

- market prices, recent trading patterns and financial data relating to other telecommunications companies

- consolidation trends in the domestic telecommunications industry

- current industry, economic and market conditions.

IXC'S DIFFICULTIES

- IXC's financing needs and IXC's difficulties in obtaining additional financing

- the lack of alternatives to the merger available to IXC and its stockholders and the lack of other possible acquirors

- the comparatively poor performance of IXC's stock.

OTHER FACTORS

- the terms and conditions of the merger agreement, the stockholders agreements and the stock option agreements, including the material adverse change provision and the non-solicitation, termination and termination fee provisions in the merger agreement, and the ability of the directors to fulfill their legal duties in the event of an unsolicited offer

- Cincinnati Bell's refusal to enter into the merger agreement without the stockholders agreements and the stock option agreements

- the opportunity for IXC stockholders to receive Cincinnati Bell common stock in a tax-free exchange

- the opportunity for IXC stockholders to vote to approve or disapprove the merger

- the likelihood that no alternative transaction would become available in light of the stockholders agreements

- the amount of the termination fee

- the intention of Cincinnati Bell to provide most of IXC's employees with continuing career opportunities.

RISKS

- the possible negative effect of the deal announcement on the market prices of Cincinnati Bell common stock and IXC common stock

- the challenges in combining the two companies

- the ability of IXC's management to continue to focus on strategic goals while working to implement the merger

- the challenges in obtaining regulatory approval in a reasonable time frame and upon terms and conditions that would not unduly burden the combined company

- the risk that the proposed merger would not be completed

- the ability of IXC to obtain sufficient financing prior to closing the merger.

The IXC board of directors believed that IXC could avoid or mitigate certain of these risks, and that the potential benefits of the merger to IXC and its stockholders outweighed the risks.

This is not an exhaustive list of the information and factors considered and given weight by the IXC board of directors. In view of the wide variety of factors considered in connection with its evaluation of the merger and the complexity of these matters, the IXC board of directors did not find it practicable, and did not attempt, to quantify, rank or otherwise assign relative weights to the specific factors considered in reaching its determination. The IXC board of directors discussed the factors above, including asking questions of IXC's management and IXC's legal and financial advisors, and determined that the merger was in the best interests of IXC and its stockholders. In considering the factors described above, individual members of the IXC board of directors may have given different weight to different factors.

RECOMMENDATION OF THE IXC BOARD OF DIRECTORS. After careful consideration, the IXC board of directors has approved the merger agreement and the agreement governing the IXC internal reorganization, and has determined that the merger and the IXC internal reorganization and the terms

of the merger agreement and the agreement governing the IXC internal reorganization are advisable, fair to and in the best interests of IXC and its stockholders. The IXC board of directors recommends that IXC stockholders vote FOR the adoption of the merger agreement and the agreement governing the IXC internal reorganization. One member of the IXC board of directors, Mr. Bragin, abstained from voting on the foregoing determination and recommendation.

OPINIONS OF IXC'S FINANCIAL ADVISORS

IXC engaged Morgan Stanley and Merrill Lynch as its financial advisors in connection with the merger based on their experience and expertise. Morgan Stanley and Merrill Lynch are internationally recognized investment banking firms that have substantial experience in transactions similar to the merger. The IXC financial advisors, as part of their investment banking businesses, are continuously engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes.

At the July 20, 1999 meeting of the IXC board of directors, Morgan Stanley and Merrill Lynch both delivered their oral opinions (subsequently confirmed separately by each in writing) to the effect that, as of the date thereof, and

subject to the assumptions, qualifications and limitations set forth therein, the exchange ratio pursuant to the merger agreement was fair, from a financial point of view, to the holders of IXC common stock, other than Cincinnati Bell and its affiliates.

THE FULL TEXT OF THESE OPINIONS, WHICH SET FORTH THE ASSUMPTIONS MADE, MATTERS CONSIDERED AND QUALIFICATIONS AND LIMITATIONS ON THE REVIEW UNDERTAKEN BY THE IXC FINANCIAL ADVISORS, IS SET FORTH AS ANNEXES 8 AND 9 AND IS INCORPORATED HEREIN BY REFERENCE. IXC STOCKHOLDERS ARE URGED TO READ CAREFULLY EACH OF THE MORGAN STANLEY AND MERRILL LYNCH OPINIONS IN ITS ENTIRETY.

In reading the following discussion of these fairness opinions, IXC stockholders should be aware that the opinions:

- were provided to the IXC board of directors for its information and are directed only to the fairness, from a financial point of view, of the exchange ratio to the holders of IXC common stock (other than Cincinnati Bell and its affiliates)

- did not constitute a recommendation to the IXC board of directors in connection with its consideration of the merger agreement and the merger

- do not address the merits of the underlying decision by IXC to engage in the merger or the price or range of prices at which shares of IXC common stock or Cincinnati Bell common stock may trade subsequent to the announcement or consummation of the merger

- do not constitute a recommendation to any holder of IXC common stock as to how such stockholder should vote on the merger or any matter related thereto.

Although the IXC financial advisors each evaluated the fairness, from a financial point of view, of the exchange ratio to the holders of IXC common stock, the exchange ratio itself was determined by Cincinnati Bell and IXC through arm's-length negotiations. The IXC financial advisors provided advice to IXC during the course of such negotiations. IXC did not provide specific instructions to, or place any limitations on, the IXC financial advisors with respect to the procedures to be followed or factors to be considered by them in performing their analyses or providing their opinions.

MORGAN STANLEY OPINION

In arriving at the Morgan Stanley opinion, Morgan Stanley, among other things:

- reviewed certain publicly available financial statements and other information of IXC and Cincinnati Bell

- reviewed certain internal financial statements and other financial and operating data concerning IXC and Cincinnati Bell prepared by the respective managements of such companies

- analyzed financial projections for IXC and Cincinnati Bell contained in certain securities analysts' research reports that were recommended for review by the respective managements of such companies

- discussed the past and current operations and financial conditions and the prospects of IXC and Cincinnati Bell, including information relating to certain strategic, financial and operational benefits anticipated from the merger, with the respective managements of such companies

- analyzed the estimated pro forma impact of the merger on Cincinnati Bell's cash flow, consolidated capitalization and financial ratios

- reviewed the reported prices and trading activity for the IXC common stock and the Cincinnati Bell common stock

- discussed with senior executives of each of IXC and Cincinnati Bell the strategic rationale for, and certain regulatory issues associated with, the merger

- compared the financial performance of IXC and Cincinnati Bell and the prices and trading activity of the IXC common stock and the Cincinnati Bell common stock with those of certain other comparable publicly traded companies and their securities

- reviewed the financial terms, to the extent publicly available, of certain comparable transactions

- participated in discussions and negotiations among representatives of IXC and Cincinnati Bell and their respective financial, accounting and legal advisors

- reviewed drafts of the merger agreement, the investment agreement and certain related documents and

- performed such other analyses and considered such other factors as Morgan Stanley deemed appropriate.

Morgan Stanley assumed and relied upon without independent verification the accuracy and completeness of the information reviewed by it for the purposes of its opinion. With respect to the internal financial statements and other financial and operating data and discussions relating to the strategic, financial and operational benefits anticipated from the merger, Morgan Stanley assumed that such financial statements and other financial and operating data had been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the future competitive, operating and regulatory environments and financial performance of IXC and Cincinnati Bell.

Morgan Stanley did not make any independent valuation or appraisal of the assets or liabilities of IXC or Cincinnati Bell, nor was it furnished with any such appraisals. The Morgan Stanley opinion was necessarily based on economic, market and other conditions as in effect on, and the information made available to it as of, the date thereof.

Morgan Stanley further assumed, with IXC's consent, that the merger will be consummated in accordance with the terms set forth in the draft merger agreement (without waiver of any condition contained therein) and will be treated as a tax-free reorganization and/or exchange, for purposes of the Internal Revenue Code. In addition, Morgan Stanley assumed that obtaining all necessary regulatory approvals for the merger will not have an adverse effect on Cincinnati Bell or the contemplated benefits expected to be derived in the proposed merger.

FINANCIAL ANALYSES BY MORGAN STANLEY

Morgan Stanley was not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition of IXC or any of its assets, or any other strategic alternative, other than the merger.

The following is a summary of the material financial analyses performed by Morgan Stanley in preparing its opinion to the IXC board of directors on July 20, 1999. Certain of these summaries of financial analyses include information presented in tabular format. In order to fully understand the financial analyses used by Morgan Stanley, the tables must be read together with the text of each summary. The tables alone do not represent a complete description of the financial analyses.

Morgan Stanley noted that IXC management did not have an up-to-date forecast that IXC believed would accurately represent the future prospects of IXC's business. Therefore, for purposes of certain of the analyses described below, Morgan Stanley used a forecast for IXC that was comprised of estimates for fiscal year 1999 developed by Cincinnati Bell (and confirmed by IXC management as being reasonable) and estimates for fiscal years 2000 through 2003 based on a forecast by a securities research analyst. The estimates for fiscal years 2000 through 2003 were arrived at by applying a one-year delay to the securities research analyst's forecast. In other words, the estimates for fiscal years 2000 through 2003 were comprised of the securities research analyst's estimates for fiscal years 1999 through 2002.

(1) HISTORICAL PUBLIC MARKET TRADING VALUE. Morgan Stanley reviewed the recent stock price performance of IXC based on an analysis of historical closing prices and trading volumes during the period from the IXC initial public offering on July 3, 1996 through July 19, 1999. The following table summarizes the price performance of IXC's common stock over that period:

HISTORICAL

IXC COMMON STOCK PRICES ---	
July 19, 1999	$ 37.50 High Price
(March 27, 1998)	$ 60.38 Low Price
(July 25, 1996)	$ 11.50

Morgan Stanley also reviewed the recent stock price performance of Cincinnati Bell based on an analysis of historical closing prices and trading volumes during the period from December 31, 1997 through July 19, 1999. Due to the initial public offering of Cincinnati Bell's subsidiary Convergys Corporation on August 12, 1998 and the subsequent spin-off of Cincinnati Bell's remaining interest in Convergys Corporation to Cincinnati Bell shareholders on December 31, 1998, Morgan Stanley's review of Cincinnati Bell's stock price performance was focused on the period after August 12, 1998. Furthermore, Morgan Stanley adjusted Cincinnati Bell's stock price from the period between August 12, 1998 and December 31, 1998 in order to approximate the "standalone" value of Cincinnati Bell common stock during this period. The following table summarizes the price performance of Cincinnati Bell common stock over the period from August 12, 1998 through July 19, 1999 (the Low Price in the table has been adjusted as described above):

HISTORICAL CINCINNATI BELL COMMON STOCK PRICES ---	
July 19, 1999	$ 25.00 High Price
(July 14, 1999)	$ 26.13 Low Price
(October	

13, 1998)
$ 9.44

(2) COMPARATIVE STOCK PRICE PERFORMANCE. As part of its analysis, Morgan Stanley reviewed the recent stock price performance of IXC and compared this performance with that of the S&P 500 Index

and the following companies: COLT Telecom Group plc, Equant NV, Global Crossing Ltd., Global TeleSystems Group, Inc., Level 3 Communications, Inc., Qwest Communications International Inc. and Viatel, Inc. Morgan Stanley observed that over the period from August 14, 1998 (the date of the Global Crossing initial public offering) to July 19, 1999, the closing market prices appreciated as set forth below:

COMPANY % APPRECIATION
- ----------

-- IXC
(6.5%) COLT
97.6% Equant
101.5%
Global Crossing
246.6%
Global TeleSystems
60.1% Level 3 58.8%
Qwest 78.3%
Viatel
223.4% S&P 500 32.5%

Morgan Stanley also reviewed the recent stock price performance of Cincinnati Bell and compared this performance with that of a group of comparable companies and the S&P 500 Index. As noted above, Morgan Stanley adjusted Cincinnati Bell's stock price from the period between August 12, 1998 and December 31, 1998 in order to approximate the "standalone" value of Cincinnati Bell common stock during this period. Morgan Stanley observed that over the period from the Convergys Corporation initial public offering on August 12, 1998 to July 19, 1999, the closing market prices appreciated as set forth below:

COMPANY % APPRECIATION - -------------- -------------- -------------- -------------- -- ----------- ------ Cincinnati Bell 99.0% Aliant Communications 65.0% ALLTEL 74.3% CenturyTel 29.3% Commonwealth Telephone 83.8% Regional Bell Operating Company Index 46.3% S&P 500 Index 31.0%

(3) SECURITIES RESEARCH ANALYSTS' FUTURE PRICE TARGETS. Morgan Stanley reviewed and analyzed the future private market value targets for IXC common stock prepared and published by certain securities research analysts in the period from February 4, 1999 to July 19, 1999, reflecting such analysts' estimates of the future private market value of IXC common stock at the end of the time period considered in such estimate. Morgan Stanley noted that such estimates had been developed and published when securities analysts' expectations for IXC's profitability were considerably higher than results later achieved by IXC. Morgan Stanley also reviewed and analyzed future public market trading price targets for Cincinnati Bell common stock during the period from April 15, 1999 to July 19, 1999. These targets reflected each analyst's estimate of the future public market trading price of Cincinnati

Bell common stock at the end of the particular time period considered for each time estimate (typically 12 months).

VALUE PER SHARE RANGE ---- ---------- -------- LOW HIGH -

| -- ----- |
| IXC Private Market Value Target $ |
| 40 $ 65 |
| Cincinnati Bell Public Market Price Target $ |
| 25 $ 28 |

Morgan Stanley noted that the private market value and public market trading price targets published by the securities research analysts do not reflect current private market value targets and market trading prices for IXC or Cincinnati Bell common stock and that these estimates are subject to uncertainties, including the availability of information, the future financial performance of IXC and Cincinnati Bell and future financial market conditions.

(4) PEER GROUP COMPARISON. Morgan Stanley reviewed and analyzed the financial information of seven emerging telecommunications carriers (COLT Telecom Group plc, Equant NV, Global Crossing Ltd., Global TeleSystems Group, Inc., Level 3 Communications, Inc., Qwest Communications International Inc. and Viatel, Inc.) and compared the results to financial information relating to IXC. Morgan Stanley analyzed, among other things, the current aggregate value of each company expressed as a multiple of forecast revenues and forecast earnings before interest, taxes, depreciation and amortization, or EBITDA, for 1999 and 2000. As of July 19, 1999 and based on estimates of revenues and EBITDA taken from selected securities research analysts, the statistics derived from this analysis were as set forth below.

AGGREGATE VALUE AS A MULTIPLE OF REVENUES --		AGGREGATE VALUE AS A MULTIPLE OF EBITDA	
1999E	2000E	1999E	2000E
--------- -			

-------- --
------- ---
------ IXC
21.5x 15.0x
3.5x 2.5x
COLT NM NM
35.7x 22.6x
Equant
113.6x
53.8x 19.3x
14.0x
Global
Crossing
30.3x 37.9x
27.2x 27.4x
Global
TeleSystems
NM 74.6x
8.8x 5.4x
Level 3 NM
NM 43.6x
25.2x Qwest
11.1x 10.0x
6.6x 5.8x
Viatel NM
36.0x 7.5x
4.2x

Morgan Stanley also reviewed and analyzed the financial information of four independent local exchange carriers (Aliant Communications, ALLTEL Corporation, Inc., CenturyTel, Inc. and Commonwealth Telephone Enterprises, Inc.) and six regional Bell operating companies (Ameritech Corporation, Bell Atlantic Corporation, BellSouth Corporation, GTE Corporation, SBC Communications Inc., and U S WEST Communications, Inc.) and compared the results to financial information relating to Cincinnati Bell. Morgan Stanley analyzed, among other things, the current aggregate value of each company expressed as a multiple of forecast EBITDA for 1999 and 2000 and the current price of the common stock of each company expressed as a multiple of forecast earnings per share for 1999 and 2000.

As of July 19, 1999 and based on estimates of EBITDA and earnings per share taken from selected securities research analysts, the statistics derived from this analysis were as set forth below.

AGGREGATE
VALUE AS A
AGGREGATE

VALUE AS A MULTIPLE OF EARNINGS		MULTIPLE OF EBITDA PER SHARE	
1999E	2000E	1999E	2000E
Cincinnati Bell	12.4x	10.8x	31.3x	26.6x
ALLTEL	10.6x	9.6x	27.7x	23.4x
Aliant	10.1x	9.3x	27.9x	27.1x
CenturyTel	10.0x	9.5x	25.0x	21.7x
Commonwealth	15.2x	12.1x	NM	53.4x
Regional Bell Operating Company Average	9.0x	8.4x	22.8x	20.5x

No company used in the peer group comparisons is identical to IXC or Cincinnati Bell. In evaluating the peer group companies, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of IXC and Cincinnati Bell, such as the impact of competition on IXC or Cincinnati Bell and the industry generally, industry growth and the absence of any material adverse change in the financial condition and prospects of IXC or Cincinnati Bell or the industry or in the financial markets in general.

(5) SUM-OF-THE-PARTS VALUATION ANALYSIS. Morgan Stanley performed a

sum-of-the-parts valuation analysis of IXC. Morgan Stanley performed this analysis to arrive at both a theoretical public market trading value and a theoretical private market, or acquisition, value for IXC. As part of this analysis, Morgan Stanley divided IXC's business into four parts: revenues generated through the provision of long distance telecommunications services, physical network assets and IXC's equity interests in PSINet Inc. and AppliedTheory Corporation. Morgan Stanley estimated the value of revenues generated through the provision of long distance telecommunications services by applying a range of revenue multiples based on the revenue multiples of publicly traded companies that provide similar services (for the public market trading analysis) and multiples of revenue paid in acquisitions of companies that provide similar services (for the private market analysis). Morgan Stanley estimated the value of IXC's physical network assets by estimating the cost to replace such assets (for the public market trading analysis) and estimating the cost to acquire such assets (for the private market analysis). Morgan Stanley arrived at the estimated value of IXC's equity interest in both PSINet and Applied Theory by multiplying the number of shares owned by IXC in each of the companies by their respective closing common stock share prices on July 19, 1999. The sum-of-the-parts valuation analysis implied a range of values for IXC common stock of $23 to $35 per share on a public market trading basis and $35 to $52 per share on a private market basis.

(6) DISCOUNTED CASH FLOW ANALYSIS. Morgan Stanley performed discounted cash flow analysis, which is an analysis of the present value of projected cash flows using discount rates and terminal year EBITDA multiples (as indicated below), of IXC. Morgan Stanley analyzed IXC's business using a forecast (described above) for the period beginning January 1, 1999 and ending December 31, 2003. Morgan Stanley estimated IXC's discounted cash flow value using discount rates ranging from 11% to 13% and terminal multiples of estimated 2003 EBITDA ranging from 11x to 13x. The discounted cash flow analysis implied a range of values for IXC common stock of $20 to $32 per share.

Morgan Stanley also performed discounted cash flow analysis of Cincinnati Bell. Morgan Stanley analyzed Cincinnati Bell's business using both Cincinnati Bell's management forecast for the period

beginning January 1, 1999 and ending December 31, 2003 and securities research analyst estimates for the same period. Morgan Stanley estimated Cincinnati Bell's discounted cash flow value using discount rates ranging from 10% to 11% and terminal multiples of estimated 2003 EBITDA ranging from 8x to 10x. The discounted cash flow analysis using Cincinnati Bell's management forecast implied a range of values for Cincinnati Bell common stock of $24.58 to $31.57 per share. The discounted cash flow analysis using Cincinnati Bell's securities research analyst estimates implied a range of values for Cincinnati Bell common stock of $18.23 to $23.57 per share.

(7) EXCHANGE RATIO ANALYSIS. Morgan Stanley compared the exchange ratio of 2.0976 Cincinnati Bell shares to each IXC share provided in the merger agreement

to the ratio of the closing market prices of IXC and Cincinnati Bell common stock on July 19, 1999. Morgan Stanley also compared this ratio to selected average historical ratios of the closing market prices of IXC to Cincinnati Bell common stock over various periods ending July 19, 1999. The results of this analysis are set forth below:

MARKET PRICE RATIO
July 19, 1999
1.5000x
30-Day Average
1.5583x
90-Day Average
1.5905x
6-Month Average
1.8922x
Since Convergys IPO (August 12, 1998)
2.1733x

(8) RELATIVE CONTRIBUTION ANALYSIS. Morgan Stanley compared the pro forma contribution of each of IXC (using historical information and the forecast described above) and Cincinnati Bell (using historical information and both Cincinnati Bell's management forecast and securities research analyst estimates) to the resultant combined company assuming completion of the merger in accordance with the terms of the agreement provided to us and calculated the implied theoretical exchange ratio. The results of this analysis using Cincinnati Bell's management forecast are set forth below:

FORECAST - HISTORICAL STATISTIC	1998	1999E	2000E

2001E
2002E - --

------ ---
-------- -
-------- -
-------- -
-------- -

Revenues
2.2558x
1.6707x
2.1251x
2.1972x
2.26323x
EBITDA
1.0259x NM
1.0859x
1.3368x
1.4576x
Gross
Invested
Capital
6.0488x
Net
Invested
Capital
5.6978x
Gross PP&E
2.3613x

The results of this analysis using Cincinnati Bell's securities research analyst estimates are set forth below:

FORECAST -

-
HISTORICAL
STATISTIC
1998 1999E
2000E
2001E

2002E - --

--- --

Revenues
2.2558x
1.9915x
2.6167x
2.7883x
2.9817x
EBITDA
1.0259x NM
1.2918x
1.6064x
1.8282x
Gross
Invested
Capital
6.0488x
Net
Invested
Capital
5.6978x
Gross PP&E
2.3613x

Morgan Stanley performed a variety of financial and comparative analyses solely for purposes of providing its opinion to the IXC board of directors as to the fairness from a financial point of view to the holders of IXC common stock (other than Cincinnati Bell and its affiliates) of the exchange ratio pursuant to the merger agreement. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. In arriving at its opinion, Morgan Stanley considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor considered by it. Furthermore, selecting any portion of its analyses, without considering all analyses, would create an incomplete view of the process underlying its opinion. In addition, Morgan Stanley may have given various analyses and factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions, so that the ranges of valuations resulting from any particular analysis described above should not be taken to be Morgan Stanley's view of the actual value of IXC or Cincinnati Bell. In performing its analyses, Morgan Stanley made a number of assumptions with respect to industry performance, general business and economic conditions and other matters, many of

which are beyond the control of IXC or Cincinnati Bell. Any estimates used by Morgan Stanley in rendering its opinion or reflected herein are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates. The analyses performed were prepared solely as part of Morgan Stanley's analysis of the fairness of the exchange ratio pursuant to the merger agreement from a financial point of view to the holders of IXC Common Stock and were conducted in connection with the delivery of its opinion. The analyses are not intended to be appraisals or to reflect the prices at which IXC or Cincinnati Bell might actually be sold or the price at which their securities may trade.

The merger consideration was determined through arm's-length negotiations between IXC and Cincinnati Bell and was approved by the IXC board of directors. Morgan Stanley did not recommend any specific merger consideration to IXC or that any specific merger consideration constituted the only appropriate merger consideration for the merger. Morgan Stanley's opinion to the IXC board of directors was one of many factors taken into consideration by the IXC board of directors in making its determination to approve the merger. Consequently, the Morgan Stanley analyses described above should not be viewed as determinative of the opinion of the IXC board of directors with respect to the value of IXC or whether the IXC board of directors would have been willing to agree to different merger consideration. Morgan Stanley was not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition of IXC or any of its assets, or any other strategic alternative, other than the merger.

Morgan Stanley is an internationally recognized investment banking and advisory firm. Morgan Stanley, as part of its investment banking business, is continuously engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings,

competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. In the ordinary course of Morgan Stanley's trading, brokerage and financing activities, Morgan Stanley or its affiliates may at any time hold long or short positions, may trade, make a market or otherwise effect transactions, for its own account or for the accounts of customers, in the securities of IXC or Cincinnati Bell. In the past, Morgan Stanley and its affiliates have provided financial advisory and/or financing services for IXC, Cincinnati Bell and one or more other parties to the transaction, and certain of their affiliates, and have received fees for the rendering of those services.

Under a letter agreement dated as of February 3, 1999, Morgan Stanley provided advisory services and a financial opinion in connection with the merger and IXC agreed to pay a customary fee to Morgan Stanley. In addition, IXC agreed to indemnify Morgan Stanley and its affiliates, their respective directors, officers, agents and employees and each person, if any, controlling Morgan Stanley or any of its affiliates against certain liabilities, including liabilities under the federal securities laws, and expenses, including the fees

of its legal counsel, arising out of Morgan Stanley's engagement and the transactions in connection therewith.

MERRILL LYNCH OPINION

In arriving at its opinion, Merrill Lynch, among other things:

- reviewed certain publicly available business and financial information relating to IXC and Cincinnati Bell that Merrill Lynch deemed to be relevant

- reviewed certain information, including financial forecasts, relating to the business, earnings, cash flow, assets, liabilities and prospects of IXC and Cincinnati Bell, as well as the amount and timing of the cost savings and related expenses and synergies expected to result from the merger furnished to Merrill Lynch by IXC and Cincinnati Bell, respectively

- conducted discussions with members of senior management and representatives of IXC and Cincinnati Bell concerning the matters described in the above two bullet points, as well as their respective businesses and prospects before and after giving effect to the merger and the expected synergies

- reviewed the market prices and valuation multiples for shares of IXC common stock and Cincinnati Bell common stock and compared them with those of certain publicly traded companies that Merrill Lynch deemed to be relevant

- reviewed the results of operations of IXC and Cincinnati Bell and compared them with those of certain publicly traded companies that Merrill Lynch deemed to be relevant

- compared the proposed financial terms of the merger with the financial terms of certain other transactions that Merrill Lynch deemed to be relevant

- participated in certain discussions and negotiations among representatives of IXC and Cincinnati Bell and their financial and legal advisors

- reviewed the potential pro forma impact of the merger

- reviewed drafts of the merger agreement, the stock option agreements and the investment agreement

- reviewed such other financial studies and analyses and took into account such other matters as Merrill Lynch deemed necessary, including its assessment of general economic, market and monetary conditions.

In preparing its opinion, Merrill Lynch assumed and relied on the accuracy and completeness of all information supplied or otherwise made available to Merrill Lynch, discussed with or reviewed by or for Merrill Lynch, or publicly available, and Merrill Lynch did not assume any responsibility for independently verifying such information or undertake an independent evaluation or appraisal of any of the assets or liabilities of IXC or Cincinnati Bell nor was Merrill Lynch furnished with any such evaluation or appraisal. In addition, Merrill Lynch did not assume any obligation to conduct any physical inspection of the properties or facilities of IXC or Cincinnati Bell. With respect to the financial forecast information and the expected synergies furnished to or discussed with Merrill Lynch by IXC or Cincinnati Bell, Merrill Lynch assumed that they had been reasonably prepared and reflected the best currently available estimates and judgment of IXC's or Cincinnati Bell's management as to the expected future financial performance of IXC or Cincinnati Bell, as the case may be, and the expected synergies. Merrill Lynch further assumed that the merger will be accounted for as a purchase by Cincinnati Bell of IXC under generally accepted accounting principles and that it will qualify as a tax-free reorganization for U.S. federal income tax purposes. Merrill Lynch also assumed that the final form of the merger agreement would be substantially similar to the last draft reviewed by Merrill Lynch.

Merrill Lynch's opinion was necessarily based upon market, economic and other conditions as they existed and could be evaluated as of, and on the information made available to Merrill Lynch as of, the date of its opinion. Merrill Lynch assumed that in the course of obtaining the necessary regulatory or other consents or approvals (contractual or otherwise) for the merger, no restrictions, including any divestiture requirements or amendments or modifications to the merger agreement, will be imposed that will have a material adverse effect on the contemplated benefits of the merger.

Merrill Lynch's opinion did not address the relative merits, financial or otherwise, of the merger as compared to any alternative transaction or business strategy that may be available to IXC.

FINANCIAL ANALYSES BY MERRILL LYNCH

The following is a brief summary of the material valuation, financial and comparative analyses presented by Merrill Lynch to the IXC board of directors in connection with the rendering of the Merrill Lynch opinion. This summary does not purport to be a complete description of the analyses underlying Merrill Lynch's opinion and is qualified in its entirety by reference to the full text of the opinion which is incorporated herein by reference.

In performing its analyses, Merrill Lynch made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Merrill Lynch, IXC and Cincinnati Bell. Any estimates contained in the analyses performed by Merrill Lynch are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by such analyses. In addition, estimates of the value of businesses or

securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, such analyses and estimates are inherently subject to substantial uncertainty. In addition, as described above, Merrill Lynch's opinion is among several factors taken into consideration by the IXC board of directors in making its determination to approve the merger agreement and the merger.

CINCINNATI BELL VALUATION

(1) COMPARABLE PUBLICLY TRADED COMPANIES ANALYSIS. In order to assess how the public market values shares of similar publicly traded companies, Merrill Lynch reviewed and compared specific financial information relating to Cincinnati Bell to corresponding financial information, ratios and

public market multiples for the following publicly traded companies in two sectors, Regional Bell Operating Companies (referred to as RBOCs) and incumbent local exchange carriers (referred to as ILECs):

RBOCs

- BellSouth Corporation
- SBC Communications Inc.
- Ameritech Corporation
- Bell Atlantic Corporation
- GTE Corporation.

ILECs

- ALLTEL Corporation (pro forma for its acquisition of Aliant Communications Inc.)
- CenturyTel, Inc.
- Commonwealth Telephone Enterprises, Inc.

The comparable companies were chosen because they are publicly traded companies with operations that, for purposes of analysis, may be considered similar to Cincinnati Bell.

Merrill Lynch calculated the multiple of each company's current market price to its projected 1999 (calendar year) and 2000 (calendar year) earnings per share (which is commonly referred to as EPS and the ratio is commonly referred to as a price to earnings ratio, or P/E). Merrill Lynch further calculated each company's projected total return by adding its projected 5-year annual EPS

growth rate and its dividend yield and then calculated the multiple of each company's 2000 P/E to projected total return. An appropriate range of 2000 P/E to projected total return multiples derived from this analysis was applied to the projected total return of Cincinnati Bell based upon Cincinnati Bell's projected 5-year annual EPS growth rate and its current dividend yield to determine an appropriate P/E range for Cincinnati Bell. This P/E range was then applied to Cincinnati Bell's projected 2000 EPS to arrive at a range of values per share of Cincinnati Bell common stock of $22.88 to $26.97, as compared to a market price per share of $25.00 on July 19, 1999.

However, because of the inherent differences in the businesses, operations, financial conditions and prospects of Cincinnati Bell and the comparable companies, Merrill Lynch believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the comparable companies analysis, and, accordingly, also made quantitative judgments based upon perceived qualitative differences between the characteristics of the comparable companies and Cincinnati Bell and IXC that would affect the trading values of Cincinnati Bell, IXC and such companies.

(2) DISCOUNTED CASH FLOW ANALYSIS. Merrill Lynch performed a discounted cash flow analysis of the projected after-tax unlevered free cash flows of Cincinnati Bell (defined as unlevered after-tax earnings plus amortization and depreciation less capital expenditures and net changes in working capital, or EBITDA). Merrill Lynch calculated a range of present values for Cincinnati Bell based upon the discounted present value of the sum of the projected stream of after-tax unlevered free cash flows of Cincinnati Bell and the projected terminal value of Cincinnati Bell based upon a range of multiples of Cincinnati Bell's projected EBITDA. Applying discount rates ranging from 9.0% to 11.0% and terminal value multiples of 8.0x to 10.0x, Merrill Lynch calculated implied equity values per share of Cincinnati Bell common stock ranging from $26.45 to $35.59, as compared to a market price per share of $25.00 on July 19, 1999.

(3) SUM OF THE PARTS ANALYSIS. Merrill Lynch performed a "sum of the parts" analysis of Cincinnati Bell by valuing each individual business segment individually and deriving therefrom a range of values for Cincinnati Bell as a whole. The Cincinnati Bell business segments considered were the local

wireline business, the wireless business, the DSL business, the directory business, the network solutions business and the equipment supply business. Using various methodologies that Merrill Lynch deemed appropriate for each business segment analyzed, the analysis indicated a range of equity values per share of Cincinnati Bell common stock ranging from $23.10 to $27.69 per share, as compared to a market price per share of $25.00 on July 19, 1999.

IXC VALUATION

(1) COMPARABLE PUBLICLY TRADED COMPANIES ANALYSIS. Merrill Lynch reviewed and compared specific financial information relating to IXC to corresponding

financial information, ratios and public market multiples for the following publicly traded companies in two sectors, Long Distance Providers and Fiber-Based Network Providers:

Long Distance Providers

- AT&T Corp.

- MCI WorldCom, Inc.

- Sprint Corporation (Wireline only).

Fiber-Based Network Providers

- Global Crossing Ltd./Frontier Corporation (on a pro forma basis)

- Level 3 Communications, Inc.

- Qwest Communications International Inc.

The comparable companies were chosen because they are publicly traded companies with operations that, for purposes of analysis, may be considered similar to IXC.

Merrill Lynch calculated the multiple of each company's current enterprise value (total equity value plus the value of net debt, preferred stock and minority interests) to its projected 2000 (calendar year) EBITDA. Each EBITDA multiple was further compared to each company's projected EBITDA growth rate to calculate an EBITDA multiple to projected EBITDA growth rate ratio. An appropriate range of 2000 EBITDA multiple to EBITDA growth rate ratios derived from this analysis was then applied to IXC's projected EBITDA growth rate to determine an appropriate range of 2000 EBITDA multiples for IXC, and this range was then applied to IXC's projected 2000 EBITDA to imply a range of values per share of IXC common stock of $44.13 to $54.78 (after subtracting net debt), as compared to a market price per share of $37.50 on July 19, 1999.

However, because of the inherent differences in the businesses, operations, financial conditions and prospects of IXC and the comparable companies, Merrill Lynch believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the comparable companies analysis, and, accordingly, also made quantitative judgments based upon perceived qualitative differences between the characteristics of the comparable companies and IXC that would affect the trading values of IXC and such companies.

(2) DISCOUNTED CASH FLOW ANALYSIS. Merrill Lynch performed a discounted cash flow analysis of the projected after-tax unlevered free cash flows of IXC. Merrill Lynch calculated a range of present values for IXC based upon the discounted present value of the sum of the projected stream of after-tax unlevered free cash flows of IXC and the projected terminal value of IXC based upon a range of multiples of IXC's projected EBITDA. Applying discount rates

ranging from 12.0% to 14.5% and terminal value multiples of 11.0x to 13.0x, Merrill Lynch calculated implied equity values per share of IXC common stock ranging from $21.53 to $40.76, as compared to a market price per share of $37.50 on July 19, 1999.

(3) SUM OF THE PARTS ANALYSIS. Merrill Lynch performed a "sum of the parts" analysis of IXC by valuing each individual business segment individually and deriving therefrom a range of values for IXC as a whole. The business segments considered were the switched long distance business, the private line and data business, IXC's excess fiber capacity and its stakes in certain joint ventures and publicly traded companies. Using various methodologies that Merrill Lynch deemed appropriate for each business segment, the analysis indicated a range of equity values per share of IXC common stock ranging from $30.75 to $57.80 per share, as compared to a market price per share of $37.50 on July 19, 1999.

(4) SELECTED TRANSACTIONS ANALYSIS. Merrill Lynch reviewed publicly available information relating to comparable merger and acquisition transactions involving telecommunications companies, in order to determine an appropriate range of values per share of IXC common stock based on the prices paid in such transactions as a multiple of the target companies' revenues. In particular, Merrill Lynch examined multiples of the consideration paid for the common equity and value of the indebtedness less cash and cash equivalents assumed in each of the transactions to, among other measures, the acquired companies' forward year revenues.

The selected comparable telecommunications acquisitions that Merrill Lynch reviewed were the following:

- the acquisition of Excel Communications, Inc. by Teleglobe Inc.

- the acquisition of LCI International, Inc. by Qwest Communications International Inc.

- the acquisition of ACC Corp. by Teleport Communications Group Inc.

- the acquisition of MCI Communications Corporation by WorldCom, Inc.

- the acquisition of Telco Communications Group, Inc. by Excel Communications, Inc.

Because of the inherent differences in the businesses, operations, financial conditions and prospects of IXC and the above companies, Merrill Lynch believed that it was appropriate to make certain quantitative judgments based upon those differences. As a result, Merrill Lynch applied an adjusted range of multiples to the corresponding financial data of IXC, which indicated a range of values per share of IXC common stock of $35.74 to $52.27, as compared to a market price per share of $37.50 on July 19, 1999.

(5) PREMIUMS PAID ANALYSIS. Merrill Lynch also examined the premiums paid in a larger group of comparable telecommunications transactions for the targets' equity over pre-announcement stock prices one day prior to announcement, one week prior to announcement and four weeks prior to announcement. This analysis indicated that for the comparable transactions the premiums paid as compared to:

- the target's price one day prior to the announcement of the transaction ranged from a low of (17.0%) to a high of 65.0%, with a mean of 29.4%, as compared to 39.3% for the proposed transaction

- the target's price one week prior to the announcement of the transaction ranged from a low of (6.0%) to a high of 70.7%, with a mean of 32.9%, as compared to 40.0% for the proposed transaction

- the target's price one month prior to the announcement of the transaction ranged from a low of 2.0% to a high of 87.0%, with a mean of 38.2%, as compared to 30.6% for the proposed transaction.

(6) EXCHANGE RATIO ANALYSIS. Merrill Lynch performed an analysis of the historical daily exchange ratios of Cincinnati Bell common stock to IXC common stock based on the daily closing prices of Cincinnati Bell common stock and IXC common stock between January 4, 1999 and July 19, 1999. The analysis indicated that the exchange ratio ranged from a low of 1.3861x to a high of 2.6332x during the period, with a mean of 1.8771x and a median of 1.7722x, compared to the exchange ratio of 2.0976x pursuant to the merger agreement.

RELEVANCE OF VARIOUS ANALYSES

The preparation of a fairness opinion is a complex process and involves various judgments and determinations as to the most appropriate and relevant assumptions and financial analyses and the application of these methods to the particular circumstances involved. Such an opinion is therefore not readily susceptible to partial analysis or summary description, and taking portions of the analyses set out above, without considering the analysis as a whole, would, in the view of Merrill Lynch, create an incomplete and misleading picture of the processes underlying the analyses considered in rendering its opinion. Merrill Lynch did not form an opinion as to whether any individual analysis or factor (positive or negative), considered in isolation, supported or failed to support its opinion. In arriving at its opinion, Merrill Lynch considered the results of its separate analyses and did not attribute particular weight to any one analysis or factor considered by it. The analyses performed by Merrill Lynch, particularly those based on estimates and projections, are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than suggested by such analyses. Such analyses were prepared solely as part of Merrill Lynch's analyses of the fairness, from a financial point of view, of the exchange ratio to the holders of IXC common stock (other than Cincinnati Bell and its affiliates).

FEE ARRANGEMENTS

Pursuant to the terms of its engagement letter with Merrill Lynch, IXC has agreed to pay customary fees to Merrill Lynch in connection with the delivery of Merrill Lynch's opinion. In addition, IXC has agreed to reimburse Merrill Lynch for all reasonable out-of-pocket expenses incurred by it in connection with the merger, including reasonable fees and disbursements of its legal counsel. IXC has also agreed to indemnify Merrill Lynch against certain liabilities in connection with its engagement, including certain liabilities under the federal securities laws.

Merrill Lynch has previously rendered certain investment banking and financial advisory services to IXC. In addition, Merrill Lynch has previously rendered certain investment banking services to Cincinnati Bell. Merrill Lynch may hereafter provide financial advisory and financing services to the combined company resulting from the merger and/or its affiliates and may receive fees for the rendering of such services. In addition, in the ordinary course of business, Merrill Lynch and its affiliates may actively trade in securities of IXC and Cincinnati Bell for its own accounts and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities.

REASONS FOR THE MERGER AND THE CINCINNATI BELL BOARD OF DIRECTORS RECOMMENDATION

REASONS FOR THE MERGER. At its meeting on July 20, 1999, the Cincinnati Bell board of directors determined that the merger and the merger agreement were advisable, fair to and in the best interests of Cincinnati Bell and its shareholders, approved and declared advisable the merger and the merger agreement and recommended that Cincinnati Bell shareholders approve the issuance of shares of Cincinnati Bell common stock in the merger.

In reaching its decision to approve the merger and the merger agreement and to recommend that Cincinnati Bell shareholders vote to approve the issuance of shares of Cincinnati Bell common stock in

the merger, the Cincinnati Bell board of directors consulted with senior management and its financial and legal advisors and considered a number of factors, including the following potentially positive factors:

- the opportunity to market fully integrated communications solutions for business customers nationwide, using IXC's nationwide next-generation, high-bandwidth network as a platform

- the opportunity to access more customers than Cincinnati Bell currently serves in its existing markets, and to become a nationally integrated communications provider offering local, long distance, data, Internet, xDSL, video and other value-added, high-bandwidth services

- the opportunity to (1) combine Cincinnati Bell's knowledge and experience

in marketing bundled local communications services, in services provisioning and back-office support, in customer service and its experienced management team with IXC's nationwide, next-generation, high-bandwidth data network, nationwide market presence, and rapidly growing base of communications-intensive business customers and (2) leverage Cincinnati Bell's currently existing bandwidth enhanced services with IXC's network presence in the national market

- the fact that the merger significantly advances the strategic goals of Cincinnati Bell to expand geographically, to focus on serving the rapidly growing bandwidth and data management needs of its customers and to leverage its strong position with customers

- the strategic and financial alternatives available to Cincinnati Bell, including remaining a smaller independent regional communications company

- the written opinion of Salomon Smith Barney, dated July 20, 1999, a copy of which is attached as Annex 7 to this proxy statement/prospectus, that, subject to the assumptions and limitations contained in that opinion, as of that date, the exchange ratio was fair, from a financial point of view, to Cincinnati Bell, and the financial presentation made by Salomon Smith Barney to the Cincinnati Bell board of directors in connection with delivering that opinion

- the terms and conditions of the merger agreement, including termination fees and closing conditions.

The Cincinnati Bell board of directors also considered other factors relating to the merger, and their impact on Cincinnati Bell shareholders, including:

- the financial condition, cash flows and results of operations of Cincinnati Bell and IXC, on both a historical and prospective basis

- the historical market prices and trading information with respect to Cincinnati Bell common stock and IXC common stock

- the impact of the merger on Cincinnati Bell's and IXC's customers, suppliers and employees

- the impact of the merger on Cincinnati Bell's existing shareholder base

- current industry, economic and market conditions.

The Cincinnati Bell board of directors also identified and considered a number of potentially negative factors in its deliberations concerning the merger, including:

- the risk that the operations of Cincinnati Bell and IXC might not be successfully integrated

- the risk that, despite the efforts of Cincinnati Bell and IXC, key personnel might leave IXC after the merger

- the difficulty of managing operations in the different geographic locations in which Cincinnati Bell and IXC operate

- the risk that potential benefits of the merger might not be fully realized.

The Cincinnati Bell board of directors believed that certain of these risks were unlikely to occur, while others could be avoided or mitigated by Cincinnati Bell, and that, overall, these risks were outweighed by the potential benefits of the merger.

This discussion of the information and factors considered by the Cincinnati Bell board of directors in making its decision is not intended to be exhaustive but is believed to include all material factors considered by the Cincinnati Bell board of directors. In view of the variety of material factors considered in connection with its evaluation of the merger, the Cincinnati Bell board of directors did not find it practicable to, and did not, quantify or otherwise assign relative weights to, the specific factors considered in reaching its determination. In addition, individual members of the Cincinnati Bell board of directors may have given different weight to different factors.

RECOMMENDATION OF THE CINCINNATI BELL BOARD OF DIRECTORS. After careful consideration, the Cincinnati Bell board of directors has unanimously determined that the merger and the terms of the merger agreement are advisable, fair to, and in the best interests of Cincinnati Bell and its shareholders and unanimously recommends that Cincinnati Bell shareholders vote FOR the issuance of shares of Cincinnati Bell common stock in the merger.

OPINION OF CINCINNATI BELL'S FINANCIAL ADVISOR

At the meeting of the Cincinnati Bell board of directors held on July 20, 1999, Salomon Smith Barney delivered its oral opinion, subsequently confirmed in writing, that, as of that date, the exchange ratio was fair, from a financial point of view, to Cincinnati Bell. The Cincinnati Bell board of directors did not impose any limitations on the investigation made or the procedures followed by Salomon Smith Barney in rendering its opinion.

THE FULL TEXT OF THE WRITTEN OPINION OF SALOMON SMITH BARNEY IS SET FORTH AS ANNEX 7 TO THIS PROXY STATEMENT/PROSPECTUS AND SETS FORTH THE ASSUMPTIONS MADE, PROCEDURES FOLLOWED AND MATTERS CONSIDERED BY SALOMON SMITH BARNEY. CINCINNATI BELL SHAREHOLDERS ARE URGED TO READ CAREFULLY SALOMON SMITH BARNEY'S OPINION IN ITS ENTIRETY.

In connection with rendering its opinion, Salomon Smith Barney reviewed

certain publicly available information concerning Cincinnati Bell and IXC and certain other financial information concerning Cincinnati Bell and IXC, including financial forecasts, that Cincinnati Bell and IXC provided to Salomon Smith Barney. Salomon Smith Barney discussed the past and current business operations, financial condition and prospects of Cincinnati Bell and IXC with certain officers and employees of Cincinnati Bell and IXC. Salomon Smith Barney also considered other information, financial studies, analyses, investigations and financial, economic and market criteria that it deemed relevant.

In its review and analysis and in arriving at its opinion, Salomon Smith Barney assumed and relied upon the accuracy and completeness of the information it reviewed, and Salomon Smith Barney did not assume any responsibility for independent verification of the information. Salomon Smith Barney assumed the financial forecasts of Cincinnati Bell and IXC were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Cincinnati Bell and IXC who provided the financial forecasts. Salomon Smith Barney expressed no opinion with respect to these forecasts or the assumptions on which they were based. Salomon Smith Barney also assumed that the merger will be completed according to the terms of the merger agreement. Salomon Smith Barney did not make or obtain, or assume any responsibility for making or obtaining, any independent evaluation or appraisal of any of the assets or liabilities of Cincinnati Bell or IXC.

Salomon Smith Barney's opinion is necessarily based upon conditions as they existed and could be evaluated on the date of the opinion. Salomon Smith Barney's opinion does not imply any conclusion as to the likely trading range for Cincinnati Bell common stock following the completion of the merger, which may vary depending upon, among other factors, changes in interest rates, dividend rates, market conditions, general economic conditions and other factors that generally influence the price of securities. Salomon Smith Barney's opinion does not address Cincinnati Bell's underlying business decision to effect the merger. Salomon Smith Barney expressed no view on the effect on Cincinnati Bell of the merger and related transactions. Further, Salomon Smith Barney's opinion is directed only to the fairness, from a financial point of view, of the exchange ratio to Cincinnati Bell and is not a recommendation concerning how the holders of Cincinnati Bell common stock should vote on the proposal to issue Cincinnati Bell common stock in the merger.

In connection with its opinion, Salomon Smith Barney performed certain financial analyses, which it discussed with the Cincinnati Bell board of directors on July 20, 1999. The material portions of the analyses performed by Salomon Smith Barney in connection with the rendering of its opinion dated July 20, 1999, are summarized below. The summary of certain of the financial analyses includes information presented in tabular format. In order to understand fully the financial analyses used by Salomon Smith Barney, these tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses.

(1) HISTORICAL STOCK PRICE PERFORMANCE

IXC. Salomon Smith Barney reviewed the relationship between movements of the following during the period from January 2, 1997 through July 16, 1999:

- IXC common stock
- an index composed of long distance company common stocks
- an index composed of fiber provider common stocks (for June 26, 1997 to July 16, 1999)
- the Standard & Poor's 400 Composite Index.

Salomon Smith Barney noted that over this period IXC common stock performed comparably to the long distance and S&P 400 Composite indices until August 1998 and underperformed those indices for the period between August 1998 to July 1999. Salomon Smith Barney also noted that IXC common stock dramatically underperformed the fiber provider index between June 1997 and July 1999.

CINCINNATI BELL. Salomon Smith Barney reviewed the relationship between movements of the following during the period from January 4, 1999, through July 16, 1999:

- Cincinnati Bell common stock
- IXC common stock
- an index composed of independent telephone company common stocks
- an index composed of regional Bell holding company common stocks
- the Standard & Poor's 400 Composite Index.

Salomon Smith Barney noted that, although IXC common stock initially outperformed Cincinnati Bell common stock during this period, Cincinnati Bell common stock outperformed IXC common stock after May 1999 until the end of the period, and outperformed all of the indices for the entire period.

(2) HISTORICAL EXCHANGE RATIO ANALYSIS. Salomon Smith Barney reviewed the daily closing prices of IXC common stock and Cincinnati Bell common stock during the period from January 4, 1999 through July 16, 1999, and the implied historical exchange ratios determined by dividing the daily closing price per share of IXC common stock by the daily closing price per share of Cincinnati Bell common stock over that period. Salomon Smith Barney calculated that during the last six months of

this period, the historical daily exchange ratio ranged from a high of 2.63x to a low of 1.39x with an average of 1.89x and an exchange ratio based on closing prices as of July 16, 1999 of 1.48x.

(3) VALUATION ANALYSIS. Salomon Smith Barney arrived at a range of values for IXC and Cincinnati Bell by utilizing the following four principal valuation methodologies:

- PUBLIC MARKET ANALYSIS. A public market analysis reviews a business' operating performance and outlook relative to a group of publicly traded peer companies to determine an implied unaffected market trading valuation range.

- PRIVATE MARKET ANALYSIS. A private market analysis provides a valuation range based upon financial information of companies which have been acquired in selected recent transactions or which are to be acquired in transactions that have been publicly announced and which are in the same or similar industries as the business being valued.

- DISCOUNTED CASH FLOW ANALYSIS. A discounted cash flow analysis provides insight into the intrinsic value of a business based on the projected financial results, including capital requirements, and the net present value of the free cash flow anticipated to be generated by the assets of the business.

- SEGMENT VALUATION ANALYSIS. A segment valuation analysis separately values distinct segments of a company using a public or private market analysis with publicly traded companies or acquisition transactions comparable to each segment, or by using a discounted cash flow analysis of each segment, and uses those valuations to arrive at a range of values for the consolidated entity.

No company used in the public market analyses or the public market segment valuation analyses described below is identical to IXC or Cincinnati Bell. No transaction used in the private market valuation analysis described below is identical to the merger. Accordingly, an examination of the results of the analyses described below necessarily involves complex considerations and judgments concerning differences in financial and operating characteristics of the businesses and other facts that could affect the public trading value or the acquisition value of the companies to which they are being compared.

(a) IXC PUBLIC MARKET ANALYSIS. Salomon Smith Barney compared the multiples of firm value to revenue, to fiber miles and to net property, plant and equipment of IXC with companies that Salomon Smith Barney believed to be appropriate for comparison. These companies are comparable because they also own nationwide fiber optic networks, currently under construction, able to carry long haul voice and data traffic. Using this information and other factors considered relevant by Salomon Smith Barney, Salomon Smith Barney determined ranges of multiples of firm value to last 12 months revenue and to net property, plant and equipment of 4.0x to 5.5x, and a range of values per fiber mile of

$20,000 to $25,000. The following table presents the companies considered:

- - Frontier Corporation
- - Qwest Communications International, Inc.
- Level 3 Communications, Inc.
- Williams (forecasted values after initial public offering)

These multiples and values per fiber mile resulted in implied equity values per share of IXC common stock ranging from $80 to $100.

(b) IXC PRIVATE MARKET VALUATION ANALYSIS. Salomon Smith Barney reviewed and analyzed certain financial, operating and stock market information relating to a selected pending merger transaction involving Qwest Communications and Frontier. Frontier is also a provider of telecom services, including long distance and data/internet services, and also owns a nationwide fiber optic network, currently under construction, able to carry long haul voice and data traffic. Salomon Smith Barney reviewed, among other things, the long distance business segment valuation of this transaction as a multiple of actual 1998 and expected 1999 and 2000 Frontier long distance revenue and earnings before interest,

taxes, depreciation and amortization. Using this information and other factors deemed relevant by Salomon Smith Barney, Salomon Smith Barney determined a range of multiples of the long distance business segment value of the transaction to actual 1998 revenues and estimated 1999 and 2000 revenues of 3.8x to 5.6x, and to earnings before interest, taxes, depreciation and amortization for these years of 22.4x to 47.9x.

These multiples resulted in implied equity values per share of IXC common stock ranging from $51 to $71.

(c) IXC DISCOUNTED CASH FLOW ANALYSIS. Salomon Smith Barney performed a discounted cash flow analysis to provide insight into the intrinsic value of IXC based on projected financial results, including capital requirements, and the subsequent free cash flows generated by the assets of IXC. Salomon Smith Barney calculated ranges of per share equity values of IXC based upon the following:

- the present value as of December 31, 1999, of a nine-year stream of projected free cash flows, based on estimates developed by management of Cincinnati Bell
- the projected 2008 terminal values based upon a range of multiples of projected 2008 earnings before interest, taxes, depreciation and amortization, based on estimates developed by management of Cincinnati Bell.

Salomon Smith Barney applied discount rates to these results which reflected a weighted average cost of capital ranging from 12.0% to 13.0% and terminal multiples of earnings before interest, taxes, depreciation and amortization ranging from 6.5x to 8.5x. Based on these discount rates, terminal multiples and certain adjustments, this analysis resulted in implied equity values per share of IXC common stock ranging from $66 to $91.

(d) IXC PUBLIC MARKET SEGMENT ANALYSIS. Salomon Smith Barney arrived at a range of values for IXC by separately valuing various of its business segments and assets. Salomon Smith Barney analyzed the various business segment portions of IXC's operating performance and outlook relative to groups of publicly traded peer companies to determine an implied unaffected market trading value. The following table presents the various business segments of IXC considered and the range of multiples of firm value to last quarter annualized revenue for the group of publicly traded peer companies for those segments:

BUSINESS SEGMENT	MULTIPLE RANGE OF FIRM VALUE/LAST QUARTER ANNUALIZED REVENUE
Private line & data/Internet	9.0x to 13.0x
Retail & wholesale switched long distance	1.0x to 2.5x

Salomon Smith Barney also separately analyzed the value of various assets of IXC, including certain minority interests in private entities, to determine an implied unaffected market trading value. The following table presents the various assets of IXC considered:

- PSINet Inc. shares
- Grupo Marca-Tel S.A. de C.V.
- AppliedTheory Corporation shares and options

- - Unidial Communications Services, LLC - Storm Communications, Ltd.

When the value of these assets was combined with the values produced by the business segment analysis described above, this segment valuation analysis resulted in implied equity values per share of IXC common stock ranging from $66 to $82.

(e) CINCINNATI BELL PUBLIC MARKET ANALYSIS. Salomon Smith Barney compared the multiple of share price to earnings per share of Cincinnati Bell with companies that Salomon Smith Barney believed to be appropriate for comparison. For these companies, Salomon Smith Barney reviewed the multiples of share price to 1999 and 2000 estimated earnings per share, as adjusted to reflect the projected five-year earnings per share growth rate, calculated both with and without the projected five-year dividend yield as of July 16, 1999. Using this information and other factors considered relevant by Salomon Smith Barney, Salomon Smith Barney determined ranges of multiples of share price to 1999 and 2000 estimated earnings per share, as adjusted for the projected five-year earnings per share growth rate with and without the dividend yield as of July 16, 1999, of 1.8x to 2.6x. The following table presents the companies considered:

- - ALLTEL Corporation
- - Ameritech Corporation
- - BellSouth Corporation
- - SBC Communications Inc.
- - CenturyTel, Inc.
- - Bell Atlantic Corporation
- - GTE Corporation
- - U S WEST Communications, Inc.

These multiples resulted in implied equity values per share of Cincinnati Bell common stock ranging from $24 to $27.

(f) CINCINNATI BELL DISCOUNTED CASH FLOW ANALYSIS. Salomon Smith Barney performed a discounted cash flow analysis to provide insight into the intrinsic value of Cincinnati Bell based on projected financial results, including capital requirements, and the free cash flows generated by the assets of Cincinnati Bell. Salomon Smith Barney calculated ranges of per share equity values of Cincinnati Bell based upon the following:

- the present value as of December 31, 1999, of a five-year stream of projected cash flows, based on estimates provided by management of Cincinnati Bell
- the projected 2004 terminal values based upon a range of multiples of projected 2004 earnings before interest, taxes, depreciation and

amortization, based on estimates provided by management of Cincinnati Bell.

Salomon Smith Barney applied discount rates reflecting a weighted average cost of capital ranging from 10.0% to 11.0% and terminal multiples of earnings before interest, taxes, depreciation and amortization ranging from 8.0x to 10.0x. Based on these discount rates, terminal multiples and certain adjustments, this analysis resulted in implied equity values per share of Cincinnati Bell common stock ranging from $26 to $33.

(g) CINCINNATI BELL PUBLIC MARKET SEGMENT ANALYSIS. Salomon Smith Barney arrived at a range of values for Cincinnati Bell by separately valuing various of its business segments. Salomon Smith Barney analyzed the various business segment portions of Cincinnati Bell's operating performance and outlook relative to groups of publicly traded peer companies to determine an implied unaffected market trading value. The following table presents the various business segments of Cincinnati Bell considered and the range of values for those business segments based on a group of publicly traded peer companies:

BUSINESS SEGMENT	VALUE (IN MILLIONS)
Local services	$2,355 to $2,617
ADSL/Zoomtown	$459 to $510
Wireless services	$145 to $198
Directory services	$206 to $257
Long distance/supply services	$118 to $158

When these values were combined, after making certain adjustments, this segment valuation analysis resulted in implied equity values per share of Cincinnati Bell common stock ranging from $19 to $22.

(h) CINCINNATI BELL DISCOUNTED CASH FLOW SEGMENT ANALYSIS. Salomon Smith

Barney performed a discounted cash flow analysis of various of Cincinnati Bell's business segments to provide insight into the intrinsic value of Cincinnati Bell based on projected financial results, including capital requirements, and the free cash flows generated by those business segments. Salomon Smith Barney calculated value ranges for the business segments of Cincinnati Bell based upon the following:

- the present value as of December 31, 1999, of a five-year stream of projected cash flows, based on estimates provided by management of Cincinnati Bell

- the projected 2004 terminal values based upon a range of multiples of projected 2004 earnings before interest, taxes, depreciation and amortization, based on estimates provided by management of Cincinnati Bell.

Salomon Smith Barney applied discount rate ranges reflecting weighted average costs of capital of 9.0% to 13.5%, and ranges of terminal multiples of earnings before interest, taxes, depreciation and amortization, as appropriate for each business segment, of 6.0x to 11.0x. The following table presents the various business segments of Cincinnati Bell considered:

- Telco services, including Zoomtown

- Wireless services

- Directory services

- Long distance/supply services

- Corporate/other.

Based on these discount rates, terminal multiples and certain adjustments, and after combining the individual values to calculate a combined value, this analysis resulted in implied equity values per share of Cincinnati Bell common stock ranging from $26 to $31.

The preparation of a fairness opinion is a complex process not susceptible to partial analysis or summary descriptions. The summary set forth above is not a complete description of the analyses underlying Salomon Smith Barney's opinion or its presentation to the Cincinnati Bell board. Salomon Smith Barney believes that its analyses and the summary set forth above must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all such analyses and factors, could create an incomplete view of the processes underlying the analyses set forth in its opinion.

In performing its analyses, Salomon Smith Barney made numerous assumptions with respect to industry performance, general business, financial, market and economic conditions and other matters, many of which are beyond the control of Cincinnati Bell or IXC. The analyses which Salomon Smith Barney performed are

not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than suggested by the analyses. The analyses were prepared solely as part of Salomon Smith Barney's analysis of the fairness, from a financial point of view, of the exchange ratio to Cincinnati Bell. The analyses do not purport to be appraisals or to reflect the prices at which a company might actually be sold or the prices at which any securities may trade at the present time or at any time in the future.

Pursuant to the terms of its engagement letter with Salomon Smith Barney, Cincinnati Bell has agreed to pay customary fees to Salomon Smith Barney in connection with the delivery of Salomon Smith Barney's opinion. Cincinnati Bell has also agreed to reimburse Salomon Smith Barney for all

reasonable fees and disbursements of Salomon Smith Barney's counsel and all of Salomon Smith Barney's reasonable travel and other expenses incurred in connection with the merger, or otherwise from Salomon Smith Barney's engagement. Cincinnati Bell further agreed to indemnify Salomon Smith Barney and certain related persons against various liabilities, including liabilities under the federal securities laws, relating to or arising out of its engagement.

Salomon Smith Barney is an internationally recognized investment banking firm that provides financial services in connection with a wide range of business transactions. As part of its business, Salomon Smith Barney regularly engages in the valuation of companies and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and other purposes. In the past, Salomon Smith Barney has rendered investment banking and financial advisory services to Cincinnati Bell and certain of its affiliates for which Salomon Smith Barney received customary compensation. In addition, in the ordinary course of its business, Salomon Smith Barney and its affiliates may actively trade the securities of Cincinnati Bell and IXC for its own accounts and the accounts of its customers and, accordingly, may at any time hold a long or short position in their securities. Salomon Smith Barney and its affiliates may have other business relationships with Cincinnati Bell, IXC and their affiliates. The Cincinnati Bell board retained Salomon Smith Barney based on Salomon Smith Barney's expertise in the valuation of companies as well as its substantial experience in transactions similar to the merger.

INTERESTS OF IXC'S DIRECTORS AND MANAGEMENT IN THE MERGER

In considering the recommendation of the IXC board of directors in favor of the merger and the IXC internal reorganization, IXC stockholders should be aware that certain directors and executive officers of IXC have interests in the merger that are different from, or in addition to, the interests of IXC stockholders, as described below. The IXC board of directors was aware of, and considered the interests of, its directors and executive officers when it considered and approved the merger agreement, the agreement governing the IXC internal reorganization, the merger and the IXC internal reorganization.

BOARD OF DIRECTORS. In the merger, the Cincinnati Bell board will be increased to add Messrs. Irwin and Zrno, both existing IXC directors, as Class I and Class II directors, respectively.

TERMINATION BENEFITS. At the time of the execution of the merger agreement, IXC was in the process of structuring termination payments to (1) Benjamin L. Scott, former Chairman of the Board, President and Chief Executive Officer of IXC, and James F. Guthrie, former Executive Vice President and Chief Financial Officer of IXC, and (2) other executives and key employees who had not been identified to Cincinnati Bell. In the merger agreement, IXC has agreed that the aggregate payments to Messrs. Scott and Guthrie and the other executives and key employees, when aggregated with the investment banking and legal fees incurred by IXC in the negotiation and structuring of the transactions contemplated by the merger agreement, will not exceed $25,000,000.

Subject to the consent of the transition committee established by Cincinnati Bell and IXC, several executives and key employees who hold options to acquire IXC common stock which would otherwise become vested at the effective time of the merger may elect instead to have the exercisability of all or a portion of their options continue to vest in accordance with the original schedule set forth in their respective option agreements. In such event, the optionholder's options will become vested if the optionholder is involuntarily or constructively terminated from employment without cause following the effective time of the merger and the optionholder will be eligible to receive a gross-up payment to offset any golden parachute excise taxes which may then be owed by the optionholder.

OPTIONS AND OTHER EQUITY-BASED COMPENSATION. For a description of the treatment in the merger of options to acquire shares of IXC common stock held by directors and executive officers of IXC, see "--Effect on Awards Outstanding Under IXC Stock Plans; Warrants".

INDEMNIFICATION AND INSURANCE. Under the merger agreement and subject to certain limitations, Cincinnati Bell has agreed that the surviving corporation in the merger will assume the same obligations with respect to indemnification of directors or officers of IXC or its subsidiaries as were contained in the restated certificate of incorporation or by-laws of IXC or its subsidiaries and any indemnification or other agreements at the date of signing the merger agreement. In addition, the surviving corporation will maintain, with certain limitations, the directors' and officers' liability insurance policies currently maintained by IXC, or policies no less favorable than such policies for a period of at least six years following the merger except that the surviving corporation is not required to spend an amount more than 200% of the annual premiums paid in 1998 by IXC in any one year.

FORM OF THE MERGER

Subject to the terms and conditions of the merger agreement and in accordance with Delaware law, at the effective time of the merger, Ivory Merger Inc., a wholly owned subsidiary of Cincinnati Bell formed for purposes of the merger and a party to the merger agreement, will be merged with and into IXC, which will survive the merger as a subsidiary of Cincinnati Bell, and will continue its corporate existence under Delaware law.

MERGER CONSIDERATION

At the effective time of the merger, each share of IXC common stock, except for stock held by IXC, Cincinnati Bell or Ivory Merger Inc., will be converted into the right to receive 2.0976 shares of Cincinnati Bell common stock. Cash will be paid instead of fractional shares. As of the effective time of the merger, all shares of IXC common stock to be exchanged for the merger consideration will no longer be outstanding, will automatically be canceled and will cease to exist, and each holder of a certificate representing any of these shares will cease to have any rights in respect of those shares except the right to receive the merger consideration. See "--Conversion of Shares; Procedures for Exchange of Certificates; Fractional Shares". The merger consideration was determined through arms'-length negotiations between Cincinnati Bell and IXC.

Any shares of IXC common stock owned immediately before the merger by Cincinnati Bell, IXC or Ivory Merger Inc. will be canceled and no consideration will be delivered in exchange for these shares.

Also at the effective time of the merger, each share of IXC 7 1/4% Junior Convertible Preferred Stock Due 2007 and IXC 6 3/4% Cumulative Convertible Preferred Stock will be converted into the right to receive preferred stock issued by Cincinnati Bell with terms substantially identical to the terms of the IXC 7 1/4% preferred stock and the IXC 6 3/4% preferred stock as in effect immediately before the merger, respectively, except that each new whole share of preferred stock will be entitled to one vote on all matters with the Cincinnati Bell common stock and with the other shares of Cincinnati Bell voting preferred stock. After the merger, the new Cincinnati Bell 7 1/4% Junior Convertible Preferred Stock Due 2007 and the new Cincinnati Bell 6 3/4% Cumulative Convertible Preferred Stock will only be convertible into Cincinnati Bell common stock. See "--The IXC Internal Reorganization" and "Description of Cincinnati Bell Capital Stock--Preferred Stock".

The IXC 12 1/2% Junior Exchangeable Preferred Stock Due 2009 will remain issued and outstanding after the merger as 12 1/2% preferred stock of the surviving corporation in the merger without any change to the terms of such preferred stock as in effect immediately before the merger.

CONVERSION OF SHARES; PROCEDURES FOR EXCHANGE OF CERTIFICATES; FRACTIONAL SHARES

The conversion of each share of IXC common stock into the right to receive 2.0976 shares of Cincinnati Bell common stock and the conversion of each share of IXC 7 1/4% preferred stock and IXC 6 3/4% preferred stock into the right to receive one share of Cincinnati Bell 7 1/4% preferred stock and one share of

Cincinnati Bell 6 3/4% preferred stock, respectively, will occur automatically at the effective

time of the merger. As soon as practicable after the merger, The Fifth Third Bank, the exchange agent, will send a transmittal letter to each former IXC stockholder. The transmittal letter will contain instructions with respect to obtaining the merger consideration in exchange for shares of IXC stock. IXC STOCKHOLDERS SHOULD NOT RETURN STOCK CERTIFICATES WITH THE ENCLOSED PROXY.

After the merger, each certificate that previously represented shares of IXC common stock will represent only the right to receive the merger consideration, including cash for any fractional shares of Cincinnati Bell common stock. After the merger, each certificate that previously represented shares of IXC 7 1/4% preferred stock and IXC 6 3/4% preferred stock will represent only the right to receive Cincinnati Bell 7 1/4% preferred stock and Cincinnati Bell 6 3/4% preferred stock, respectively, into which such shares were converted in the merger.

Holders of certificates previously representing IXC stock will not be paid dividends or distributions on the Cincinnati Bell stock into which their IXC stock has been converted with a record date after the merger, and will not be paid cash for any fractional shares of Cincinnati Bell common stock, until their certificates are surrendered to the exchange agent for exchange. When their certificates are surrendered, any unpaid dividends and any cash instead of fractional shares will be paid without interest.

In the event of a transfer of ownership of IXC stock which is not registered in the records of IXC's transfer agent, a certificate representing the proper number of shares of Cincinnati Bell stock may be issued, to a person other than the person in whose name the surrendered certificate is registered if:

- the certificate is properly endorsed or otherwise is in proper form for transfer and

- the person requesting such payment and issuance will:

  (1) pay any transfer or other taxes resulting from the issuance of shares of Cincinnati Bell stock to a person other than the registered holder of the certificate or

  (2) establish to the satisfaction of Cincinnati Bell that any taxes have been paid or are not applicable.

All shares of Cincinnati Bell common stock issued upon surrender of certificates representing shares of IXC common stock and all shares of Cincinnati Bell 7 1/4% preferred stock and Cincinnati Bell 6 3/4% preferred stock issued upon surrender of certificates representing shares of IXC 7 1/4% preferred stock and IXC 6 3/4% preferred stock, respectively, including any cash

paid instead of any fractional shares of Cincinnati Bell common stock, will be deemed to have been issued and paid in full satisfaction of all rights relating to those shares of IXC common stock, IXC 7 1/4% preferred stock and IXC 6 3/4% preferred stock. Cincinnati Bell will remain obligated, however, to pay any dividends or make any other distributions declared or made by IXC in accordance with the merger agreement on shares of IXC common or preferred stock with a record date before the effective time of the merger and which remain unpaid at the effective time of the merger. If certificates are presented to Cincinnati Bell or the exchange agent after the effective time of the merger, they will be canceled and exchanged as described above.

No fractional shares of Cincinnati Bell common stock will be issued to any IXC stockholder upon surrender of certificates previously representing IXC common stock. Promptly after the merger, the exchange agent will pay to each stockholder who would otherwise have been entitled to receive a fraction of a share of Cincinnati Bell common stock an amount in cash without interest equal to (1) the fractional share interest to which the holder would otherwise be entitled multiplied by (2) the closing price for a share of Cincinnati Bell common stock on the New York Stock Exchange on the closing date of the merger.

EFFECTIVE TIME OF THE MERGER

The effective time of the merger will be the time of the filing of the certificate of merger with the Delaware Secretary of State or a later time if agreed upon by Cincinnati Bell and IXC and specified in the certificate of merger. The filing of the certificate of merger will occur as soon as practicable following the closing.

LISTING OF CINCINNATI BELL CAPITAL STOCK

Prior to the completion of the merger, Cincinnati Bell has agreed to use its reasonable efforts to have its common stock issuable to IXC stockholders in the merger and issuable pursuant to the Cincinnati Bell stock option agreement approved for listing on the New York Stock Exchange, subject to official notice of issuance. Prior to the completion of the merger, Cincinnati Bell will have the Cincinnati Bell 7 1/4% preferred stock and the Cincinnati Bell 6 3/4% preferred stock approved for listing on a national securities exchange or The Nasdaq National Market, subject to official notice of issuance.

LISTING OF IXC CAPITAL STOCK

Prior to the completion of the merger, IXC has agreed to use its reasonable efforts to have its common stock issuable pursuant to the IXC stock option agreement approved for quotation on The Nasdaq National Market, subject to official notice of issuance. In addition, prior to the IXC record date, IXC has agreed to use its reasonable best efforts to have the IXC 7 1/4% preferred stock, IXC 12 1/2% preferred stock and IXC 6 3/4% preferred stock approved for listing on a national securities exchange or The Nasdaq National Market, subject

to official notice of issuance.

DELISTING AND DEREGISTRATION OF IXC CAPITAL STOCK

If the merger is completed, IXC common stock will be delisted from The Nasdaq National Market and the IXC 7 1/4% preferred stock and IXC 6 3/4% preferred stock will be delisted from their respective national securities exchanges or The Nasdaq National Market, as applicable, and will be deregistered under the Securities Exchange Act of 1934. If the IXC 12 1/2% preferred stock is approved for listing on a national securities exchange or The Nasdaq National Market, as applicable, after the merger the IXC 12 1/2% preferred stock will continue to be listed on that national securities exchange or The Nasdaq National Market, as applicable, and will remain registered under the Exchange Act.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER

The following summary discusses the material United States federal income tax consequences to IXC stockholders of the merger. This discussion is based upon the United States Internal Revenue Code, Treasury regulations, administrative rulings and judicial decisions currently in effect. The discussion assumes that IXC stockholders hold their IXC stock and will hold their Cincinnati Bell stock as a capital asset within the meaning of Section 1221 of the Internal Revenue Code. Further, the discussion does not address all aspects of United States federal income taxation that may be relevant to a particular stockholder in light of his, her or its personal investment circumstances or to stockholders subject to special treatment under the U.S. federal income tax laws such as:

- insurance companies
- tax-exempt organizations
- dealers in securities or foreign currency
- banks or trusts
- persons that hold their IXC stock as part of a straddle, a hedge against currency risk, a constructive sale or conversion transaction
- persons that have a functional currency other than the U.S. dollar
- investors in pass-through entities

- stockholders who acquired their IXC stock through the exercise of options or otherwise as compensation or through a tax-qualified retirement plan or
- holders of options granted under any IXC benefit plan.

Furthermore, this discussion does not consider the potential effects of any state, local or foreign tax laws.

Neither Cincinnati Bell nor IXC has requested a ruling from the United States Internal Revenue Service with respect to any of the United States federal income tax consequences of the merger and, as a result, there can be no assurance that the Internal Revenue Service will not disagree with or challenge any of the conclusions described below.

HOLDERS OF IXC STOCK ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE SPECIFIC TAX CONSEQUENCES TO THEM OF THE MERGER, INCLUDING THE APPLICABILITY AND EFFECT OF FEDERAL, STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX LAWS IN THEIR PARTICULAR CIRCUMSTANCES.

For purposes of this discussion, "U.S. Holder" means:

(1) a citizen or resident of the United States

(2) a corporation or other entity taxable as a corporation created or organized under the laws of the United States or any of its political subdivisions

(3) a trust if a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. fiduciaries have the authority to control all substantial decisions of the trust or

(4) an estate that is subject to United States federal income tax on its income regardless of its source.

Riordan & McKinzie has delivered its opinion to IXC as to the United States federal income tax consequences to IXC stockholders of the merger. The Riordan tax opinion is subject to qualifications and is based on currently applicable law, certain factual representations made by Cincinnati Bell and IXC and certain assumptions. Any change in currently applicable law, which may or may not be retroactive, or failure of any of such factual representations or assumptions to be true, correct and complete in all material respects, could affect the continuing validity of the Riordan tax opinion. The Riordan tax opinion is attached as Exhibit 8.1 to the registration statement on Form S-4 filed with the Securities and Exchange Commission, which includes this proxy statement/prospectus. IXC stockholders should read the Riordan tax opinion in its entirety. The conclusions reached in the Riordan tax opinion are:

- the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code

- IXC, Cincinnati Bell and Ivory Merger Inc. will each be a party to that reorganization within the meaning of Section 368(b) of the Internal Revenue Code

- except as discussed below with respect to cash received instead of fractional shares of Cincinnati Bell common stock, no gain or loss will be recognized by U.S. Holders of IXC stock on the exchange of their IXC stock for Cincinnati Bell stock

- the aggregate adjusted tax basis of the Cincinnati Bell stock received in the merger, including any fractional interest, by a U.S. Holder will be the same as the aggregate adjusted tax basis of such U.S. Holder's IXC stock exchanged for such Cincinnati Bell stock

- the holding period of Cincinnati Bell stock received in the merger by a U.S. Holder will include the holding period of such U.S. Holder's IXC stock exchanged for such Cincinnati Bell stock.

The receipt of cash instead of a fractional share of Cincinnati Bell common stock by a U.S. Holder of IXC common stock will result in taxable gain or loss to such U.S. Holder for United States federal income tax purposes based upon the difference between the amount of cash received by such U.S.

Holder and such U.S. Holder's adjusted tax basis in such fractional share as set forth above. Such gain or loss will constitute capital gain or loss and will constitute long-term capital gain or loss if the U.S. Holder's holding period is greater than 12 months as of the date of the merger. For non-corporate U.S. Holders, any such long-term capital gain generally will be taxed at a maximum United States federal income tax rate of 20%. The deductibility of capital losses is subject to limitations.

Certain non-corporate IXC stockholders may be subject to backup withholding at a 31% rate on cash payments received instead of fractional shares of Cincinnati Bell common stock. Backup withholding will not apply, however, to an IXC stockholder who or that (1) furnishes a correct taxpayer identification number and certifies that he, she or it is not subject to backup withholding on the substitute Form W-9 or successor form included in the letter of transmittal to be delivered to IXC stockholders following the date of the merger, (2) provides a certification of foreign status on Form W-8 or successor form or (3) is otherwise exempt from backup withholding.

REGULATORY MATTERS

UNITED STATES ANTITRUST. Under the Hart-Scott-Rodino Act and its rules, certain transactions, including the merger, may not be completed unless certain waiting period requirements have been satisfied. On July 27, 1999, and August 3, 1999, Cincinnati Bell and IXC, respectively, filed a Notification and Report Form under the Hart-Scott-Rodino Act with the Antitrust Division and the Federal Trade Commission. The waiting period with respect to each of Cincinnati Bell and IXC was terminated on August 27, 1999. At any time before or after the effective time of the merger, the Antitrust Division, the Federal Trade Commission or others could take action under the antitrust laws with respect to the merger,

including seeking to enjoin the completion of the merger, to rescind the merger or to conditionally approve the merger upon the divestiture of substantial assets of Cincinnati Bell or IXC. A challenge to the merger on antitrust grounds could be made and, if such a challenge is made, it could be successful.

FEDERAL COMMUNICATIONS COMMISSION APPROVALS. The Federal Communications Commission must approve the transfer of control to Cincinnati Bell of IXC and those subsidiaries of IXC that hold Federal Communications Commission licenses and authorizations. The Federal Communications Commission must decide whether Cincinnati Bell is qualified to control such licenses and authorizations, and whether the transfer is consistent with public interest, convenience and necessity. In particular, the Federal Communications Commission will examine, among other things, the competitive impact of the merger and other benefits and alleged harms to the public.

Although the Federal Communications Commission retains broad discretion with regard to the proposed merger, there are relatively few well-established bases upon which an interested party can successfully challenge a transfer of control application. Generally, the Federal Communications Commission reviews a merger for compliance with statutory requirements, such as any limitations placed on foreign ownership of Federal Communications Commission licenses, and to ensure that the markets in which the two entities participate will remain competitive after the merger. In the absence of a filed objection, the Federal Communications Commission has generally approved transfers of control within 90 days from the date petitions to deny were due. However, a challenge might have the effect of extending the Federal Communications Commission's review for an additional six months or more. We cannot predict with accuracy when the Federal Communications Commission might approve the merger.

As of August 4, 1999, Cincinnati Bell and IXC filed initial applications for approval with the Federal Communications Commission, and on August 20, 1999, Cincinatti Bell and IXC filed amended applications. As required, on September 3, 1999, the Federal Communications Commission requested public comments on the applications. No comments by interested parties have been filed as of the date of this document.

Cincinnati Bell and IXC believe that Cincinnati Bell's general qualifications to be a licensee have already been established and there is very little overlap in the services being offered. They also believe that the Federal Communications Commission applications demonstrate that the proposed merger satisfies the Federal Communications Commission's standards for approval. Although we are seeking Federal Communications Commission approval, we cannot assure you that such approvals will be obtained with respect to all licenses and authorizations on terms satisfactory to either party.

STATE PUBLIC UTILITY COMMISSIONS APPROVALS. Various subsidiaries of IXC hold licenses and authorizations that have been issued by state public utility commissions. The transfer of control over those licenses and authorizations from

IXC to Cincinnati Bell must be approved by approximately 18 state public utility commissions. The process of filing the necessary state public utility commission applications was completed on August 16, 1999. Notification to the public utility commissions in the remaining states is also required. The notification process was completed on August 6, 1999. The state public utility commissions will review the applications to assess compliance with state requirements. In the absence of objection, the requisite state approvals may be obtained within 120 days of submission. However, processing delays or challenges to the applications could extend the state review process. We cannot predict with accuracy, therefore, when the relevant state public utility commissions might approve the merger.

GENERAL. It is possible that filings may be made with other governmental entities which may seek various regulatory concessions. There can be no assurance that:

- Cincinnati Bell or IXC will be able to satisfy or comply with such conditions

- compliance or non-compliance will not have adverse consequences for Cincinnati Bell after completion of the merger

- the required regulatory approvals will be obtained within the time frame contemplated by Cincinnati Bell and IXC and referred to in this proxy statement/prospectus or on terms that will be satisfactory to Cincinnati Bell and IXC.

See "The Merger Agreement and Related Documents".

LITIGATION

On July 21, 1999, July 23, 1999 and July 27, 1999, five purported stockholder class action suits were filed in the Delaware Court of Chancery against IXC, certain present and former members of the IXC board of directors, Cincinnati Bell and Ivory Merger Inc. These complaints allege, among other things, that the IXC director defendants, aided and abetted by Cincinnati Bell and Ivory Merger Inc., have breached their fiduciary duties to IXC's stockholders by failing to maximize stockholder value in connection with entering into the merger agreement. Specifically, the complaints allege that IXC's approval of the merger of IXC and Cincinnati Bell provided stockholders with inferior value to other available offers and to the $50 cash price paid for certain shares of IXC held by the General Electric Pension Trust. The complaints also allege that the no solicitation and termination provisions in the merger agreement with Cincinnati Bell improperly discourage other potential bidders and prevent IXC from entertaining higher offers. The complaints seek damages and a court order enjoining completion of the merger. On August 12, 1999, plaintiffs in the various actions moved for a preliminary injunction to prevent the completion of the merger pending a full hearing on the merits. Discovery is commencing in connection with that preliminary injunction motion, and a hearing date of October 20, 1999, has been set by the court for the motion. IXC and

Cincinnati Bell believe that the complaints are without merit and intend to defend these actions vigorously.

ACCOUNTING TREATMENT

The merger is expected to be accounted for using purchase accounting with Cincinnati Bell being deemed to have acquired IXC.

APPRAISAL RIGHTS

Under Delaware law, IXC common stockholders are not entitled to appraisal rights in connection with the merger because on the IXC record date IXC common stock will be designated and quoted for trading on The Nasdaq National Market and will be converted into the right to receive shares of Cincinnati Bell common stock, which at the effective time of the merger will be listed on the New York Stock Exchange.

Under Delaware law, holders of IXC 7 1/4% preferred stock and holders of IXC 6 3/4% preferred stock will not be entitled to appraisal rights in connection with the merger if IXC 7 1/4% preferred stock and IXC 6 3/4% preferred stock are (1) listed on a national securities exchange or The Nasdaq National Market prior to the IXC record date and (2) converted into the right to receive shares of Cincinnati Bell 7 1/4% preferred stock and Cincinnati Bell 6 3/4% preferred stock, respectively, which at the effective time will be listed on a national securities exchange or The Nasdaq National Market.

Under Delaware law, holders of IXC 12 1/2% preferred stock will not be entitled to appraisal rights in connection with the merger if IXC 12 1/2% preferred stock is listed on a national securities exchange or The Nasdaq National Market prior to the IXC record date and remains outstanding as 12 1/2% preferred stock of the surviving corporation.

IXC is in the process of applying to list its shares of preferred stock on a national securities exchange or The Nasdaq National Market. Holders of IXC preferred stock will only be entitled to appraisal rights if the shares of IXC preferred stock are not listed on a national securities exchange or The Nasdaq National Market prior to the IXC record date. In that case, under Section 262 of the Delaware General Corporation Law, holders of IXC 7 1/4% preferred stock, IXC 12 1/2% preferred stock and IXC 6 3/4% preferred stock on the IXC record date will be entitled to demand judicial appraisal of, and obtain a cash payment for, the "fair value" of their shares of IXC 7 1/4% preferred stock, IXC 12 1/2% preferred stock and IXC 6 3/4% preferred stock, respectively, exclusive of any element of value arising from the accomplishment or expectation of the merger. In order to exercise their appraisal rights, holders of the IXC preferred stock must not vote in favor of adoption of the merger agreement, must deliver to IXC a written demand for appraisal prior to the taking of the vote on the merger agreement and must otherwise comply with the procedural requirements of Section 262. The full text of Section 262 is attached as Annex 10 to this proxy

statement/prospectus, and any stockholder desiring to exercise appraisal rights in connection with the merger is urged to consult with legal counsel prior to taking any action in order to ensure that he or she complies with Section 262. Failure to take any of the steps required under Section 262 on a timely basis may result in the loss of appraisal rights.

Under Ohio law, Cincinnati Bell shareholders are not entitled to dissenters rights in connection with the merger.

CONTINUATION OF IXC EMPLOYEE BENEFITS

Cincinnati Bell has agreed that, from the effective time of the merger until at least six months after the effective time of the merger, it will either (1) maintain the IXC employee benefit plans (other than equity-based plans) provided by IXC before the effective time of the merger or (2) replace all or any such plans with plans for similarly situated employees of Cincinnati Bell, provided that the aggregate level of benefits during that six-month period (other than equity-based arrangements) will be substantially similar to the aggregate level of benefits (other than equity-based arrangements) provided by IXC prior to the effective time of the merger.

Cincinnati Bell has agreed to waive any waiting period or pre-existing limitation under any Cincinnati Bell employee benefit plan made available to IXC employees after the effective time of the merger to the extent waived under the corresponding IXC plan prior to the effective time of the merger. Cincinnati Bell has also agreed to recognize, or cause to be recognized, the dollar amount of all expenses incurred by each IXC employee (and his or her eligible dependents) for purposes of satisfying any deductible, co-insurance and maximum out-of-pocket provisions for the year in which the

effective time of the merger occurs under the relevant welfare benefit plans in which they will be eligible to participate from and after the effective time of the merger.

EFFECT ON AWARDS OUTSTANDING UNDER IXC STOCK PLANS; WARRANTS

Under the merger agreement, at the effective time of the merger, Cincinnati Bell will assume each stock option plan of IXC. Under the merger agreement, immediately prior to the merger, each outstanding and unexercised option to acquire shares of IXC common stock under such plans will be converted into an option to acquire shares of Cincinnati Bell common stock on the same terms and conditions as under the IXC stock option plan. The number of shares of Cincinnati Bell common stock to be subject to any such option will be equal to the number of shares of IXC common stock originally subject to such IXC option multiplied by the 2.0976 exchange ratio and rounded down to the nearest whole share. The amount of the exercise price per share of Cincinnati Bell common stock under any such option will be equal to the aggregate amount of the exercise price for the shares of IXC common stock subject to such IXC option

divided by the total number of shares of Cincinnati Bell common stock to be subject to such option (rounded up to the nearest whole cent). As of September 9, 1999, the number of shares of IXC common stock reserved for issuance under such plans was approximately 8.7 million.

Subject to the consent of the transition committee established by Cincinnati Bell and IXC, several executives and key employees who hold options to acquire IXC common stock which would otherwise become vested at the effective time of the merger may elect instead to have the exercisability of all or a portion of their options continue to vest in accordance with the original schedule set forth in their respective option agreements. In such event, the optionholder's options will become vested if the optionholder is involuntarily or constructively terminated from employment without cause following the effective time of the merger and the optionholder will be eligible to receive a gross-up payment to offset any golden parachute excise taxes which may then be owed by the optionholder. Under the IXC Outside Directors' Phantom Stock Plan, to the extent not already vested, the accounts of non-employee directors of IXC will automatically vest at the effective time of the merger and will be paid within 10 days after the effective time.

RESALE OF CINCINNATI BELL STOCK

Cincinnati Bell stock issued in the merger will not be subject to any restrictions on transfer arising under the Securities Act of 1933, except for shares issued to any IXC stockholder who may be deemed to be an "affiliate" of Cincinnati Bell or IXC for purposes of Rule 145 under the Securities Act. It is expected that each such affiliate will agree not to transfer any Cincinnati Bell stock received in the merger except in compliance with the resale provisions of Rule 144 or 145 under the Securities Act or as otherwise permitted under the Securities Act. The merger agreement requires IXC to use reasonable efforts to cause its affiliates to enter into these agreements. This proxy statement/prospectus does not cover resales of IXC stock received by any person upon completion of the merger, and no person is authorized to make any use of this proxy statement/prospectus in connection with any resale.

NEW IXC BANK FINANCING

IXC Internet Services, Inc., a wholly owned subsidiary of IXC, and Bank of America, N.A. entered into a credit agreement dated as of September 7, 1999, pursuant to which Bank of America agreed to make available to IXC Internet Services revolving loans in an aggregate principal amount of up to $210 million. The obligations of IXC Internet Services under the credit agreement are secured by substantially all the assets of IXC Internet Services and its subsidiaries, and are guaranteed by certain subsidiaries of IXC.

IXC Communications Services, Inc., a wholly owned subsidiary of IXC, and Bank of America entered into a credit agreement dated as of September 10, 1999, pursuant to which Bank of America agreed to make available to IXC Communications Services revolving loans in an aggregate principal

amount of up to $100 million. The obligations of IXC Communications Services under the credit agreement are secured by certain assets of IXC Communications Services and IXC Internet Services and their respective subsidiaries, and are guaranteed by certain of their subsidiaries.

The proceeds of the revolving loans made under these new credit agreements will be used to repay certain intercompany indebtedness among IXC's subsidiaries and to finance capital expenditures and working capital requirements of IXC's subsidiaries. As of September 10, 1999, approximately $50 million was outstanding under the new credit agreements.

Loans outstanding under each new credit agreement will mature on the first to occur of:

- February 28, 2000, in the case of loans outstanding under the IXC Internet Services credit agreement, and October 24, 2003, in the case of loans outstanding under the IXC Communications Services credit agreement

- the completion of the merger

- any termination of the merger agreement by Cincinnati Bell or IXC in accordance with its terms

- any public announcement made or press release issued by Cincinnati Bell or IXC stating its intention not to pursue the completion of the merger or not to seek Cincinnati Bell shareholder approval or IXC stockholder approval for the merger

- any date on which the total amount outstanding under the new credit agreements becomes due and payable.

The other provisions of each credit agreement are substantially similar to the provisions of the existing first amended and restated credit agreement among IXC Communications Services, Bank of America and the other lenders and co-syndication agents named therein.

IXC Communications Services entered into an amendment dated as of September 7, 1999, to its existing credit agreement to provide, among other things, for the execution of the new credit agreements and the reduction of the revolving loan commitment under such agreement to zero.

Pursuant to the terms of a note purchase agreement dated as of September 7, 1999, between Cincinnati Bell and Bank of America, Bank of America may elect to sell and assign to Cincinnati Bell, and upon such election Cincinnati Bell will be required to purchase and assume from Bank of America, all its rights and obligations under the new credit agreements at any time after the first to occur of:

- the date on which the loans under the new credit agreements mature

- a payment default on the loans under either credit agreement or the other related agreements

- a payment default on the loans under the existing credit agreement

- any exercise by the lenders under the existing credit agreement of any foreclosure, offset or other collection right against any of the collateral securing the obligations under such credit agreement

- the date on which the ratio of Cincinnati Bell's total debt to EBITDA for the immediately preceding four consecutive fiscal quarters exceeds 4:1

- certain bankruptcy events relating to IXC or certain of its subsidiaries.

THE IXC INTERNAL REORGANIZATION

The purpose of the internal reorganization is to amend the IXC restated certificate of incorporation to satisfy requirements to permit the Cincinnati Bell/IXC merger to be tax-free to holders of IXC common stock, except with respect to cash received for fractional shares in the merger. If IXC stockholders adopt the agreement governing the IXC internal reorganization and the agreement is not otherwise terminated, IXC will cause IXC Merger Sub, Inc., a newly formed, wholly owned subsidiary of IXC, to merge with and into IXC, with IXC being the surviving corporation in the merger. IXC

Merger Sub, Inc., will not have conducted any material business prior to the time of the IXC internal reorganization.

Subject to the adoption of the agreement governing the IXC internal reorganization by the affirmative vote of a majority of the shares of IXC common stock outstanding on the IXC record date and the satisfaction or waiver of the conditions to the completion of the merger, the completion of the internal reorganization will occur immediately before the Cincinnati Bell/IXC merger. See "The IXC Special Meeting".

Under the internal reorganization, the IXC restated certificate of incorporation will be amended to provide that, after the internal reorganization:

- the holders of IXC 12 1/2% preferred stock will be entitled to vote together with the holders of IXC common stock on all matters to be voted upon by holders of IXC common stock, and each share of IXC 12 1/2% preferred stock will be entitled to one-tenth of one vote per share of IXC 12 1/2% preferred stock

- the definition of "successor" in the certificate of designation for the

IXC 7 1/4% preferred stock will include a corporation that is the direct or indirect owner of all the equity interests of the surviving corporation in a merger

- IXC will not be entitled to amend the certificate of designation for each of the IXC 12 1/2% preferred stock and the IXC 6 3/4% preferred stock so as to affect adversely the specified rights, preferences, privileges or voting rights of holders of shares of IXC 12 1/2% preferred stock and IXC 6 3/4% preferred stock, respectively, without the affirmative vote or consent of holders of at least two-thirds of the issued and outstanding shares of IXC 12 1/2% preferred stock and IXC 6 3/4% preferred stock, respectively, voting or consenting, as the case may be, as one class.

At a meeting on July 20, 1999, the IXC board of directors approved the agreement governing the IXC internal reorganization, determined that the IXC internal reorganization and the agreement governing the IXC internal reorganization were advisable, fair to and in the best interests of IXC and its stockholders and recommended that IXC stockholders vote at the IXC special meeting to adopt the agreement governing the IXC internal reorganization.

THE MERGER AGREEMENT AND RELATED DOCUMENTS

THE FOLLOWING DESCRIPTION SUMMARIZES THE MATERIAL PROVISIONS OF THE MERGER AGREEMENT, THE STOCK OPTION AGREEMENTS AND THE STOCKHOLDERS AGREEMENTS. YOU ARE URGED TO READ CAREFULLY THE MERGER AGREEMENT, THE STOCK OPTION AGREEMENTS AND THE STOCKHOLDERS AGREEMENTS, WHICH ARE ATTACHED AS ANNEXES 1, 3, 4, 5 AND 6 TO THIS PROXY STATEMENT/PROSPECTUS.

THE MERGER AGREEMENT

CONDITIONS TO THE COMPLETION OF THE MERGER. Each party's obligation to effect the merger is subject to the satisfaction or waiver of various conditions which include, in addition to other customary closing conditions, the following:

- holders of a majority of the outstanding shares of IXC common stock having adopted the merger agreement and the agreement governing the IXC internal reorganization

- holders of a majority of all shares of Cincinnati Bell casting votes having approved the issuance of shares of Cincinnati Bell common stock in the merger, assuming that the total vote cast, including votes cast against the proposal, represents more than 50% in interest of all Cincinnati Bell capital stock entitled to vote

- the waiting period applicable to the merger under the Hart-Scott-Rodino Act having expired or been terminated

- no judgment, order, decree, statute, law, ordinance, rule or regulation,

being entered, enacted, promulgated, enforced or issued by any court or other governmental entity of competent jurisdiction or other legal restraint or prohibition being in effect, and no suit, action or proceeding by any governmental entity being pending or threatened that (1) would prevent the completion of the merger or (2) otherwise would be reasonably likely to have a material adverse effect, as described below, on Cincinnati Bell or IXC; PROVIDED, HOWEVER, that each of the parties shall have used its reasonable efforts to prevent the entry of any such legal restraint or prohibition that may be entered

- all consents, approvals or orders of authorization of, or actions by the Federal Communications Commission and all necessary state public utility commission approvals having been obtained

- the registration statement on Form S-4, of which this proxy statement/prospectus forms a part, having become effective under the Securities Act and not being the subject of any stop order or proceedings seeking a stop order

- the shares of Cincinnati Bell common stock issuable to IXC stockholders in the merger having been approved for listing on the New York Stock Exchange, subject to official notice of issuance

- Cincinnati Bell having received $400 million under an investment agreement between Cincinnati Bell and Oak Hill, which occurred on July 21, 1999.

In addition, each party's obligation to effect the merger is further subject to the satisfaction or waiver of the following additional conditions:

- the representations and warranties of each other party set forth in the merger agreement that are qualified as to materiality being true and correct, and those that are not so qualified being true and correct in all material respects, in each case as of the date of the merger agreement and as of the date on which the merger is to be completed as though made on and as of such time, or, if such representations and warranties expressly relate to an earlier date, then as of such date

- each other party to the merger agreement having performed in all material respects all obligations required to be performed by it under the merger agreement on or prior to the date on which the merger is to be completed

- with respect only to IXC's obligation to effect the merger, IXC having received from Riordan & McKinzie on the date on which the registration statement is filed with the Securities and Exchange Commission and on the date on which the merger is to be completed, an opinion, in each case dated as of such respective date, to the effect that: (1) the merger will qualify for United States federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code and (2)

IXC, Cincinnati Bell and Ivory Merger Inc. will each be a "party to a reorganization" within the meaning of Section 368(b) of the Internal Revenue Code. The issuance of such opinions will be conditioned upon the receipt by Riordan & McKinzie of customary representation letters from each of IXC and Cincinnati Bell.

The merger agreement provides that a "material adverse change" or "material adverse effect" means, when used in connection with IXC or Cincinnati Bell, any change, effect, event, occurrence, condition, development or state of facts that is materially adverse to the business, assets, results of operations, conditions (financial or otherwise) or prospects of such party (or the surviving corporation in the merger, when used in connection with IXC) and its subsidiaries, taken as a whole, other than any change, effect, event, occurrence, condition, development or state of facts:

- relating to the economy or securities markets in general

- relating to the industries in which such party operates in general and not specifically relating to such party

- resulting from the announcement or anticipated completion of the transactions contemplated by the merger agreement, the stockholders agreements, the stock option agreements and the transactions contemplated by the merger agreement

- arising from a change in generally accepted accounting principles.

NO SOLICITATION. In the merger agreement, each of Cincinnati Bell and IXC has agreed that it will not, nor will it permit any of its subsidiaries to, nor will it authorize or permit any of its directors, officers or employees or any investment banker, financial advisor, attorney, accountant or other representative retained by it or any of its subsidiaries to, directly or indirectly through another person:

- solicit, initiate or encourage (including by way of furnishing information), or take any other action designed to facilitate, any inquiries or the making of any takeover proposal, as described below

- participate in any discussions or negotiations regarding any takeover proposal.

The merger agreement provides that the term "takeover proposal" means any bona fide inquiry, proposal or offer from any person relating to any direct or indirect acquisition or purchase of a business that constitutes 35% or more of the net revenues, net income or assets of a party and its subsidiaries, taken as a whole, or 35% or more of any class of equity securities of a party or any of its subsidiaries, any tender offer or exchange offer that if completed would result in any person beneficially owning 35% or more of any class of equity securities of a party or any of its subsidiaries or any merger, consolidation, business combination, recapitalization, liquidation, dissolution or similar

transaction involving a party or any of its subsidiaries, other than the transactions contemplated by the merger agreement.

None of the board of directors of Cincinnati Bell or IXC or any committee thereof will:

- except as required by law as advised by counsel, withdraw or modify, or propose publicly to withdraw or modify, in a manner adverse to the other party, the approval or recommendation by such board of directors or such committee of the merger or the merger agreement

- approve or recommend, or propose publicly to approve or recommend, any takeover proposal

- cause a party to enter into any letter of intent, agreement in principle, acquisition agreement or other similar agreement related to any takeover proposal.

The merger agreement also provides that each party will immediately advise the other of any request for information or of any takeover proposal, the material terms and conditions of such request or takeover proposal and the identity of the person making such request or takeover proposal.

TERMINATION. The merger agreement may be terminated at any time prior to the effective time of the merger:

1. by mutual written consent of Cincinnati Bell and IXC

2. by Cincinnati Bell or IXC, if the merger has not been completed by April 30, 2000, or, at the option of either party, July 31, 2000, if the consents or approvals of the Federal Communications Commission or the state public utility commissions have not been obtained by April 30, 2000; PROVIDED, HOWEVER, that such right to terminate the merger agreement will not be available to a party whose failure to perform any of its obligations under the merger agreement has resulted in the failure of the merger to be completed by that date

3. by Cincinnati Bell or IXC, if the IXC stockholders have not adopted the merger agreement at an IXC stockholders meeting

4. by Cincinnati Bell or IXC, if the Cincinnati Bell shareholders have not approved the issuance of shares of Cincinnati Bell common stock in the merger at a Cincinnati Bell shareholders meeting

5. by Cincinnati Bell or IXC, if any legal restraint or prohibition is in effect and has become final and nonappealable (1) preventing the completion of the merger or (2) which otherwise is reasonably likely to have a material adverse effect on Cincinnati Bell or IXC, PROVIDED that

the party seeking to exercise this right to terminate the merger agreement has used reasonable efforts to prevent the entry of and to remove such legal restraint or prohibition

6. by Cincinnati Bell or IXC, if the other party has breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in the merger agreement, which breach or failure to perform would give rise to the failure of a condition to the merger and has not been or cannot be cured within 30 calendar days of receiving notice from the other party of the event of default

7. by Cincinnati Bell or IXC, if any of the other party's directors or officers has participated in discussions or negotiations prohibited by the covenant described in "--No Solicitation" above.

TERMINATION FEES.

IXC. If the merger agreement is terminated:

1. by Cincinnati Bell or IXC as described above in the second or third paragraph under "--Termination" at a time when a takeover proposal has been made directly to IXC or any of its subsidiaries or directly to IXC stockholders generally or has otherwise become

publicly known or any person has publicly announced an intention to make a takeover proposal or

2. by Cincinnati Bell as described above in the seventh paragraph under "--Termination",

then IXC must pay Cincinnati Bell a $105 million termination fee; PROVIDED, HOWEVER, that no termination fee will be payable unless IXC enters into a definitive agreement concerning, or completes, a takeover proposal involving at least 35% of the stock of IXC or at least 50% of the net revenues, net income or assets of IXC within 12 months of termination of the merger agreement.

CINCINNATI BELL. If the merger agreement is terminated:

1. by Cincinnati Bell or IXC as described above in the second or fourth paragraph under "--Termination" at a time when a takeover proposal has been made directly to Cincinnati Bell or any of its subsidiaries or directly to Cincinnati Bell shareholders generally or has otherwise become publicly known or any person has publicly announced an intention to make a takeover proposal or

2. by IXC as described above in the seventh paragraph under

"--Termination",

then Cincinnati Bell must pay IXC a $105 million termination fee; PROVIDED, HOWEVER, that no termination fee will be payable unless Cincinnati Bell enters into a definitive agreement concerning, or completes, a takeover proposal involving at least 35% of the stock of Cincinnati Bell or at least 50% of the net revenues, net income or assets of Cincinnati Bell within 12 months of termination of the merger agreement.

The merger agreement further provides that if Cincinnati Bell or IXC fails to pay any termination fee due, it must pay the costs and expenses in connection with any action taken to collect payment, together with interest on the amount of the termination fee.

CONDUCT OF BUSINESS PENDING THE MERGER--IXC. Under the merger agreement, IXC has agreed that, prior to the effective time of the merger, it will carry on its business in the ordinary course consistent with past practice and in compliance in all material respects with applicable laws and regulations. In addition, IXC has agreed that, among other things and subject to certain exceptions, prior to the effective time of the merger neither it nor any of its subsidiaries may:

- declare, set aside or pay any dividends on, or make any other distributions in respect of, any of its capital stock, other than certain dividends and distributions by a wholly owned subsidiary, or split, combine or reclassify any of its capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock or purchase, redeem or otherwise acquire any shares of capital stock of IXC or its subsidiaries or any other of their securities or any rights, warrants or options to acquire any such securities

- issue, deliver, sell, grant, pledge or otherwise encumber or subject to any lien any shares of its capital stock, any other voting securities or any securities convertible into, or any rights, warrants or options to acquire, any such securities, other than in accordance with IXC's rights agreement, under existing options and warrants, or options issued after the date of the merger agreement without the approval of Cincinnati Bell in its sole discretion, the issuance of shares of IXC common stock upon conversion of the IXC 7 1/4% Preferred Stock and the IXC 6 3/4% Preferred Stock or issuance of shares of IXC common stock under the IXC stock option agreement

- amend the restated certificate of incorporation of IXC, the by-laws of IXC or other comparable organizational documents

- acquire or agree to acquire by merging or consolidating with, or by purchasing assets of, any business or any person other than purchases of raw materials or supplies in the ordinary course of business consistent

with past practice

- sell, lease, license, sell and leaseback, mortgage or otherwise encumber or subject to any lien or otherwise dispose of any of its properties or assets, other than sales or licenses of finished goods and services in the ordinary course of business consistent with past practice

- incur any indebtedness for borrowed money or guarantee any such indebtedness of another person, issue or sell any debt securities or warrants or other rights to acquire any debt securities of IXC or any of its subsidiaries, guarantee any debt securities of another person, enter into any "keep well" or other agreement to maintain any financial statement condition of another person or enter into any arrangement having the economic effect of any of the foregoing, except for short-term borrowings incurred in the ordinary course of business consistent with past practice or intercompany indebtedness between IXC and any of its wholly owned subsidiaries or between such wholly owned subsidiaries

- make any loans, advances or capital contributions to, or investments in, any other person

- make or agree to make any new capital expenditures

- pay, discharge, settle or satisfy any claims, liabilities, obligations or litigation, other than the payment, discharge, settlement or satisfaction, in the ordinary course of business consistent with past practice or in accordance with its terms, of any liability recognized or disclosed in the most recent consolidated financial statements (or the notes to such) of IXC included in the documents filed by IXC with the Securities and Exchange Commission before the date of the merger agreement or incurred since the date of such financial statements, or waive the benefits of, or agree to modify in any manner, terminate, release any person from or fail to enforce any confidentiality, any standstill or similar agreement to which IXC or any of its subsidiaries is a party to or of which IXC or any of its subsidiaries is a beneficiary

- except as required by law or contemplated in the merger agreement, enter into, adopt or amend in any material respect or terminate any benefit plan, collective bargaining agreement, employment agreement or any other agreement, plan or policy involving IXC or its subsidiaries, and one or more of its current or former directors, officers or employees, or change any actuarial or other assumption used to calculate funding obligations with respect to any pension plan, or change the manner in which contributions to any pension plan are made or the basis on which such contributions are determined

- except for normal increases in the ordinary course of business consistent with past practice that, in the aggregate, do not materially increase benefits or compensation expenses of IXC or its subsidiaries, or as contemplated in the merger agreement or by the terms of any contract the

existence of which does not violate the merger agreement, increase the compensation, bonus or other benefits of any director, executive officer or other employee or pay any benefit or amount not required by a plan or arrangement as in effect on the date of the merger agreement to any such person

- transfer or license to any person or entity or otherwise extend, amend or modify any rights to the intellectual property rights of IXC and its subsidiaries other than in the ordinary course of business consistent with past practices or on a non-exclusive basis not materially different from past practices

- take any action that would cause certain representations and warranties in the merger agreement to no longer be true

- call or hold any meeting of IXC stockholders other than in connection with the election of the members of the IXC board of directors or other routine matters in the ordinary course of business consistent with past practice

- enter into any contract, agreement, obligation, commitment, arrangement or understanding with any affiliate of IXC that would have been required to be filed as an exhibit to the IXC 1998 Report on Form 10-K had IXC been a party to such as of December 31, 1998

- make any material tax election or settle or compromise any material tax liability other than in the ordinary course of business

- make any offering of IXC stock options under any employee stock option or stock purchase plan after the date of the merger agreement

- authorize, commit, resolve or agree to take any of the foregoing actions.

CONDUCT OF BUSINESS PENDING THE MERGER--CINCINNATI BELL. Under the merger agreement, Cincinnati Bell has agreed that, prior to the effective time of the merger, without prior consultation with IXC, Cincinnati Bell will not, nor will it permit its subsidiaries to:

- make any material acquisition of assets or businesses

- sell or otherwise dispose of any material part of its properties or assets other than sales or licenses of services in the ordinary course of business consistent with past practice

- issue or sell a material amount of its shares of capital stock, any other voting securities or any securities convertible into any such shares, voting securities or convertible securities, other than in accordance with Cincinnati Bell's Rights Agreement or issuance of shares of Cincinnati Bell common stock upon the exercise of stock options or pursuant to the

Cincinnati Bell stock option agreement with IXC.

AMENDMENT; EXTENSION AND WAIVER. Subject to applicable law:

- the merger agreement may be amended by the parties in writing at any time, except that after the merger agreement has been adopted by IXC stockholders or the issuance of shares of Cincinnati Bell common stock in the merger has been approved by Cincinnati Bell shareholders, no amendment shall be made that by law requires further approval by IXC stockholders or Cincinnati Bell shareholders without further approval of such stockholders or shareholders

- at any time prior to the effective time of the merger, a party may, by written instrument signed on behalf of such party, extend the time for performance of the obligations of any other party to the merger agreement, waive inaccuracies in representations and warranties of any other party contained in the merger agreement or in any related document and except as provided in the merger agreement, waive compliance by any other party with any agreements or conditions in the merger agreement.

Under Section 251(d) of the Delaware General Corporation Law, no amendment to the merger agreement made after the adoption of the merger agreement by IXC stockholders may, without further stockholder approval, alter or change the amount or kind of shares, securities, cash, property and/or rights to be received by IXC stockholders in the merger, alter or change any terms of the IXC restated certificate of incorporation to be effected by the merger, or alter or change any terms and conditions of the merger agreement if such alteration or change would adversely affect the holders of any class or series of stock of IXC.

EXPENSES. Whether or not the merger is completed, all fees and expenses incurred in connection with the merger, the merger agreement, the stock option agreements, the stockholders agreements and the transactions contemplated thereby will be paid by the party incurring such fees or expenses, except

as otherwise provided in the merger agreement and except that Cincinnati Bell and IXC will share equally the expenses incurred in connection with filing, printing and mailing of this proxy statement/ prospectus and the registration statement of which it is a part and the filing fees for the pre-merger notification and report forms under the Hart-Scott-Rodino Act.

REPRESENTATIONS AND WARRANTIES. The merger agreement contains customary representations and warranties relating to, among other things:

- corporate organization and similar corporate matters of each of Cincinnati Bell and IXC

- subsidiaries of each of Cincinnati Bell and IXC

- the capital structure of each of Cincinnati Bell and IXC

- authorization, execution, delivery, performance and enforceability of, and required consents, approvals, orders and authorizations of governmental authorities relating to, the merger agreement and related matters of Cincinnati Bell and IXC

- documents filed by each of Cincinnati Bell and IXC with the Securities and Exchange Commission, the accuracy of information contained therein and the absence of undisclosed liabilities of each of Cincinnati Bell and IXC

- the accuracy of information supplied by each of Cincinnati Bell and IXC in connection with this proxy statement/prospectus and the registration statement of which it is a part

- absence of material changes or events with respect to each of Cincinnati Bell and IXC

- compliance with applicable laws by each of Cincinnati Bell and IXC

- absence of changes in benefit plans of each Cincinnati Bell and IXC

- matters relating to the Employee Retirement Income Security Act of 1974 for each of Cincinnati Bell and IXC

- filing of tax returns and payment of taxes by each of Cincinnati Bell and IXC

- required stockholder vote of each of Cincinnati Bell and IXC

- satisfaction of certain state takeover statutes' requirements for IXC

- engagement and payment of fees of brokers, investment bankers, finders and financial advisors by each of Cincinnati Bell and IXC

- receipt of fairness opinions by each of Cincinnati Bell and IXC from their respective financial advisors

- intellectual property and year 2000 matters of each of Cincinnati Bell and IXC

- outstanding and pending material litigation of each of Cincinnati Bell and IXC

- title to properties of each of Cincinnati Bell and IXC

- certain contracts of each of IXC and Cincinnati Bell

- ownership of IXC stock by Cincinnati Bell

- amendments of the rights agreements of each of Cincinnati Bell and IXC

- interim operations of Ivory Merger Inc.

AMENDMENTS TO THE IXC RESTATED CERTIFICATE OF INCORPORATION. After the effective time of the merger, the certificate of incorporation of the surviving corporation will be substantially identical to the IXC restated certificate of incorporation, except that such restated certificate of incorporation will be

amended in the merger to provide that the total shares of authorized capital stock of IXC will consist of (1) 3,000,000 shares of common stock, par value $.01 per share, and (2) 3,000,000 shares of preferred stock, par value $.01 per share. For a summary of certain provisions of the IXC restated certificate of incorporation and the associated rights of IXC stockholders, see "Comparison of Rights of Cincinnati Bell Shareholders and IXC Stockholders".

AMENDMENTS TO IXC BY-LAWS. The merger agreement provides that the by-laws of Ivory Merger Inc., as in effect immediately prior to the effective time of the merger, will be the by-laws of the surviving corporation following the merger until changed or amended. For a summary of certain provisions of the IXC by-laws and the associated rights of IXC stockholders, see "Comparison of Rights of Cincinnati Bell Shareholders and IXC Stockholders".

THE STOCK OPTION AGREEMENTS

GENERAL. Concurrently with the execution and delivery of the merger agreement, Cincinnati Bell and IXC entered into (1) the IXC stock option agreement under which IXC granted Cincinnati Bell an option to purchase up to 7,427,192 shares of IXC common stock, at a price per share of $52.25, and (2) the Cincinnati Bell stock option agreement under which Cincinnati Bell granted IXC an option to purchase up to 27,420,757 shares of Cincinnati Bell common stock, at a price per share of $34.83.

EXERCISE OF THE OPTION. Except as described below, each option is exercisable by the optionholder at any time after the occurrence of any event unconditionally entitling it to receive the termination fee under the merger agreement. The right to purchase shares under the IXC stock option agreement or the Cincinnati Bell stock option agreement will expire upon the first to occur of:

- the effective time of the merger

- 12 months after the first occurrence of any event unconditionally entitling the optionholder to receive the termination fee under the merger agreement

- termination of the merger agreement prior to the occurrence of any event

unconditionally entitling the optionholder to receive the termination fee, unless the optionholder has the right to receive such termination fee upon the occurrence of certain events, in which case the option will not terminate until the later of (1) six months following the time such termination fee becomes unconditionally payable and (2) the expiration of the period during which the optionholder has the right to receive a termination fee.

Any purchase of shares upon the exercise of the option is subject to compliance with the Hart-Scott-Rodino Act and the obtaining or making of any governmental or regulatory consents, approvals, orders, notifications, filings or authorizations, the failure of which to have obtained or made would make the issuance of shares subject to the option illegal. If any such governmental or regulatory action has not yet been obtained or made before the termination of the option, such term will be extended to the fifth business day after receipt of such regulatory approval. If the option has been exercised before its termination, the optionholder will be entitled to purchase the option shares and the termination of the option will not affect any rights under the stock option agreement. If the optionholder receives notice that a regulatory approval required for the purchase of any option shares under the option will not be issued or granted or such regulatory approval has not been issued or granted within six months of the date of the exercise notice, the optionholder will have the right to exercise its cash-out right with respect to the option shares for which such regulatory approval will not be issued or granted or has not been issued or granted.

ADJUSTMENTS TO NUMBER AND TYPE OF SHARES. The number and type of securities subject to the option and the purchase price will be adjusted for any change in the common stock subject to the option by reason of a stock dividend, split-up, merger, recapitalization, combination, exchange of shares

or similar transaction, such that the optionholder will receive, upon exercise of the option, the number and type of securities that it would have received if the option had been exercised immediately before the occurrence of such event, or the record date of such event.

If the issuer of the option agrees to (1) consolidate with or merge into any person other than the optionholder or one of its subsidiaries, (2) permit any person other than the optionholder or one of its subsidiaries to merge into the issuer or (3) sell or otherwise transfer all or substantially all of its assets to any person other than the optionholder or one of its subsidiaries, then such agreement will provide that the option will, upon the completion of such transaction, be converted into or exchanged for an option to acquire the number and class of shares or other securities or property the optionholder would have received for the issuer's common stock if the option had been exercised immediately prior to such consolidation, merger, sale or transfer, or the record date of such event.

CASH PAYMENT FOR THE OPTION. Instead of purchasing shares of common stock under the option, the optionholder may exercise its right to have the issuer of the option pay to the optionholder an amount per share of the issuer's common stock equal to the number of shares of the issuer's common stock subject to the option multiplied by the difference between:

- the average closing price on the New York Stock Exchange or The Nasdaq National Market, as the case may be, of shares of the issuer's common stock for the 10 trading days commencing on the 12th trading day immediately preceding the option closing date and

- the exercise price of the option.

In addition, each stock option agreement provides that in no event will the optionholder's total profit from the option exceed $26.25 million in the aggregate and, if the optionholder's total profit from the option would otherwise exceed such amount, the optionholder is required to:

- reduce the number of shares of common stock subject to the option

- deliver to the issuer of the option for cancelation shares of the issuer's common stock previously purchased by the optionholder

- pay cash to the issuer of the option

- do any combination of the foregoing, so that the optionholder's total profit from the option does not exceed $26.25 million after taking into account the foregoing actions.

REGISTRATION RIGHTS AND LISTING. Each optionholder has certain rights to require registration by the issuer of the option of any shares purchased under the option under the securities laws if necessary for the optionholder to be able to sell such shares and to require the listing of such shares on the New York Stock Exchange, The Nasdaq National Market or other national securities exchange.

ASSIGNABILITY. The stock option agreements may not be assigned or delegated by Cincinnati Bell or IXC without the prior written consent of the other. The shares subject to the option may not be sold, assigned, transferred or otherwise disposed of except in an underwritten public offering or to a purchaser or transferee who would not, immediately after such sale, assignment, transfer or disposal, beneficially own more than 5.0% of the outstanding voting power of the issuer of the option; PROVIDED, HOWEVER, that the optionholder shall be permitted to sell any such shares if the sale is made in connection with a tender or exchange offer that has been approved or recommended by a majority of the issuer's board of directors.

EFFECT OF STOCK OPTION AGREEMENTS. The stock option agreements are intended to increase the likelihood that the merger will be completed on the terms set forth in the merger agreement. Consequently, certain aspects of the stock option

agreements may discourage persons who might now or prior to the effective time of the merger be interested in acquiring all or a significant interest in

Cincinnati Bell or IXC from considering or proposing such an acquisition, even if such persons were prepared to offer higher consideration per share for IXC common stock than that implicit in the 2.0976 exchange ratio or a higher price per share for IXC common stock or Cincinnati Bell common stock than the market price.

THE STOCKHOLDERS AGREEMENTS

GENERAL. Concurrently with the execution of the merger agreement, Cincinnati Bell entered into:

- a stockholders agreement with Messrs. Irwin and Swett who, together with their respective affiliates, on September 9, 1999, together held approximately 16% of IXC's common stock then outstanding

- a stockholder agreement with General Electric, which on September 9, 1999, held approximately 10% of the IXC common stock then outstanding.

AGREEMENTS. Each of the stockholders signing the stockholders agreements has agreed:

- at every meeting of IXC stockholders called to vote upon the merger or the merger agreement, to vote those shares of IXC common stock for which it has voting power or control in favor of the adoption of the merger agreement and approval of the transactions contemplated by the merger agreement, including the IXC internal reorganization

- not to take any action by written consent in any circumstance other than in accordance with the paragraph above

- not to sell, transfer, tender, pledge, encumber, assign or otherwise dispose of its shares of IXC common stock unless the person who receives those shares agrees to be bound by the applicable stockholders agreement

- not to enter into any voting arrangement, whether by proxy, voting agreement or otherwise, in connection with its shares of IXC common stock

- not to, and not to permit any of its affiliates or representatives to, directly or indirectly, (1) solicit, initiate, encourage (including by way of furnishing information), or take any other action designed to facilitate, any inquiries or the making of any takeover proposal for IXC, as described under "--The Merger Agreement--No Solicitation", (2) enter into any agreement with respect to any such takeover proposal or (3) participate in discussions or negotiations regarding any such takeover proposal.

TERMINATION. Each of the stockholders agreements provides that it will terminate upon the first to occur of:

- the effective time of the merger

- 10 business days after the merger agreement is terminated.

COMPARATIVE STOCK PRICES AND DIVIDENDS

Cincinnati Bell common stock is listed for trading on the New York Stock Exchange under the symbol "CSN" and IXC common stock is listed for trading on The Nasdaq National Market under the symbol "IIXC". The following table sets forth, for the periods indicated, dividends and the high and low sales prices per share of Cincinnati Bell common stock and IXC common stock on the New York Stock Exchange Composite Transaction Tape and The Nasdaq National Market, respectively. Cincinnati Bell's per share data has been restated to account for Cincinnati Bell's two-for-one stock split effective May 2, 1997, and reflects the spin-off of Convergys Corporation on December 31, 1998. For current price information, you are urged to consult publicly available sources.

CINCINNATI BELL COMMON STOCK			IXC COMMON STOCK			
CALENDAR PERIOD	HIGH	LOW	DIVIDENDS DECLARED	HIGH	LOW	DIVIDENDS DECLARED
1997 First Quarter	$ 33.75	$ 28.25	$ 0.10	$ 36.25	$ 18.75	N/A
Second Quarter	33.25	26.06	0.10	27.88	17.00	N/A
Third Quarter	32.25	23.06	0.10	33.00	19.50	N/A
Fourth Quarter	31.13	25.38	0.10	40.13	29.38	N/A
1998 First Quarter	36.31	30.13	0.10	62.00	30.25	N/A
Second Quarter	38.63	28.50	0.10	58.25	36.88	N/A
Third Quarter	33.19	22.50	0.10	55.13	22.75	N/A
Fourth Quarter	38.13	20.88	0.10	41.94	16.50	N/A
1999 First Quarter	23.44	16.06	0.10	54.75	29.75	N/A
Second						

Quarter.....
26.50 19.63 0.10 52.38 30.63 N/A Third
Quarter (through September 9, 1999).....
26.50 17.56 N/A 43.66 31.25 N/A

- ------------------------

N/A--Not Applicable

The following table sets forth the high and low sales prices per share of Cincinnati Bell common stock on the New York Stock Exchange Composite Transactions Tape and IXC common stock on The Nasdaq National Market on July 20, 1999, the last full trading day before the public announcement of the merger agreement, and on September 9, 1999, the latest trading day before the date of this proxy statement/prospectus:

CINCINNATI BELL IXC COMMON STOCK COMMON STOCK ----------
---------- HIGH LOW HIGH LOW --------- --------- -------
-- --------- July 20,
1999.....
$ 24.88 $ 23.31 $ 38.00 $ 36.13 September 9,
1999.....
18.00 17.75 34.00 33.31

UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS

The following unaudited pro forma combined condensed financial statements give effect to the merger of Cincinnati Bell and IXC under the purchase method of accounting. These pro forma statements are presented for illustrative purposes only. The pro forma adjustments are based upon available information and certain assumptions that management believes are reasonable. The pro forma combined condensed financial statements do not purport to represent what the results of operations or financial position of Cincinnati Bell would actually have been if the merger and related transactions had in fact occurred on such dates, nor do they purport to project the results of operations or financial position of Cincinnati Bell for any future period or as of any date, respectively.

Under the purchase method of accounting, tangible and identifiable intangible assets acquired and liabilities assumed are recorded at their estimated fair values. The excess of the purchase price, including estimated fees and expenses related to the merger, over the net assets acquired is classified as goodwill on the accompanying unaudited pro forma combined condensed balance sheet. The estimated fair values and useful lives of assets acquired and liabilities assumed are based on a preliminary valuation and are subject to final valuation adjustments which may cause certain of the

intangibles to be amortized over a shorter life than the goodwill amortization period of 40 years.

The unaudited pro forma combined condensed balance sheet as of June 30, 1999 was prepared by combining the balance sheet at June 30, 1999 for Cincinnati Bell with the balance sheet at June 30, 1999 for IXC, giving effect to the merger as though it had been completed on June 30, 1999.

The unaudited pro forma combined condensed statements of income for the periods presented was prepared by combining Cincinnati Bell's statements of income for the year ended December 31, 1998, and the six months ended June 30, 1999, with IXC's statements of income for the year ended December 31, 1998, and the six-month period ended June 30, 1999, respectively, giving effect to the merger as though it had occurred on January 1, 1998. This unaudited pro forma combined condensed financial data does not give effect to any restructuring costs or to any potential cost savings or other synergies that could result from the merger.

The consolidated historical financial statements of Cincinnati Bell and IXC for the year ended December 31, 1998, are derived from audited consolidated financial statements incorporated by reference in this proxy statement/prospectus. The condensed consolidated historical financial statements of Cincinnati Bell and IXC for the six months ended June 30, 1999, are derived from unaudited condensed consolidated financial statements incorporated by reference in this proxy statement/ prospectus.

YOU SHOULD READ THE FINANCIAL INFORMATION IN THIS SECTION ALONG WITH CINCINNATI BELL'S AND IXC'S HISTORICAL CONSOLIDATED FINANCIAL STATEMENTS AND ACCOMPANYING NOTES INCORPORATED BY REFERENCE IN THIS PROXY STATEMENT/PROSPECTUS. SEE "WHERE YOU CAN FIND MORE INFORMATION" ON PAGE 94.

UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEET
AS OF JUNE 30, 1999
(DOLLARS IN MILLIONS)

	PRO FORMA COMBINED	PRO FORMA CINCINNATI BELL	IXC	ADJUSTMENTS	
	(c)	(c)			
ASSETS					
Current Assets:					
Cash and cash equivalents	$ 4.1	$ 98.6	$ 400.0	(e) $ 252.7	(250.0) (i)
Receivables, net	149.0	95.7	244.7		
Other current assets	63.7	22.7	86.4		
Total current assets	216.8	217.0	150.0	583.8	
Property, plant and equipment, net	727.4	1,251.3	1,978.7		

Noncurrent marketable securities..... -- 452.5 452.5
Goodwill and other noncurrent assets..... 190.9 180.7 2,421.6(d) 2,686.0 47.8(d) (155.0)(j) --- --- --- --- --- --- Total assets..... $1,135.1 $2,101.5 $2,464.4 $5,701.0 --- --- --- --- --- --- LIABILITIES AND SHAREOWNERS' EQUITY
Current Liabilities: Debt maturing in one year..... $ 250.3 $ 12.8 $ 263.1 Current portion of unearned revenue..... -- 53.4 53.4 Payables and other current liabilities..... 195.0 273.5 $ 58.0(o) 526.5 --- --- --- --- --- --- Total current liabilities..... 445.3 339.7 58.0 843.0 Long-term debt..... 366.3 760.2 400.0(e) 1,524.5 (2.0)(d) Noncurrent unearned revenue..... -- 533.0 533.0 Deferred credits and other liabilities..... 147.0 85.3 18.4(l) 250.7 --- --- --- --- --- --- Total liabilities..... 958.6 1,718.2 474.4 3,151.2 7 1/4% preferred stock..... -- 103.8 83.5(d) 187.3 12 1/2% preferred stock..... -- 367.3 (367.3)(k) Minority interest..... 364.9(d)(k) 364.9 Shareowners' equity: 6 3/4% preferred stock..... -- 0.0 129.4(d) 129.4 Common shares..... 1.4 0.4 0.7(g) 2.1 (0.4)(f) Additional paid-in capital..... 156.0 253.4 (253.4)(f) 1,847.0 1,549.5(g) 140.9(h) 0.6(h) Retained earnings..... 25.8 (482.7) 482.7(f) 25.8 Other comprehensive income..... (6.7) 141.1 (141.1)(f) (6.7) --- --- --- --- --- --- Total shareowners' equity..... 176.5 (87.8) 1,908.9 1,997.6 --- --- --- --- --- --- Total liabilities and shareowners' equity..... $1,135.1 $2,101.5 $2,464.4 $5,701.0 --- --- --- --

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See accompanying Notes to Unaudited Pro Forma Combined Condensed Financial Statements.

UNAUDITED PRO FORMA COMBINED CONDENSED INCOME STATEMENT
FOR THE SIX MONTHS ENDED JUNE 30, 1999
(DOLLARS IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

PRO FORMA PRO FORMA CINCINNATI BELL IXC ADJUSTMENTS COMBINED ----
----------- ------- ----------- --------- (c) (c)
REVENUES.....
$495.8 $ 319.3 $ 815.1 COSTS AND EXPENSES: Costs of providing
services and products sold..... 216.9 213.1 430.0
Selling, general and administrative.....
113.2 112.8 226.0 Depreciation and
amortization..... 64.9 75.8
$(11.7)(j) 159.3 30.3(j) Restructuring
charge..... -- 25.8 25.8
Other infrequent costs.....
3.7 0.2 3.9 ------ ------- ----------- --------- Total costs and
expenses..... 398.7 427.7 18.6
845.0 ------ ------- ----------- --------- OPERATING (LOSS)
INCOME..... 97.1 (108.4)
(18.6) (29.9) Loss from unconsolidated
subsidiaries..... -- 16.0 16.0 Interest
expense..... 18.0
20.1 17.6(e) 55.7 Minority
interest..... (4.1)
0.6 26.7(k) 23.2 Other (income) expense,
net..... -- 5.0 5.0 ------ -----
-- ----------- --------- Income (loss) from continuing operations
before income
taxes..... 83.2
(150.1) (62.9) (129.8) Income
taxes..... 30.2
6.3 (16.4)(l) 20.1 ------ ------- ----------- --------- INCOME
(LOSS) FROM CONTINUING OPERATIONS..... 53.0
(156.4) (46.5) (149.9) Dividend requirements on preferred
stock..... -- 32.4 (24.8)(m) 7.6 ------ -----
-- ----------- --------- INCOME (LOSS) FROM CONTINUING OPERATIONS
ATTRIBUTABLE TO COMMON SHAREOWNERS..... $
53.0 $(188.8) $(21.7) $(157.5) ------ ------- ----------- -------
-- ------ ------- ----------- --------- Income (loss) per common
share: Income (loss) from continuing operations attributable to
common shareowners:
Basic.....

$0.39 $(5.14) $(0.77)
Diluted.....
0.38 (5.14) (0.77) Shares used in computing information
attributable to common shareowners (n):
Basic.....
136.7 36.7 204.5
Diluted.....
140.7 36.7 204.5

See accompanying Notes to Unaudited Pro Forma Combined Condensed Financial Statements.

UNAUDITED PRO FORMA COMBINED CONDENSED INCOME STATEMENT
YEAR ENDED DECEMBER 31, 1998
(DOLLARS IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

PRO FORMA PRO FORMA CINCINNATI BELL IXC ADJUSTMENTS COMBINED ----
---------- ------- ---------- --------- (c) (c)
REVENUES.....
$885.1 $668.6 $1,553.7 COSTS AND EXPENSES: Costs of providing
services and products sold..... 369.6 433.3 802.9
Selling, general and administrative.....
204.0 144.5 348.5 Depreciation and
amortization..... 111.1 113.6
$60.5(j) 264.4 (20.8)(j) Other infrequent
costs..... 20.4 8.0 28.4 ----
-- ------- ---------- --------- Total costs and
expenses..... 705.1 699.4 39.7
1,444.2 ------ ------- ---------- --------- OPERATING (LOSS)
INCOME..... 180.0 (30.8)
(39.7) 109.5 Loss from unconsolidated
subsidiaries..... 27.3 33.0 60.3 Interest
expense..... 24.2
31.7 35.3(e) 91.2 Minority
interest..... -- 0.7
48.8(k) 49.5 Other (income) expense,
net..... 2.4 (14.5) (12.1) -----
- ------- ---------- --------- Income (loss) from continuing
operations before income
taxes..... 126.1
(81.7) (123.8) (79.4) Income
taxes..... 44.3
13.9 (20.9)(l) 37.3 ------ ------- ---------- --------- INCOME
(LOSS) FROM CONTINUING OPERATIONS..... 81.8
(95.6) (102.9) (116.7) Dividend requirements on preferred
stock..... -- 58.2 (43.1)(m) 15.1 ------ ----
--- ---------- --------- INCOME (LOSS) FROM CONTINUING

OPERATIONS ATTRIBUTABLE TO COMMON SHAREOWNERS	$ 81.8	$(153.8)	$(59.8) $(131.8)
Income (loss) per common share: Income (loss) from continuing operations attributable to common shareowners:			
Basic	$ 0.60	$(4.28)	$(0.65)
Diluted	0.59	(4.28)	(0.65)
Shares used in computing information attributable to common shareowners (n):			
Basic	136.0	35.9	203.8
Diluted	138.2	35.9	203.8

See accompanying Notes to Unaudited Pro Forma Combined Condensed Financial Statements.

NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS

(a) The unaudited pro forma combined condensed balance sheet assumes that the merger took place on June 30, 1999, and the unaudited pro forma combined condensed statements of income assume that the merger took place as of January 1, 1998.

On a combined basis, there were no material transactions between Cincinnati Bell and IXC during the periods presented. There are no material differences between the accounting policies of Cincinnati Bell and IXC.

(b) The unaudited pro forma combined condensed financial data do not give effect to any restructuring costs or to any potential cost savings or other synergies that could result from the merger. Cincinnati Bell is in the process of developing a plan to integrate the operations of IXC with the operations of Cincinnati Bell, which may involve certain restructuring activities. As a result of this plan, a liability, which may be material but which cannot be quantified as of the date of this proxy statement/ prospectus, is expected to be recognized in the period in which Cincinnati Bell's plan is completed. Separately, in connection with the hiring of IXC's new chief executive officer and new chief financial officer, IXC is reviewing plans to streamline its operations and is expecting to record a restructuring charge in the third fiscal quarter of 1999. Although the plans are still being formulated, initial projections indicate that the amount of the charge will be at least $10 million. This nonrecurring charge is not reflected in the unaudited pro forma combined condensed financial statements.

In addition, Cincinnati Bell is developing a plan to provide the combined

entity with access to credit facilities that will be sufficient to fund its working capital requirements and for its other general corporate purposes. To the extent that establishing such credit facilities results in refinancing existing indebtedness of Cincinnati Bell or IXC, an extraordinary loss of approximately $20 million may be incurred to write off certain debt issuance costs.

This unaudited pro forma combined condensed financial data is based on a preliminary allocation of the total merger consideration. Cincinnati Bell has not yet completed a formal valuation of IXC's individual assets and liabilities. When Cincinnati Bell completes a formal valuation of IXC's individual assets and liabilities, which will be based on third-party appraisals, Cincinnati Bell will make a final allocation of the total merger consideration to the IXC assets acquired and liabilities assumed, tangible and intangible, with any change in the fair value of the net assets acquired increasing or decreasing goodwill. The effect of these changes cannot be assessed at this time and any such changes could materially affect the amount of goodwill and related amortization.

(c) These columns represent historical results of operations and financial position.

NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS (CONTINUED)

(d) This adjustment reflects the initial estimate made by Cincinnati Bell's management of the excess of the total merger consideration over the net assets of IXC to be acquired, and the liabilities to be assumed, in the merger. The following is a calculation (for purposes of this note only, in thousands except per share data):

Consideration:

Shares of IXC common stock outstanding at July 20, 1999	32,323
Shares of IXC common stock to be exchanged in the merger	32,323
Cincinnati Bell exchange ratio per share	2.0976
Shares of Cincinnati Bell common stock to be issued in the merger	67,801
Cincinnati Bell price per share based on the average closing price 3 days before and after July 21, 1999, the date of the announcement of the merger	$ 22.8646
Value of Cincinnati Bell common stock to be issued in the merger	1,550,243
Acceleration of stock options vesting as a result of the merger--4,588 shares	140,990
Exchange of stock warrants as a result of the merger--75 shares	575
Estimated Cincinnati Bell transaction costs	47,000
IXC common stock acquired by Cincinnati Bell from General Electric--4,999 shares at $50 per share	250,000
Issuance of Cincinnati Bell 6 3/4% preferred stock	129,437

Total merger consideration	$2,118,245
Historical IXC net deficit exchanged in the merger at July 20, 1999 adjusted for the elimination of existing goodwill of $155,000	242,820
Estimated IXC expenses	11,000
Fair value adjustments relating to:	
Cincinnati Bell 7 1/4% preferred stock	83,472
Surviving corporation 12 1/2% preferred stock	(2,425)
Investments in minority-owned investments	(47,813)
Subordinated debt adjustment	(2,025)
Deferred tax impact	18,400
Preliminary goodwill	$2,421,674

The total merger consideration will be allocated to the assets and liabilities of IXC based on their estimated fair value. The impact of this fair value adjustment has been reflected in pro forma deferred tax balances. The excess of the total merger consideration over the historical book value of IXC's net assets has been allocated to goodwill and other intangible assets. The final allocation of the merger consideration to the IXC assets acquired and liabilities assumed depends upon certain valuations and studies that have not progressed to a stage where there is sufficient information to make a final allocation in the accompanying pro forma combined condensed financial information. We anticipate that a portion of the purchase price up to $300 million will be allocated to intangible assets including customer contracts. The amortization period for these assets could range between 10 and 20 years.

(e) Reflects the recognition of debt and related interest and financing expense incurred or assumed in connection with the merger. Interest expense associated with the additional $400 million of indebtedness incurred in connection with the merger relating to the issuance of subordinated convertible debentures by Cincinnati Bell pursuant to an investment agreement between Cincinnati Bell and Oak Hill on July 21, 1999, was calculated based on an assumed average interest rate of 7.43% per

year. The Cincinnati Bell board of directors has also authorized the use of $200 million of the proceeds of such indebtedness to repurchase Cincinnati Bell common stock in connection with an open market share repurchase program. Since June 30, 1999, Cincinnati Bell has repurchased 2.98 million shares of its common stock in the open market. The repurchase of these shares of Cincinnati Bell common stock has not been reflected in the unaudited pro forma combined condensed financial statements.

(f) Reflects the elimination of IXC's stockholders' equity accounts including the elimination of IXC's existing unrealized gain on investments.

(g) Reflects the issuance of approximately 67.8 million shares of Cincinnati Bell common stock in connection with the merger pursuant to which each issued and outstanding share of IXC common stock will be converted into the right to receive 2.0976 shares of Cincinnati Bell common stock. As of July 20, 1999, 32.3 million shares of IXC common stock were outstanding.

(h) Represents the excess fair value of vested stock options granted and warrants issued by Cincinnati Bell in exchange for outstanding vested stock options originally granted and warrants originally issued, as applicable, by IXC.

(i) Reflects cash to be used to purchase approximately 5 million shares of IXC common stock from General Electric Pension Trust for a cash price of $50 per share pursuant to the terms of a stock purchase agreement between Cincinnati Bell and General Electric Pension Trust.

(j) Reflects the adjustment to amortization for the effect of goodwill. For purposes of the unaudited pro forma condensed combined financial statements, goodwill has been amortized over an estimated life of 40 years. While amounts allocated to goodwill are expected to be amortized over 40 years, other intangible assets may be amortized over shorter periods which will have the effect of reducing the amount of net income presented in these financial statements. We have not made a final determination of the amounts or lives attributable to the intangible assets other than goodwill. See Notes (a) and (c). This entry also reflects the elimination of net goodwill of IXC of $155 million and the related goodwill amortization of IXC recorded historically for the periods presented.

(k) Reflects the reclassification of the IXC 12 1/2% preferred stock, which will remain outstanding after the merger as 12 1/2% preferred stock of the surviving corporation in the merger, and which will be treated as a minority interest of the combined company. Accordingly, the dividends payable on the 12 1/2% preferred stock have also been reclassified as a minority interest, net in the pro forma combined condensed income statement.

(l) Represents the tax effect of the pro forma adjustments. The acquisition adjustments include nondeductible goodwill amortization. See Note (j). Pro forma net deferred tax assets are reduced by a valuation allowance of $123.9 million at June 30, 1999.

(m) Under the terms of the merger agreement, each issued and outstanding share of IXC 7 1/4% preferred stock and IXC 6 3/4% preferred stock will be converted into the right to receive one share of Cincinnati Bell 7 1/4% preferred stock and one share of Cincinnati Bell 6 3/4% preferred stock, respectively, on substantially identical terms. This adjustment reflects the accretion and dividend adjustment for the 7 1/4% preferred stock and the 6 3/4% preferred stock.

(n) Pro forma per share data is based on the number of shares of Cincinnati Bell common stock and common equivalent shares that would have been outstanding had the merger occurred on the earliest date presented.

(o) Reflects estimated merger-related fees and expenses of Cincinnati Bell and IXC. The impact of these fees and expenses have been reflected in the unaudited pro forma combined condensed unaudited balance sheet and statement of income as an increase in the merger consideration and has been allocated to the assets acquired and liabilities assumed, based upon their estimated fair values.

DESCRIPTION OF CINCINNATI BELL CAPITAL STOCK

The following summary of the capital stock of Cincinnati Bell is subject in all respects to applicable provisions of the Ohio General Corporation Law, the Cincinnati Bell amended articles of incorporation and amended regulations and the Cincinnati Bell rights agreement. See "Comparison of Rights of Cincinnati Bell Shareholders and IXC Stockholders" on page 83 and "Where You Can Find More Information" on page 94.

GENERAL

The total authorized shares of capital stock of Cincinnati Bell consist of (1) 480,000,000 shares of common stock, par value $.01 per share, (2) 4,000,000 shares of voting preferred stock without par value and (3) 1,000,000 shares of non-voting preferred stock without par value (together with the voting preferred stock, preferred stock). The Cincinnati Bell board of directors has designated 2,000,000 shares of its voting preferred stock as series A preferred stock. Before completion of the merger, the Cincinnati Bell board of directors will designate (1) 1,400,000 shares of voting preferred stock as Cincinnati Bell 7 1/4% preferred stock and (2) 155,250 shares of voting preferred stock as Cincinnati Bell 6 3/4% preferred stock. At the close of business on September 9, 1999, approximately 132,041,901 shares of Cincinnati Bell common stock were issued and outstanding, and no shares of Cincinnati Bell preferred stock were issued and outstanding.

COMMON STOCK

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

PREFERRED STOCK

The Cincinnati Bell board of directors is authorized to provide for the issuance from time to time of Cincinnati Bell preferred stock in series and, as to each series, to fix the designation, the dividend rate and the date or dates from which such dividends will be cumulative, the times when and the prices at which shares will be redeemable, the voluntary and involuntary liquidation prices, the sinking fund provisions, if any, applicable to such series, the conversion or exchange privileges, if any, of such series, the restrictions, if any, upon the payment of dividends or other distributions and upon the creation of indebtedness, if any, and any other rights, preferences and limitations. Cumulative dividends, dividend preferences and conversion, exchange and redemption provisions, to the extent that some or all of these features may be present when shares of Cincinnati Bell preferred stock are issued, could have an adverse effect on the availability of earnings for distribution to the holders of Cincinnati Bell common stock or for other corporate purposes.

In the merger, shares of IXC 7 1/4% preferred stock and IXC 6 3/4% preferred stock will be converted into the right to receive shares of Cincinnati Bell 7 1/4% preferred stock and Cincinnati Bell 6 3/4% preferred stock, respectively. The terms of the Cincinnati Bell 7 1/4% preferred stock and Cincinnati Bell 6 3/4% preferred stock will be substantially identical to the terms of the IXC 7 1/4% preferred stock and IXC 6 3/4% preferred stock, respectively, except that:

- the issuer will be an Ohio corporation, Cincinnati Bell, instead of a Delaware corporation, IXC

- Cincinnati Bell preferred stock will be convertible into Cincinnati Bell common stock instead of IXC common stock

- Cincinnati Bell preferred stock will be convertible into Cincinnati Bell common stock on a basis that gives effect to the exchange ratio in the merger

- each holder of a share of Cincinnati Bell 7 1/4% preferred stock and each holder of a whole share of Cincinnati Bell 6 3/4% preferred stock will be entitled to one vote per share on all matters submitted to the vote of holders of Cincinnati Bell common stock.

In the merger, shares of IXC 12 1/2% preferred stock will remain outstanding as 12 1/2% preferred stock of the surviving corporation in the merger.

The terms of the Cincinnati Bell 7 1/4% preferred stock and the Cincinnati Bell 6 3/4% preferred stock are summarized below under "Description of Cincinnati Bell Capital Stock--Cincinnati Bell 7 1/4% Preferred Stock" and "--Cincinnati Bell 6 3/4% Preferred Stock". For a comparison of the relevant provisions of Ohio law and Delaware law, see "Comparison of Rights of Cincinnati Bell Shareholders and IXC Stockholders" on page 83. For a complete description of the terms of the IXC 7 1/4% preferred stock, IXC 6 3/4% preferred stock and

IXC 12 1/2% preferred stock, see "Where You Can Find More Information" on page 94.

CINCINNATI BELL 7 1/4% PREFERRED STOCK

VOTING RIGHTS. Holders of Cincinnati Bell 7 1/4% preferred stock are entitled to cast one vote per share on all matters submitted to a vote of the shareholders, including the election of directors. Holders of Cincinnati Bell 7 1/4% preferred stock, holders of Cincinnati Bell 6 3/4% preferred stock and holders of Cincinnati Bell common stock will vote together as a single class, unless otherwise provided by law or the Cincinnati Bell amended articles of incorporation. The approval of at least two-thirds of the votes entitled to be cast by holders of Cincinnati Bell 7 1/4% preferred stock is required to amend the Cincinnati Bell amended articles of incorporation to affect adversely the specified rights, preferences, privileges or voting rights of holders of Cincinnati Bell 7 1/4% preferred stock.

DIVIDENDS. Dividends on the Cincinnati Bell 7 1/4% preferred stock accrue at a rate of 7 1/4% per annum per share on a liquidation preference of $100 per share, $7.25 per annum per share. If Cincinnati Bell is not permitted to pay cash dividends on Cincinnati Bell 7 1/4% preferred stock by the terms of any outstanding indebtedness or any other agreement or instrument to which Cincinnati Bell is subject, if permitted by Ohio law, Cincinnati Bell will be required to pay dividends, which shall accrue at the rate of 8 3/4% per annum, through the issuance of additional shares of Cincinnati Bell 7 1/4% preferred stock.

CONVERSION RIGHTS. Unless previously redeemed, Cincinnati Bell 7 1/4% preferred stock is convertible at the option of the holders at any time into shares of Cincinnati Bell common stock at a rate, subject to adjustment in certain events, of 8.94 shares of Cincinnati Bell common stock for each share of Cincinnati Bell 7 1/4% preferred stock.

REDEMPTION PROVISIONS. Cincinnati Bell is required to redeem all the remaining shares of Cincinnati Bell 7 1/4% preferred stock on March 31, 2007. Cincinnati Bell 7 1/4% preferred stock is not redeemable prior to April 3, 2000. On or after such date, Cincinnati Bell 7 1/4% preferred stock will be redeemable at the option of Cincinnati Bell, in whole or in part, at the redemption prices set forth in the Cincinnati Bell amended articles of incorporation plus accrued and unpaid dividends through the redemption date. However, prior to April 1, 2002, Cincinnati Bell 7 1/4% preferred stock will not be subject to redemption unless for any 20 trading days within the period of 30 consecutive trading days ending on the trading day immediately before the notice of redemption, the closing bid price for Cincinnati Bell common stock on the New York Stock Exchange equals or exceeds 150% of the then effective conversion price.

ADJUSTMENT FOR CONSOLIDATION, MERGER OR CHANGE IN CONTROL. In order to protect the interests of holders of Cincinnati Bell 7 1/4% preferred stock, the Cincinnati Bell amended articles of incorporation provide for adjustment of the conversion price and related terms in the case of certain consolidations,

mergers or changes in control.

LIQUIDATION RIGHTS. In the event of the liquidation, dissolution or winding up of the business of Cincinnati Bell, holders of Cincinnati Bell 7 1/4% preferred stock are entitled to receive the liquidation preference of $100 per share plus all accrued and unpaid dividends.

CINCINNATI BELL 6 3/4% PREFERRED STOCK

VOTING RIGHTS. Holders of Cincinnati Bell 6 3/4% preferred stock are entitled to cast one vote per whole share that they own on all matters submitted to a vote of the shareholders, including the election of directors. Holders of Cincinnati Bell 7 1/4% preferred stock, holders of Cincinnati Bell 6 3/4% preferred stock and holders of Cincinnati Bell common stock will vote together as a single class, unless otherwise provided by law or the Cincinnati Bell amended articles of incorporation. The approval of each holder of Cincinnati Bell 6 3/4% preferred stock is necessary to:

- alter the voting rights

- reduce the liquidation preference

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

- adversely alter certain redemption provisions.

In addition, the approval of at least two-thirds of the votes entitled to be cast by holders of Cincinnati Bell 6 3/4% preferred stock is required to amend the Cincinnati Bell amended articles of incorporation to affect adversely the specified rights, preferences, privileges or voting rights of holder of Cincinnati Bell 6 3/4% preferred stock.

DIVIDENDS. Dividends on Cincinnati Bell 6 3/4% preferred stock are payable quarterly and accrue at a rate of 6 3/4% per annum per share on a liquidation preference of $1,000 per share, $67.50 per annum per share. Dividends may, at the option of Cincinnati Bell, be paid in shares of Cincinnati Bell common stock if, and only if, the documents governing Cincinnati Bell's indebtedness that existed as of March 30, 1998, prohibit the payment of such dividends in cash. Cincinnati Bell is allowed to pay dividends only if permitted by Ohio law.

CONVERSION RIGHTS. Unless previously redeemed or repurchased, Cincinnati Bell 6 3/4% preferred stock is convertible at the option of the holders at any time into shares of Cincinnati Bell common stock at a rate, subject to adjustment in certain events, of 28.84 shares of Cincinnati Bell common stock for each share of Cincinnati Bell 6 3/4% preferred stock.

REDEMPTION PROVISIONS. Cincinnati Bell 6 3/4% preferred stock is redeemable after April 5, 2000, subject to certain conditions with respect to the closing

price of Cincinnati Bell common stock in the case of redemptions prior to April 1, 2002.

ADJUSTMENT FOR CONSOLIDATION, MERGER OR CHANGE IN CONTROL. In order to protect the interests of holders of Cincinnati Bell 6 3/4% preferred stock, the Cincinnati Bell amended articles of incorporation provide for adjustment of the conversion rate and related terms in the case of certain consolidations, mergers or changes in control.

LIQUIDATION RIGHTS. In the event of the liquidation, dissolution or winding up of the business of Cincinnati Bell, holders of Cincinnati Bell 6 3/4% preferred stock are entitled to receive the liquidation preference of $1,000 per share plus all accrued and unpaid dividends.

DEPOSITARY SHARES. Cincinnati Bell 6 3/4% preferred stock is issued as and represented by depositary shares. These depositary shares represent a one-twentieth of a share of Cincinnati Bell 6 3/4% preferred stock. A holder of depositary shares of Cincinnati Bell 6 3/4% preferred stock only has voting rights equal to the number of whole shares of Cincinnati Bell 6 3/4% preferred stock represented by such depositary shares of Cincinnati Bell 6 3/4% preferred stock.

CINCINNATI BELL SERIES A PREFERRED STOCK

Cincinnati Bell series A preferred stock is designated in connection with the Cincinnati Bell rights agreement. No shares of Cincinnati Bell series A preferred stock are outstanding. For a description of the rights to acquire Cincinnati Bell series A preferred stock that are attached to shares of Cincinnati Bell common stock, see "Comparison of Rights of Cincinnati Bell Shareholders and IXC Stockholders--Rights Plans--Cincinnati Bell".

COMPARISON OF RIGHTS OF CINCINNATI BELL SHAREHOLDERS AND IXC STOCKHOLDERS

The rights of Cincinnati Bell shareholders are currently governed by Ohio law and the Cincinnati Bell amended articles of incorporation and amended regulations. The rights of IXC stockholders are currently governed by the Delaware General Corporation Law and the IXC restated certificate of incorporation and by-laws. Upon completion of the merger, the rights of IXC stockholders who become shareholders of Cincinnati Bell in the merger will be governed by Ohio law and the Cincinnati Bell amended articles of incorporation and amended regulations.

The following description summarizes the material differences which may affect the rights of Cincinnati Bell shareholders and IXC stockholders but does not purport to be a complete statement of all such differences, or a complete description of the specific provisions referred to in this summary. The identification of specific differences is not intended to indicate that other

equally or more significant differences do not exist. Cincinnati Bell shareholders and IXC stockholders should read carefully the relevant provisions of Ohio law and Delaware law, the Cincinnati Bell amended articles of incorporation and amended regulations, and the IXC restated certificate of incorporation and by-laws.

CAPITALIZATION

CINCINNATI BELL. Cincinnati Bell's authorized capital stock is described above under "Description of Cincinnati Bell Capital Stock".

IXC. The total authorized shares of capital stock of IXC consist of (1) 300,000,000 shares of common stock, par value $.01 per share, (2) 3,000,000 shares of preferred stock, par value $.01 per share, and (3) 17,000,000 shares of class B preferred stock, par value $.01 per share. Of the 3,000,000 shares of preferred stock, (1) 1,400,000 shares have been designated as IXC 7 1/4% preferred stock, (2) 450,000 shares have been designated as IXC 12 1/2% preferred stock, (3) 55,000 shares have been designated as IXC series A junior participating preferred stock and (4) 155,250 shares have been designated as IXC 6 3/4% preferred stock.

At the close of business on September 9, 1999, (1) 37,412,215 shares of IXC common stock, (2) 1,074,496 shares of IXC 7 1/4% preferred stock, (3) 383,232 shares of IXC 12 1/2% preferred stock and (4) 155,250 shares of IXC 6 3/4% preferred stock were issued and outstanding. No other shares of preferred stock or class B preferred stock were issued and outstanding.

The IXC board of directors is authorized to issue preferred stock from time to time in series, to set forth the voting powers of each series, and to fix the designations, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions of each series of preferred stock. The IXC board of directors is authorized to issue class B preferred stock from time to time in series, to set forth the voting powers of each series, and to fix the number of shares constituting each series and the designations, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions of each series of class B preferred stock. The IXC board of directors, without stockholder approval, can issue IXC preferred stock and IXC class B preferred stock with voting, conversion or other rights that could dilute the voting power and other rights of the holders of IXC common stock. IXC preferred stock and IXC class B preferred stock could also be issued quickly with terms that could delay or prevent a change in control of IXC or make

removal of management more difficult. Additionally, issuing IXC preferred stock may cause the market price of IXC common stock to decrease.

VOTING RIGHTS

CINCINNATI BELL. Each holder of Cincinnati Bell common stock is entitled to one vote for each share held of record and may not cumulate votes for the election of directors.

IXC. Each holder of IXC common stock is entitled to one vote for each share held of record and may not cumulate votes for the election of directors.

NUMBER, ELECTION, VACANCY AND REMOVAL OF DIRECTORS

CINCINNATI BELL. The Cincinnati Bell board of directors has ten members. The Cincinnati Bell amended articles of incorporation provide that the Cincinnati Bell board of directors will consist of a number of directors to be fixed from time to time by the board of directors, but will in any event not be less than nine. The Cincinnati Bell amended regulations also state that the number of directors of Cincinnati Bell shall not be less than nine nor greater than seventeen. The Cincinnati Bell amended articles of incorporation provide that the Cincinnati Bell board of directors consists of three classes of directors with staggered terms. The term of each class of directors is approximately three years each.

Under the Cincinnati Bell amended regulations, if there is a vacancy on the Cincinnati Bell board of directors or if the number of directors is increased, these vacancies or newly created directorships will be filled by the affirmative vote of a majority of the remaining directors then in office, or by the affirmative vote of two-thirds of the outstanding voting power of Cincinnati Bell. No decrease in the number of directors will shorten the term of any incumbent director.

Under the Cincinnati Bell amended regulations, any director may be removed from office without assigning cause by the affirmative vote of the holders of at least two-thirds of the outstanding voting power of Cincinnati Bell, voting together as a single class.

IXC. The IXC board of directors has seven members. The IXC by-laws provide that the IXC board of directors will consist of a number of directors to be fixed from time to time pursuant to a resolution adopted by the board of directors but will, in any event, not be less than seven or greater than nine. Neither the IXC restated certificate of incorporation nor the IXC by-laws provide for a staggered board of directors.

Vacancies on the IXC board of directors and newly created directorships resulting from any increase in the authorized number of directors may be filled by the majority of the remaining directors in office, though less than a quorum. If, at the time of filling of any vacancy or newly created directorship, the directors then in office constitute less than a majority of the authorized number of directors, the Chancery Court for the State of Delaware may, upon application of any stockholder or stockholders holding at least 10% of the total voting power of IXC, order an election to be held to fill such vacancy or replace the directors selected by the directors then in office.

Under Delaware law and the IXC by-laws, any director or the entire IXC board of directors may be removed at any time, with or without cause, by the affirmative vote of the holders of at least a majority of the outstanding voting power of IXC.

AMENDMENTS TO THE AMENDED ARTICLES OF INCORPORATION AND RESTATED CERTIFICATE OF INCORPORATION

CINCINNATI BELL. Ohio law provides that the affirmative vote of two-thirds of the voting power of the corporation is necessary to adopt an amendment to the articles of incorporation. The board of directors of a corporation may only adopt amendments without shareholder approval in limited circumstances which include, among others, the following:

- to specify the terms and conditions of any series of preferred stock
- to reduce or increase the number of authorized shares under certain conditions

- to eliminate language from the articles following a merger or consolidation.

The Cincinnati Bell amended articles of incorporation do not contain any provisions regarding the amendment of the articles of incorporation and therefore may be amended as described above under Ohio law.

IXC. Under Delaware law, an amendment to the certificate of incorporation of a corporation requires the approval of the board of directors and the approval of holders of a majority of the outstanding stock entitled to vote upon the proposed amendment. Holders of the outstanding shares of a class are entitled to vote as a separate class on a proposed amendment that would:

- increase or decrease the aggregate number of authorized shares of such class (unless this class voting right has been eliminated in the certificate of incorporation in certain circumstances)
- increase or decrease the par value of the shares of such class or
- alter or change the powers, preferences or special rights of the shares of such class, so as to affect them adversely.

The IXC restated certificate of incorporation provides that the certificate of incorporation may be amended as prescribed by Delaware law.

AMENDMENTS TO THE AMENDED REGULATIONS AND BY-LAWS

CINCINNATI BELL. The Cincinnati Bell amended regulations may be altered, amended or repealed by the affirmative vote of the holders of two-thirds of the

outstanding voting power of Cincinnati Bell. However, if the change is recommended by the affirmative vote of two-thirds of the board of directors, then the amended regulations can be altered, amended or repealed by the affirmative vote of a majority of the outstanding voting power of Cincinnati Bell.

IXC. Under Delaware law, the stockholders have the power to adopt, amend or repeal the by-laws and the directors may also have such power if it is conferred upon them by the certificate of incorporation. The IXC restated certificate of incorporation and by-laws allow the directors and stockholders to amend or repeal the by-laws.

SHAREHOLDER/STOCKHOLDER ACTION

CINCINNATI BELL. Ohio law provides that any action which may be authorized or taken at a meeting of shareholders may be authorized or taken without a meeting with the affirmative vote in writing of all the shareholders who would be entitled to notice of such a meeting.

IXC. Delaware law and the IXC restated certificate of incorporation provide that any action which may be taken at an annual meeting or special meeting of stockholders may be taken without a meeting, if a consent in writing is signed by the holders of outstanding stock having the minimum number of votes necessary to authorize such action at a meeting of stockholders.

NOTICE OF CERTAIN SHAREHOLDER/STOCKHOLDER ACTION

CINCINNATI BELL. The Cincinnati Bell amended articles of incorporation and amended regulations do not place any limits on the submission of a shareholder proposal.

IXC. The IXC restated certificate of incorporation and by-laws do not place any limits on the submission of a stockholder proposal. The IXC by-laws do provide, however, that the only business that may be conducted at special meetings is the business stated in the notice of that special meeting. See "--Special Shareholder/Stockholder Meetings".

SPECIAL SHAREHOLDER/STOCKHOLDER MEETINGS

CINCINNATI BELL. The Cincinnati Bell amended regulations provide that a special meeting of the shareholders may be called by the chairman of the board, by the president, by resolution of the board

of directors or by resolution of the holders of not less than one-half of the outstanding voting power of Cincinnati Bell.

IXC. The IXC by-laws provide that a special meeting of the stockholders may be called by the president, or at the request of a majority of the board of

directors or at the written request of the holders of a majority of the outstanding capital stock of IXC.

DIRECTOR AND OFFICER LIABILITY AND INDEMNIFICATION

CINCINNATI BELL. With certain exceptions to the following limitation, Ohio law provides that a director is liable in damages for any action he or she takes or fails to take only if it is proved by clear and convincing evidence in a court of competent jurisdiction that such action or failure to act was taken with deliberate intent to cause injury to the corporation or undertaken with reckless disregard for the best interests of the corporation.

Under Ohio law, a corporation may indemnify any person who was or is a party or is threatened to be made a party to any proceeding, other than an action by or in the right of the corporation, because the person is or was a director or officer, against liability reasonably incurred by the director or officer in connection with the proceeding if either:

- the director or officer acted in good faith and in a manner the director or officer reasonably believed to be in or not opposed to the best interests of the corporation or

- with respect to any criminal action or proceeding, the director or officer had no reasonable cause to believe the director's or officer's conduct was unlawful.

Under Ohio law, a corporation may indemnify any person who was or is a party or is threatened to be made a party to any proceeding, by or in the right of the corporation to procure a judgment in its favor, because the person is or was a director or officer against liability reasonably incurred by the director or officer in connection with the proceeding if the director or officer acted in good faith and in a manner the director or officer reasonably believed to be in or not opposed to the best interests of the corporation, except that a corporation may not indemnify a director or officer if either:

- the director or officer has been adjudged to be liable for negligence or misconduct in the performance of the director's or officer's duty to the corporation unless and only to the extent that the court in which the proceeding was brought determines that, in view of all the circumstances of the case, the director or officer is fairly and reasonably entitled to indemnity for such expenses as the court deems proper or

- the only liability asserted against a director in a proceeding is for the director voting for or assenting to the following:

  - the payment of a dividend or distribution, the making of a distribution of assets to shareholders, or the purchase or redemption of the corporation's own shares in violation of Ohio law or the corporation's articles of incorporation

- a distribution of assets to shareholders during the winding up of the affairs of the corporation, or dissolution or otherwise, without the payment of all known obligations of the corporation or without making adequate provision for their payment or

- the making of a loan, other than in the usual course of business, to an officer, director or shareholder of the corporation other than in the case of at the time of the making of the loan, a majority of the disinterested directors of the corporation voted for the loan and, taking into account the terms and provisions of the loan and other relevant factors, determined that the making of the loan could reasonably be expected to benefit the corporation.

Under Ohio law, to the extent that a director or officer has been successful on the merits or otherwise in defense of the proceeding, the director or officer must be indemnified against expenses actually and reasonably incurred by him or her in connection with that proceeding.

Ohio law provides that any indemnification for a director or officer, unless ordered by a court, is subject to a determination that the director or officer has met the applicable standard of conduct. The determination will be made by either:

- a majority vote of a quorum of the directors who are not parties to such proceeding

- if there is not a quorum of such directors, or if a majority vote of such directors so directs, independent legal counsel in a written opinion

- by the shareholders or

- by the court of common pleas or by the court in which the proceeding was brought.

Ohio law provides that the corporation must pay expenses as they are incurred by the director or officer in defending the proceeding if the director or officer undertakes to:

- repay the amount if it is determined that the director's or officer's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the corporation or undertaken with reckless disregard for the best interests of the corporation and

- reasonably cooperate with the corporation concerning the proceeding.

Under Ohio law, a corporation may advance expenses before the final disposition of a proceeding if the director or officer undertakes to repay the amount if it is ultimately determined that the director or officer is not

entitled to indemnification.

Ohio law gives a corporation the power to purchase and maintain insurance on behalf of any director or officer against any liability asserted against, and incurred in his or her capacity as a director or officer, whether or not the corporation would have the power to indemnify the director or officer against this liability under Ohio law.

The Cincinnati Bell amended regulations provide that Cincinnati Bell will indemnify directors and officers to the fullest extent permitted by law.

IXC. The IXC restated certificate of incorporation provides that no director will be personally liable to IXC or its stockholders for monetary damages for breach of fiduciary duty as a director, except, if required by law, for liability:

- for any breach of a director's duty of loyalty to the corporation or its stockholders

- for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law

- for violation of Section 174 of the Delaware General Corporation Law regarding unlawful payment of dividends or unlawful stock purchases or redemptions or

- for any transaction from which the director derived an improper personal benefit.

Under Delaware law, a corporation may indemnify any person who was or is a party or is threatened to be made a party to any proceeding, other than an action by or on behalf of the corporation, because the person is or was a director or officer against liability incurred in connection with the proceeding if either:

- the director or officer acted in good faith and in a manner the director or officer reasonably believed to be in or not opposed to the best interests of the corporation or

- with respect to any criminal action or proceeding, the director or officer had no reasonable cause to believe the director's or officer's conduct was unlawful.

Under Delaware law, a corporation may not indemnify a director or officer in connection with any proceeding brought by or on behalf of the corporation in which the director or officer has been adjudged to be liable to the corporation unless and only to the extent that the director or officer satisfies the conduct standard set forth above and the court in which the proceeding was brought

determines that, in view of all the circumstances of the case, the director or officer is fairly and reasonably entitled to indemnity for such expenses which the court deems proper.

Delaware law provides that any indemnification for a director or officer, unless ordered by a court, is subject to a determination that the director or officer has met the applicable standard of conduct. The determination will be made by either:

- a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or by a committee of such directors designated by majority vote of such directors, even though less than a quorum

- if there are no such directors, or if such directors so direct, independent legal counsel in a written opinion or

- the stockholders.

Under Delaware law, a corporation may advance expenses before the final disposition of a proceeding if the director or officer undertakes to repay the amount if it is ultimately determined that the director or officer is not entitled to indemnification. Expenses incurred by former directors or officers may be paid upon such terms and conditions, if any, as the corporation deems appropriate.

Under Delaware law, to the extent that a present or former director or officer of a corporation has been successful on the merits or otherwise in defense of the proceeding, that person must be indemnified against expenses actually and reasonably incurred in connection with any claim.

Delaware law gives a corporation the power to purchase and maintain insurance on behalf of any director or officer against any liability asserted against, and incurred in his or her capacity as a director or officer whether or not the corporation would have the power to indemnify the director or officer against this liability under Delaware law.

The IXC by-laws provide that IXC will indemnify every director or officer of IXC to the fullest extent allowed by law.

DIVIDENDS

CINCINNATI BELL. Ohio law provides that a corporation may pay cash dividends only out of surplus and must notify its shareholders if a dividend is paid out of capital surplus. The right of the Cincinnati Bell board of directors to declare dividends is also subject to the rights of holders of Cincinnati Bell preferred stock.

IXC. Delaware law provides that a corporation may pay dividends out of its surplus or if there is no surplus out of its net profits for the fiscal year in

which the dividend is declared and/or for the preceding fiscal year. Delaware law also provides that dividends may not be paid out of the net profits if, after the payment of the dividend, the corporation's capital would be less than the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets.

CONVERSION

CINCINNATI BELL. Holders of Cincinnati Bell common stock do not have the right to convert their shares into any other securities.

IXC. Holders of IXC common stock do not have the right to convert their shares into any other securities.

RIGHTS PLANS

The following descriptions of the rights agreements of Cincinnati Bell and IXC do not purport to be complete and are qualified in their entirety by reference to the terms and conditions of the rights agreements. See "Where You Can Find More Information" on page 94.

CINCINNATI BELL. Under the Cincinnati Bell rights agreement, rights attach to each share of Cincinnati Bell common stock outstanding and, when exercisable, entitle the registered holder to purchase from Cincinnati Bell one one-hundredth of a share of Cincinnati Bell series A preferred stock without par value at a purchase price of $125 per one one-hundredth of a share, subject to adjustment.

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

- 10 business days following a public announcement that a person or group has acquired beneficial ownership of 15% or more of the outstanding shares of Cincinnati Bell common stock

- 10 business days following the commencement of, or announcement of an intention to make, a tender offer or exchange offer the consummation of which would result in a person or group acquiring beneficial ownership of 15% or more of the outstanding shares of Cincinnati Bell common stock.

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

In the event that a person or group acquires beneficial ownership of 15% or more of the outstanding shares of Cincinnati Bell common stock, each holder of a right, other than rights beneficially owned by such person or group, which become void, will have the right to receive upon exercise that number of shares of Cincinnati Bell common stock having a market value of two times the purchase price provided for in the right. In the event that Cincinnati Bell is acquired

in a merger or other business combination transaction or 50% or more of its consolidated assets or earning power is sold after a person or group acquires beneficial ownership of 15% or more of the outstanding shares of Cincinnati Bell common stock, each holder of a right will thereafter have the right to receive upon exercise that number of shares of common stock of the acquiring company which at the time of such transaction will have a market value of two times the purchase price provided for in the right.

At any time after a person or group acquires beneficial ownership of 15% or more of the outstanding shares of Cincinnati Bell common stock and prior to the acquisition by such person or group of 50% or more of the then outstanding shares of Cincinnati Bell common stock, the Cincinnati Bell board of directors may exchange the rights (other than rights owned by such person or group which have become void), in whole or in part, for Cincinnati Bell common stock or Cincinnati Bell series A preferred stock.

At any time prior to a person or group acquiring beneficial ownership of 15% or more of the outstanding shares of Cincinnati Bell common stock, the Cincinnati Bell board of directors may redeem the rights in whole, but not in part, at a redemption price of $.01 per right, subject to adjustment, or amend the terms of the rights, in each case without the consent of the holders of the rights, at such time, on such basis and with such conditions as the Cincinnati Bell board of directors may establish. However, no amendment may decrease the redemption price of the rights.

Cincinnati Bell series A preferred stock purchasable upon exercise of the rights is not redeemable. Cincinnati Bell series A preferred stock has dividend, voting and liquidation rights that are intended to result in the value of a one one-hundredth interest in a share of Cincinnati Bell series A preferred stock purchasable upon exercise of each right approximating the value of one share of Cincinnati Bell common stock.

The rights may have antitakeover effects. The rights will cause substantial dilution to a person or group of persons that attempts to acquire Cincinnati Bell by a share acquisition on terms not approved by the Cincinnati Bell board of directors. The rights should not interfere with any merger or other business combination approved by the Cincinnati Bell board of directors prior to the time that a person or group has acquired 15% or more of the outstanding shares of Cincinnati Bell common stock since the rights may be redeemed or amended by Cincinnati Bell until such time.

IXC. Under the IXC rights agreement, rights attach to each share of IXC common stock outstanding and, when exercisable, entitle the registered holder to purchase from IXC one one-thousandth of a share of IXC series A junior participating preferred stock, par value $.01 per share, at a purchase price of $210 per one one-thousandth of a share, subject to adjustment.

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

- 10 days following a public announcement that a person or group has acquired beneficial ownership of 20% or more of the outstanding shares of IXC common stock or

- 10 business days, or such later date as may be determined by the IXC board of directors, following the commencement of, or announcement of an intention to make, a tender offer or exchange offer the consummation of which would result in a person or group acquiring beneficial ownership of 20% or more of the outstanding shares of IXC common stock.

The rights will expire on September 20, 2008, unless such date is extended or unless the rights are earlier redeemed or exchanged by IXC, in each case as summarized below.

In the event that a person or group acquires beneficial ownership of 20% or more of the outstanding shares of IXC common stock, each holder of a right, other than rights beneficially owned by such person or group, which become void, will have the right to receive upon exercise that number of shares of IXC common stock having a market value of two times the purchase price provided for in the right. In the event that IXC is acquired in a merger or other business combination transaction or 50% or more of its consolidated assets or earning power is sold after a person or group acquires beneficial ownership of 20% or more of the outstanding shares of IXC common stock, each holder of a right will thereafter have the right to receive upon exercise that number of shares of common stock of the acquiring company which at the time of such transaction will have a market value of two times the purchase price provided for in the right.

At any time after a person or group acquires beneficial ownership of 20% or more of the outstanding shares of IXC common stock and prior to the acquisition by such person or group of 50% or more of the then outstanding shares of IXC common stock, the IXC board of directors may exchange the rights (other than rights owned by such person or group which have become void), in whole or in part, for IXC common stock or IXC series A junior participating preferred stock.

At any time prior to a person or group acquiring beneficial ownership of 20% or more of the outstanding shares of IXC common stock, the IXC board of directors may redeem the rights in whole, but not in part, at a redemption price of $.01 per right, subject to adjustment, or amend the terms of the rights, in each case without the consent of the holders of the rights, at such time, on such basis and with such conditions as the IXC board of directors may establish. However, no amendment may change the redemption price of the rights.

IXC series A junior participating preferred stock purchasable upon exercise of the rights is not redeemable. IXC series A junior participating preferred stock has dividend, voting and liquidation rights that are intended to result in the value of a one one-thousandth interest in a share of IXC series A junior participating preferred stock purchasable upon exercise of each right approximating the value of one share of IXC common stock.

The rights may have antitakeover effects. The rights will cause substantial dilution to a person or group of persons that attempts to acquire IXC by a stock acquisition on terms not approved by the IXC board of directors. The rights should not interfere with any merger or other business combination approved by the IXC board of directors prior to the time that a person or group has acquired 20% or more of the outstanding shares of IXC common stock since the rights may be redeemed or amended by IXC until such time.

ANTITAKEOVER PROVISIONS

CINCINNATI BELL. The Cincinnati Bell amended articles of incorporation regulate transactions between Cincinnati Bell and an interested shareholder. Under the Cincinnati Bell amended articles of incorporation, an "interested shareholder" is defined as a shareholder who is the beneficial owner of 10% or more of the voting power of Cincinnati Bell. If any person is an interested shareholder under the Cincinnati Bell amended articles of incorporation, the affirmative vote of 80% of the outstanding voting power of Cincinnati Bell is required for any of the following:

- any merger or consolidation of Cincinnati Bell or any of its subsidiaries with an interested shareholder

- any sale, lease, exchange, mortgage, pledge, transfer or disposition to or with an interested shareholder of any assets of Cincinnati Bell or any of its subsidiaries having an aggregate fair market value of $5,000,000 or more

- any sale or other transfer by Cincinnati Bell or any of its subsidiaries of any securities of Cincinnati Bell or any of its subsidiaries to an interested shareholder for consideration of $5,000,000 or more in fair market value

- the adoption of any plan or proposal for the liquidation or dissolution of Cincinnati Bell proposed by or on behalf of an interested shareholder

- any reclassification of securities or recapitalization of Cincinnati Bell, or merger or consolidation or other transaction which has the effect, directly or indirectly, of increasing the proportionate share of outstanding shares of any class of equity or convertible securities of a corporation owned by an interested shareholder.

The supermajority voting requirement does not apply if a majority of the directors not associated with such an interested shareholder approves the transaction or certain other requirements regarding consideration paid are met.

Ohio law contains several anti-takeover provisions which apply to corporations like Cincinnati Bell. Cincinnati Bell is subject to these provisions because there are no opt-out provisions in the Cincinnati Bell

amended articles of incorporation or amended regulations with respect to these provisions.

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

of shares of the corporation prior to the date that the shareholder becomes an interested shareholder, approval by disinterested shareholders of the corporation or the transaction meeting certain statutorily defined fair price provisions.

CONTROL SHARE ACQUISITIONS. Under Section 1701.831 of the Ohio General Corporation Law, unless the articles of incorporation provide otherwise, any control share acquisition of a corporation can only be made with the prior approval of the corporation's shareholders. A "control share acquisition" is defined as any acquisition of shares of a corporation that, when added to all other shares of that corporation owned by the acquiring person, would enable that person to exercise levels of voting power in any of the following ranges: at least 20% but less than 33 1/3%; at least 33 1/3% but less than 50%; or 50% or more.

IXC. IXC is subject to the provisions of Delaware law described below regarding business combinations with interested stockholders because there is no opt-out provision in its restated certificate of incorporation with respect to these provisions.

Section 203 of the Delaware General Corporation Law applies to a broad range of business combinations between a Delaware corporation and an interested stockholder. The Delaware law definition of "business combination" includes mergers, consolidations, sales of assets, issuance of voting stock and certain other transactions. An "interested stockholder" is defined as any person who directly or indirectly beneficially owns or has certain rights, agreements, arrangements or understandings with respect to 15% or more of the outstanding voting stock of a corporation and the affiliates or associates of such person.

Section 203 prohibits a corporation from engaging in a business combination with an interested stockholder for a period of three years following the date on which the stockholder became an interested stockholder, unless:

- before the stockholder became an interested stockholder, the board of directors approved the business combination or the board of directors approved the transaction that resulted in the stockholder becoming an interested stockholder

- upon completion of the transaction which resulted in the stockholder becoming an interested stockholder, such stockholder owned at least 85% of the voting stock outstanding when the transaction began other than shares held by directors who are also officers and by certain employee stock plans

- prior to a stockholder becoming an interested stockholder, a corporation opted out of Section 203 in its certificate of incorporation

- the board of directors approved the business combination after the stockholder became an interested stockholder and the business combination was approved at a meeting by at least two-thirds of the outstanding voting stock not owned by such stockholder.

These limitations on business combinations with interested stockholders do not apply to a corporation that does not have a class of voting stock listed on a national securities exchange or held by at least 2,000 holders of record.

LEGAL MATTERS

The legality of Cincinnati Bell common stock offered by this proxy statement/prospectus will be passed upon for Cincinnati Bell by Thomas E. Taylor, Esq., General Counsel and Secretary of Cincinnati Bell. As of September 9, 1999, Mr. Taylor owned approximately 62,000 shares of Cincinnati Bell common stock (a substantial majority of which are subject to vesting restrictions) and options to purchase 108,750 shares of Cincinnati Bell common stock.

Certain United States federal income tax consequences of the merger will be passed upon for IXC by Riordan & McKinzie, Costa Mesa, California. Riordan & McKinzie acts as counsel for IXC and its subsidiaries. Carl W. McKinzie, Esq. and other attorneys of Riordan & McKinzie beneficially own shares of IXC common stock. Another attorney of Riordan & McKinzie holds an option to acquire shares of IXC common stock.

EXPERTS

The consolidated balance sheets of Cincinnati Bell as of December 31, 1998, and December 31, 1997, and the consolidated statements of income and

comprehensive income (loss), common shareowners' equity and cash flows for each of the three fiscal years in the period ended December 31, 1998, incorporated in this proxy statement/prospectus by reference to Cincinnati Bell's Annual Report on Form 10-K for the fiscal year ended December 31, 1998, have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in accounting and auditing.

Ernst & Young LLP, independent auditors, have audited the IXC consolidated balance sheets as of December 31, 1998 and 1997, and the consolidated statements of operations, stockholders' equity (deficit) and cash flows for each of the three years in the period ended December 31, 1998, as set forth in their report, which is incorporated in this proxy statement/prospectus by reference to IXC's Annual Report on Form 10-K for the fiscal year ended December 31, 1998, and, to the extent set forth below, is based on the reports of other independent auditors. The IXC financial statements are incorporated by reference in reliance on Ernst & Young's report, given on their authority as experts in accounting and auditing.

The consolidated financial statements of Network Long Distance, Inc. as of March 31, 1998, and for each of the two fiscal years in the period ended March 31, 1998 and 1997, have been audited by Arthur Andersen LLP, independent public accountants. In their report, such firm states that with respect to certain acquired entities, its opinion is based on the reports of other independent accountants. The report has been incorporated by reference herein in reliance upon the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of Grupo Marca Tel S.A. de C.V., as of December 31, 1998 and 1997, and for each of the two fiscal years in the period ended December 31, 1998 and 1997, have been audited by Arthur Andersen LLP, independent public accountants. Their report has been incorporated by reference in this registration statement in reliance upon the authority of such firm as experts in accounting and auditing. Reference is made to their report, which includes an explanatory paragraph with respect to the uncertainty regarding Marca Tel's ability to continue as a going concern.

The consolidated financial statements of National Teleservices, Inc., as of and for the year ended March 31, 1997 incorporated in this joint proxy statement/prospectus by reference to IXC's Annual Report on Form 10-K for the fiscal year ended December 31, 1998, have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report, which is incorporated herein by reference, and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

STOCKHOLDER PROPOSALS

CINCINNATI BELL

Shareholder proposals intended to be presented at the 2000 annual meeting of Cincinnati Bell shareholders pursuant to Rule 14a-8 under the Exchange Act must be received by the Secretary of Cincinnati Bell no later than November 25, 1999, in order to be included in the proxy materials sent by Cincinnati Bell management for the annual meeting. Shareholder proposals intended to be presented at the 2000 annual meeting of Cincinnati Bell shareholders that are not intended to be included in management's proxy materials under rule 14a-8 must be received by the Secretary of Cincinnati Bell no later than November 25, 1999, in order to be considered at the 2000 annual meeting.

IXC

If the merger is completed, IXC will not hold an annual meeting of its stockholders in 2000. If the merger is not completed, IXC will hold the 2000 annual meeting of its stockholders. If such a meeting is held, stockholder proposals submitted for inclusion in the proxy statement for the 2000 annual meeting must comply with the requirements of the Securities and Exchange Commission. A stockholder proposal generally will be voted on only if the stockholder or the stockholder's representative attends the 2000 annual meeting and presents the proposal. Any IXC stockholder who intends to submit a proposal for inclusion in the proxy materials for the 2000 annual meeting is required to have submitted his or her proposal to IXC's executive offices no later than December 10, 1999.

OTHER MATTERS

As of the date of this proxy statement/prospectus, neither the Cincinnati Bell board of directors nor the IXC board of directors knows of any matter that will be presented for consideration at the Cincinnati Bell special meeting or the IXC special meeting other than as described in this proxy statement/prospectus.

WHERE YOU CAN FIND MORE INFORMATION

Cincinnati Bell and IXC file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission. You may read and copy any reports, statements or other information that Cincinnati Bell and IXC file with the Securities and Exchange Commission at the Securities and Exchange Commission's public reference rooms at the following locations:

Public Reference Room	New York Regional Office	Chicago Regional Office
450 Fifth Street, N.W.	7 World Trade Center	Citicorp Center
Room 1024	Suite 1300	500 West Madison Street
Washington, D.C. 20549	New York, NY 10048	Suite 1400
		Chicago, IL 60661-2511

Please call the Securities and Exchange Commission at 1-800-SEC-0330 for

further information on the public reference rooms. These Securities and Exchange Commission filings are also available to the public from commercial document retrieval services and at the Internet worldwide web site maintained by the Securities and Exchange Commission at "http://www.sec.gov". Reports, proxy statements and other information concerning Cincinnati Bell may also be inspected at the offices of the New York Stock Exchange, which is located at 20 Broad Street, New York, New York 10005. Reports, proxy statements and other information pertaining to IXC may also be inspected at the offices of The Nasdaq Stock Market, which is located at 1735 K. Street, N.W., Washington, D.C. 20006.

Cincinnati Bell filed a registration statement on Form S-4 on September 13, 1999, to register with the Securities and Exchange Commission the Cincinnati Bell common stock to be issued to IXC

stockholders in the merger. This proxy statement/prospectus is a part of that registration statement and constitutes a prospectus of Cincinnati Bell in addition to being a proxy statement of Cincinnati Bell and IXC. As allowed by Securities and Exchange Commission rules, this proxy statement/prospectus does not contain all the information you can find in Cincinnati Bell's registration statement or the exhibits to the registration statement.

The Securities and Exchange Commission allows Cincinnati Bell and IXC to "incorporate by reference" information into this proxy statement/prospectus, which means that the companies can disclose important information to you by referring you to other documents filed separately with the Securities and Exchange Commission. The information incorporated by reference is considered part of this proxy statement/prospectus, except for any information superseded by information contained directly in this proxy statement/prospectus or in later filed documents incorporated by reference in this proxy statement/prospectus.

This proxy statement/prospectus incorporates by reference the documents set forth below that Cincinnati Bell and IXC have previously filed with the Securities and Exchange Commission. These documents contain important business and financial information about Cincinnati Bell and IXC that is not included in or delivered with this proxy statement/prospectus.

CINCINNATI BELL FILINGS (FILE NO. 1-8519)	PERIOD

Annual Report on Form 10-K Fiscal Year ended December 31, 1998 Quarterly Reports on Form 10-Q Quarters ended March 31, 1999 and June 30, 1999 Current Reports on Form 8-K Filed January 15, 1999, February 8, 1999, April 20, 1999, July 21, 1999 and July 23, 1999 Proxy Statement Filed March 24, 1999 The description of Cincinnati Bell common stock set Filed under the Securities Act on October 8, 1996 forth in the Cincinnati Bell Registration Statement on Form S-3 The description of the

Cincinnati Bell rights to acquire Filed under Section 12 of the Exchange Act on May 1, preferred stock set forth in the Cincinnati Bell 1997 Registration Statement on Form 8-A IXC FILINGS (FILE NO. 0-20803) PERIOD - ---											
-- Annual Report on Form 10-K Fiscal Year ended December 31, 1998, as amended by Amendment No. 1 thereto filed on Form 10-K/A on August 24, 1999 Quarterly Reports on Form 10-Q Quarters ended March 31, 1999 and											

	June 30, 1999 Current Reports on Form 8-K Filed January 20, 1999, February 4, 1999, April 14, 1999, May 17, 1999, June 2, 1999, June 29, 1999, July 21, 1999, July 27, 1999, August 4, 1999 and August 9, 1999 Proxy Statement Filed April 30, 1999 The description of IXC common stock set forth in the IXC Filed under Section 12 of the Exchange Act on June 4, Registration Statement on Forms 8-A and 8-A/A 1996 and June 26, 1996 and June 28, 1996, respectively
The description of the IXC rights to acquire junior	Filed under Section 12 of the Exchange Act on September

preferred stock set forth in the IXC Registration Statement on Form 8-A 11, 1998

Cincinnati Bell and IXC also incorporate by reference additional documents that may be filed with the Securities and Exchange Commission under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act between the date of this proxy statement/prospectus and the date of the Cincinnati Bell special meeting and the date of the IXC special meeting, as applicable. These include periodic reports, such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as proxy statements.

Cincinnati Bell has supplied all information contained or incorporated by reference in this proxy statement/prospectus relating to Cincinnati Bell, and IXC has supplied all such information relating to IXC.

IXC stockholders should not send in their IXC stock certificates until they receive the transmittal materials from the exchange agent. IXC stockholders of record who have further questions about their stock certificates or the exchange of their IXC common stock for Cincinnati Bell common stock should call the exchange agent.

If you are a Cincinnati Bell shareholder or an IXC stockholder, we may have sent you some of the documents incorporated by reference, but you can also obtain any of them through the companies, the Securities and Exchange Commission or the Securities and Exchange Commission's Internet web site as described above. Documents incorporated by reference are available from the companies without charge, excluding all exhibits, except that if the companies have specifically incorporated by reference an exhibit in this proxy statement/prospectus, the exhibit will also be provided without charge. You may obtain documents incorporated by reference in this proxy statement/prospectus by requesting them in writing or by telephone from the appropriate company at the following addresses:

IXC Communications, Inc.
1122 Capital of Texas Highway South
Austin, Texas 78746-6426
Telephone: (512) 328-1112
Attention: Investor Relations Coordinator

Cincinnati Bell Inc.
201 East Fourth Street, 102-760
P.O. Box 2301
Cincinnati, Ohio 45201-2301
Telephone: (800) 345-6301
Attention: Director of Investor Relations

You should rely only on the information contained or incorporated by reference in this proxy statement/prospectus. We have not authorized anyone to provide you with information that is different from what is contained in this proxy statement/prospectus. This proxy statement/prospectus is dated September 13, 1999. You should not assume that the information contained in this proxy statement/ prospectus is accurate as of any date other than that date. Neither the mailing of this proxy statement/ prospectus to Cincinnati Bell and IXC

stockholders nor the issuance of Cincinnati Bell common stock in the merger creates any implication to the contrary.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, business strategies, operating efficiencies or synergies, competitive positions, growth opportunities for existing products, plans and objectives of management, markets for stock of Cincinnati Bell and IXC and other matters. Statements in this proxy statement/prospectus that are not historical facts are hereby identified as "forward-looking statements" for the purpose of the safe harbor provided by Section 21E of the Exchange Act and Section 27A of the Securities Act. Such forward-

looking statements, including, without limitation, those relating to the future business prospects, revenues and income, in each case relating to Cincinnati Bell and IXC, wherever they occur in this proxy statement/prospectus, are necessarily estimates reflecting the best judgment of the senior management of Cincinnati Bell and IXC and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Such forward-looking statements should, therefore, be considered in light of various important factors, including those set forth in this proxy statement/prospectus. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include without limitation:

- the ability to integrate the operations of Cincinnati Bell and IXC, including their respective products and services

- the effects of vigorous competition in the markets in which Cincinnati Bell and IXC operate.

Words such as "estimate," "project," "plan," "intend," "expect," "believe" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are found at various places throughout this proxy statement/prospectus and the other documents incorporated herein by reference, including, but not limited to, the Annual Report on Form 10-K for the year ended December 31, 1998 of each of Cincinnati Bell and IXC, including any amendments. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this proxy statement/prospectus. Neither Cincinnati Bell nor IXC undertakes any obligation to publicly update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this proxy statement/prospectus or to reflect the occurrence of unanticipated events.

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AGREEMENT AND PLAN OF MERGER
DATED AS OF JULY 20, 1999
BY AND AMONG
CINCINNATI BELL INC.,
IVORY MERGER INC.
AND
IXC COMMUNICATIONS, INC.

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ARTICLE I

THE MERGER

AGREEMENT AND PLAN OF MERGER (this "Agreement") dated as of July 20, 1999, among CINCINNATI BELL INC., an Ohio corporation ("CBI"), IVORY MERGER INC., a Delaware corporation and a wholly owned subsidiary of CBI ("Sub"), and IXC COMMUNICATIONS, INC., a Delaware corporation ("IXC").

WHEREAS the respective Boards of Directors of CBI, Sub and IXC have approved

and declared advisable this Agreement and the merger of Sub with and into IXC (the "Merger"), upon the terms and subject to the conditions set forth in this Agreement, whereby (a) each issued and outstanding share of common stock, par value $.01 per share, of IXC (the "IXC Common Stock"), other than any such shares directly owned by CBI, Sub or IXC, will be converted into the right to receive the Common Stock Merger Consideration; (b) each issued and outstanding share of 7 1/4% Junior Convertible Preferred Stock Due 2007, par value $.01 per share, of IXC (the "IXC 7 1/4% Preferred Stock"), other than any such shares directly owned by CBI, Sub or IXC, will be converted into the right to receive the 7 1/4% Preferred Stock Merger Consideration; and (c) each issued and outstanding share of 6 3/4% Cumulative Convertible Preferred Stock, par value $.01 per share, of IXC (the "IXC 6 3/4% Preferred Stock"), other than any such shares directly owned by CBI, Sub or IXC, will be converted into the right to receive the 6 3/4% Preferred Stock Merger Consideration;

WHEREAS the respective Boards of Directors of CBI, Sub and IXC have each determined that the Merger and the other transactions contemplated hereby are consistent with, and in furtherance of, their respective business strategies and goals;

WHEREAS simultaneously with the execution and delivery of this Agreement and as a condition and inducement to the willingness of CBI and Sub to enter into this Agreement, CBI and certain principal stockholders of IXC (the "Principal Stockholders") are entering into certain stockholder and stock purchase agreements (collectively, the "Stockholders Agreements") pursuant to which the Principal Stockholders will agree to vote to adopt the Merger Agreement and to take certain other actions in furtherance of the Merger upon the terms and subject to the conditions set forth in the Stockholders Agreements;

WHEREAS immediately following the execution and delivery of this Agreement, CBI and IXC will enter into (a) a stock option agreement (the "IXC Stock Option Agreement") pursuant to which IXC will grant CBI an option to purchase shares of IXC Common Stock, upon the terms and subject to the conditions set forth therein and (b) a stock option agreement (the "CBI Stock Option Agreement" and, together with the IXC Stock Option Agreement, the "Option Agreements") pursuant to which CBI will grant IXC an option to purchase shares of CBI Common Stock, upon the terms and subject to the conditions set forth therein;

WHEREAS concurrently with the execution and delivery of this Agreement, CBI, Oakhill Capital Partners, L.P. ("Oakhill") and OHCP Ocean I, LLC (together with Oakhill, the "Investors") will enter into an agreement (the "Investment Agreement") relating to the Investors' investment in CBI;

WHEREAS for U.S. Federal income tax purposes, it is intended that (a) the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and the rules and regulations promulgated thereunder, (b) this Agreement constitutes a plan of reorganization and (c) CBI, Sub and IXC will each be a party to such reorganization within the meaning of Section 368(b) of the Code; and

WHEREAS CBI, Sub and IXC desire to make certain representations, warranties, covenants and agreements in connection with the Merger and also to prescribe various conditions to the Merger.

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained in this Agreement, the parties hereto agree as follows:

ARTICLE I
THE MERGER

SECTION 1.01. THE MERGER. Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the Delaware General Corporation Law (the "DGCL"), Sub shall be merged with and into IXC at the Effective Time. Following the Effective Time, IXC shall be the surviving corporation (the "Surviving Corporation") and shall succeed to and assume all the rights and obligations of Sub in accordance with the DGCL.

SECTION 1.02. CLOSING. The closing of the Merger (the "Closing") will take place at 10:00 a.m. on a date to be specified by the parties (the "Closing Date"), which shall be no later than the second Business Day after satisfaction or waiver of the conditions set forth in Article VI (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of those conditions), at the offices of Cravath, Swaine & Moore, Worldwide Plaza, 825 Eighth Avenue, New York, New York 10019, unless another time, date or place is agreed to by the parties hereto.

SECTION 1.03. EFFECTIVE TIME. Subject to the provisions of this Agreement, as soon as practicable on or after the Closing Date, the parties shall file a certificate of merger or other appropriate documents (in any such case, the "Certificate of Merger") executed in accordance with the relevant provisions of the DGCL and shall make all other filings or recordings required under the DGCL. The Merger shall become effective at such time as the Certificate of Merger is duly filed with the Delaware Secretary of State, or at such other time as CBI and IXC shall agree and specify in the Certificate of Merger (the time the Merger becomes effective being hereinafter referred to as the "Effective Time").

SECTION 1.04. EFFECTS OF THE MERGER. The Merger shall have the effects set forth in Section 259 of the DGCL.

SECTION 1.05. CERTIFICATE OF INCORPORATION AND BY-LAWS. (a) The Restated Certificate of Incorporation of IXC, as in effect immediately prior to the Effective Time, shall be amended as of the Effective Time so that the first sentence of Article IV of such Restated Certificate of Incorporation reads in its entirety as follows: "The total number of shares of stock which the Corporation shall have authority to issue is 6,000,000 consisting of (i) three million (3,000,000) shares of common stock, par value $.01 per share and (ii) three million (3,000,000) shares of preferred stock, par value $.01 per share."

and, as so amended, such Restated Certificate of Incorporation shall be the Certificate of Incorporation of the Surviving Corporation until thereafter changed or amended as provided therein or by applicable law.

(b) The By-laws of Sub, as in effect immediately prior to the Effective Time, shall be the By-laws of the Surviving Corporation until thereafter changed or amended as provided therein or by applicable law.

SECTION 1.06. BOARD OF DIRECTORS OF THE SURVIVING CORPORATION. The directors of Sub immediately prior to the Effective Time shall be the directors of the Surviving Corporation, until the earlier of their resignation or removal or until their respective successors are duly elected and qualified, as the case may be.

SECTION 1.07. BOARD OF DIRECTORS OF CBI. The Board of Directors of CBI shall be as set forth on or designated in accordance with Exhibit B hereto until the earlier of the resignation or removal of

any individual set forth on or designated in accordance with Exhibit B hereto or until their respective successors are duly elected and qualified, as the case may be, it being agreed that if any director shall be unable or unwilling to serve as a director at the Effective Time the party which designated such individual as indicated in Exhibit B shall designate another individual to serve in such individual's place.

ARTICLE II
EFFECT OF THE MERGER ON THE CAPITAL STOCK OF THE CONSTITUENT CORPORATIONS; EXCHANGE OF CERTIFICATES

SECTION 2.01. EFFECT ON CAPITAL STOCK. As of the Effective Time, by virtue of the Merger and without any action on the part of the holder of any shares of capital stock of IXC or any shares of capital stock of Sub:

(a) CAPITAL STOCK OF SUB. Each issued and outstanding share of capital stock of Sub shall be converted into and become one fully paid and nonassessable share of common stock, par value $.01 per share, of the Surviving Corporation.

(b) CANCELATION OF TREASURY STOCK AND CBI-OWNED STOCK. Each share of IXC Common Stock, IXC 7 1/4% Preferred Stock and IXC 6 3/4% Preferred Stock that is directly owned by IXC, Sub or CBI shall automatically be canceled and shall cease to be outstanding, and no consideration shall be delivered in exchange therefor.

(c) CONVERSION OF IXC COMMON STOCK. Subject to Section 2.02(e), each issued and outstanding share (other than shares to be canceled in accordance with Section 2.01(b)) of IXC Common Stock shall be converted into the right to receive 2.0976 (the "Exchange Ratio") fully paid and nonassessable shares of common stock, par value $.01 per share, of CBI ("CBI Common Stock") (the "Common

Stock Merger Consideration"). As of the Effective Time, all such shares of IXC Common Stock shall no longer be outstanding and shall automatically be canceled and shall cease to be outstanding, and each holder of a certificate that immediately prior to the Effective Time represented any such shares of IXC Common Stock shall cease to have any rights with respect thereto, except the right to receive the Common Stock Merger Consideration and any cash in lieu of fractional shares of CBI Common Stock to be issued or paid in consideration therefor upon surrender of such certificate in accordance with Section 2.02, without interest.

(d) CONVERSION OF IXC 7 1/4% PREFERRED STOCK AND IXC 6 3/4% PREFERRED STOCK. (i) Each issued and outstanding share of IXC 7 1/4% Preferred Stock shall be converted into the right to receive one fully paid and nonassessable share of 7 1/4% Junior Convertible Preferred Stock Due 2007, par value $.01 per share, of CBI (the "CBI 7 1/4% Preferred Stock") (the "7 1/4% Preferred Stock Merger Consideration"), which CBI 7 1/4% Preferred Stock shall have terms that are identical to the IXC 7 1/4% Preferred Stock except that (x) the issuer thereof shall be CBI rather than IXC, (y) the CBI 7 1/4% Preferred Stock shall become convertible into CBI Common Stock as required by Paragraph (g) of the Certificate of Designation for the IXC 7 1/4% Preferred Stock and (z) each share of CBI 7 1/4% Preferred Stock shall be entitled to one vote per share on all matters voting together with the CBI Common Stock as a single class; PROVIDED that the number of authorized shares of CBI 7 1/4% Preferred Stock may be increased or decreased without any additional vote of the holders of CBI 7 1/4% Preferred Stock voting as a separate class. As of the Effective Time, all such shares of IXC 7 1/4% Preferred Stock shall no longer be outstanding and shall automatically be canceled and shall cease to exist, and each holder of a certificate that immediately prior to the Effective Time represented any such shares shall cease to have any rights with respect thereto, except the right to receive the 7 1/4% Preferred Stock Merger Consideration.

(ii) Each issued and outstanding share of IXC 6 3/4% Preferred Stock shall be converted into the right to receive one fully paid and nonassessable share of 6 3/4% Cumulative Convertible Preferred Stock, par value $.01 per share, of CBI (the "CBI 6 3/4% Preferred Stock") (the "6 3/4% Preferred Stock Merger Consideration"), which CBI 6 3/4% Preferred Stock shall have terms that are identical to the IXC 6 3/4% Preferred Stock except that (x) the issuer thereof shall be CBI rather than IXC, (y) the CBI 6 3/4% Preferred Stock shall become convertible into CBI Common Stock as required by Paragraph 7 of the Certificate of Designations for the IXC 6 3/4% Preferred Stock and (z) each share of CBI 6 3/4% Preferred Stock shall be entitled to one vote per share on all matters voting together with the CBI Common Stock as a single class; PROVIDED that the number of authorized shares of CBI 6 3/4% Preferred Stock may be increased or decreased without any additional vote of the holders of CBI 6 3/4% Preferred Stock voting as a separate class. As of the Effective Time, all such shares of IXC 6 3/4% Preferred Stock shall no longer be outstanding and shall automatically be canceled and shall cease to exist, and each holder of a certificate that immediately prior to the Effective Time represented any such

shares shall cease to have any rights with respect thereto, except the right to receive the 6 3/4% Preferred Stock Merger Consideration. The Common Stock Merger Consideration, the 7 1/4% Preferred Stock Merger Consideration and the 6 3/4% Preferred Stock Merger Consideration shall be referred to collectively in this Agreement as the "Merger Consideration".

(e) EFFECT ON IXC 12 1/2% PREFERRED STOCK. Each share of 12 1/2% Junior Exchangeable Preferred Stock Due 2009, par value $.01 per share, of IXC (the "IXC 12 1/2% Preferred Stock") outstanding immediately prior to the Effective Time shall remain outstanding as 12 1/2% Preferred Stock of the Surviving Corporation, without any change to the powers, preferences or special rights of such IXC 12 1/2% Preferred Stock provided for in the Certificate of Designation for the 12 1/2% Junior Exchangeable Preferred Stock Due 2009 of IXC (the "IXC 12 1/2% Certificate of Designation").

(f) ANTI-DILUTION PROVISIONS. In the event CBI changes (or establishes a record date for changing) the number of shares of CBI Common Stock issued and outstanding prior to the Effective Time as a result of a stock split, stock dividend, recapitalization, subdivision, reclassification, combination, exchange of shares or similar transaction with respect to the outstanding CBI Common Stock and the record date therefor shall be prior to the Effective Time, the Exchange Ratio shall be proportionately adjusted to reflect such stock split, stock dividend, recapitalization, subdivision, reclassification, combination, exchange of shares or similar transaction.

SECTION 2.02. EXCHANGE OF CERTIFICATES. (a) EXCHANGE AGENT. Prior to the Effective Time, CBI shall enter into an agreement with The Fifth Third Bank or such other bank or trust company as may be designated by CBI and reasonably acceptable to IXC (the "Exchange Agent"), which shall provide that CBI shall deposit with the Exchange Agent as of the Effective Time, for the benefit of the holders of shares of IXC Common Stock, IXC 7 1/4% Preferred Stock and IXC 6 3/4% Preferred Stock, for exchange in accordance with this Article II, through the Exchange Agent, certificates representing the Merger Consideration issuable pursuant to Section 2.01 in exchange for outstanding shares of IXC Common Stock, IXC 7 1/4% Preferred Stock and IXC 6 3/4% Preferred Stock, respectively. CBI shall make available to the Exchange Agent from time to time as required after the Effective Time cash necessary to pay dividends and other distributions in accordance with Section 2.02(c) and to make payments in lieu of any fractional shares of CBI Common Stock in accordance with Section 2.02(e).

(b) EXCHANGE PROCEDURES. As soon as reasonably practicable after the Effective Time, the Exchange Agent shall mail to each holder of record of a certificate or certificates (the "Certificates") which immediately prior to the Effective Time represented outstanding shares of IXC Common Stock, IXC 7 1/4% Preferred Stock or IXC 6 3/4% Preferred Stock whose shares were converted into the right to receive the Merger Consideration pursuant to Section 2.01, (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon delivery of the Certificates to the Exchange Agent and shall be in such form and have such other provisions as CBI may reasonably specify) and (ii) instructions for use in

surrendering the Certificates

in exchange for certificates representing the Merger Consideration. Upon surrender of a Certificate for cancelation to the Exchange Agent, together with such letter of transmittal, duly executed, and such other documents as may reasonably be required by the Exchange Agent, the holder of such Certificate shall be entitled to receive in exchange therefor a certificate representing that number of whole shares of CBI Common Stock, CBI 7 1/4% Preferred Stock or CBI 6 3/4% Preferred Stock that such holder has the right to receive pursuant to the provisions of this Article II, certain dividends or other distributions in accordance with Section 2.02(c) and cash in lieu of any fractional share of CBI Common Stock in accordance with Section 2.02(e), and the Certificate so surrendered shall forthwith be canceled. In the event of a transfer of ownership of IXC Common Stock, IXC 7 1/4% Preferred Stock or IXC 6 3/4% Preferred Stock that is not registered in the transfer records of IXC, a certificate representing the proper number of shares of CBI Common Stock, CBI 7 1/4% Preferred Stock or CBI 6 3/4% Preferred Stock, as applicable, may be issued to a person other than the person in whose name the Certificate so surrendered is registered if such Certificate shall be properly endorsed or otherwise be in proper form for transfer and the person requesting such issuance shall pay any transfer or other taxes required by reason of the issuance of shares of CBI Common Stock, CBI 7 1/4% Preferred Stock or CBI 6 3/4% Preferred Stock to a person other than the registered holder of such Certificate or establish to the satisfaction of CBI that such tax has been paid or is not applicable. Until surrendered as contemplated by this Section 2.02(b), each Certificate shall be deemed at any time after the Effective Time to represent only the right to receive upon such surrender the Merger Consideration that the holder thereof has the right to receive pursuant to the provisions of this Article II, certain dividends or other distributions in accordance with Section 2.02(c) and cash in lieu of any fractional share of CBI Common Stock in accordance with Section 2.02(e). No interest shall be paid or will accrue on any cash payable to holders of Certificates pursuant to the provisions of this Article II.

(c) DISTRIBUTIONS WITH RESPECT TO UNSURRENDERED CERTIFICATES. Any dividends or other distributions with respect to CBI Common Stock, CBI 7 1/4% Preferred Stock or CBI 6 3/4% Preferred Stock with a record date after the Effective Time shall be paid to the holder of any unsurrendered Certificate with respect to the shares of CBI Common Stock, CBI 7 1/4% Preferred Stock or CBI 6 3/4% Preferred Stock represented thereby, and any cash payment in lieu of fractional shares of CBI Common Stock shall be paid to any such holder pursuant to Section 2.02(e) only upon the surrender of such Certificate by the holder of record of such Certificate in accordance with this Article II. Subject to the effect of applicable escheat or similar laws, following surrender of any such Certificate there shall be paid to the holder of the certificate representing whole shares of CBI Common Stock, CBI 7 1/4% Preferred Stock or CBI 6 3/4% Preferred Stock issued in exchange therefor, without interest, (i) at the time of such surrender, the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such whole shares

of CBI Common Stock, CBI 7 1/4% Preferred Stock or CBI 6 3/4% Preferred Stock, and the amount of any cash payable in lieu of a fractional share of CBI Common Stock to which such holder is entitled pursuant to Section 2.02(e) and (ii) at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to such surrender and with a payment date subsequent to such surrender payable with respect to such whole shares of CBI Common Stock, CBI 7 1/4% Preferred Stock or CBI 6 3/4% Preferred Stock.

(d) NO FURTHER OWNERSHIP RIGHTS IN IXC COMMON STOCK, IXC 7 1/4% PREFERRED STOCK OR IXC 6 3/4% PREFERRED STOCK. All shares of CBI Common Stock, CBI 7 1/4% Preferred Stock or CBI 6 3/4% Preferred Stock issued upon the surrender for exchange of Certificates in accordance with the terms of this Article II (including any cash paid pursuant to this Article II) shall be deemed to have been issued (and paid) in full satisfaction of all rights pertaining to the shares of IXC Common Stock, IXC 7 1/4% Preferred Stock or IXC 6 3/4% Preferred Stock previously represented by such Certificates, SUBJECT, HOWEVER, to the Surviving Corporation's obligation to pay any dividends or make any other distributions with a record date prior to the Effective Time which may have been declared or made by IXC on such shares of IXC Common Stock, IXC 7 1/4% Preferred Stock or IXC 6 3/4% Preferred Stock which remain

unpaid at the Effective Time, and there shall be no further registration of transfers on the stock transfer books of the Surviving Corporation of the shares of IXC Common Stock, IXC 7 1/4% Preferred Stock or IXC 6 3/4% Preferred Stock which were outstanding immediately prior to the Effective Time. If, after the Effective Time, Certificates are presented to the Surviving Corporation or the Exchange Agent for any reason, they shall be canceled and exchanged as provided in this Article II.

(e) NO FRACTIONAL SHARES. (i) No certificates or scrip representing fractional shares of CBI Common Stock shall be issued upon the surrender for exchange of Certificates formerly representing IXC Common Stock, no dividend or distribution of CBI shall relate to such fractional share interests and such fractional share interests will not entitle the owner thereof to vote or to exercise any rights of a shareholder of CBI.

(ii) As promptly as practicable following the Effective Time, the Exchange Agent shall determine the excess of (A) the number of whole shares of CBI Common Stock delivered to the Exchange Agent by CBI pursuant to Section 2.02(a) over (B) the aggregate number of whole shares of CBI Common Stock to be distributed to former holders of IXC Common Stock pursuant to Section 2.02(b) (such excess being herein called the "Excess Shares"). Following the Effective Time, the Exchange Agent shall, on behalf of former stockholders of IXC, sell the Excess Shares at then-prevailing prices on the New York Stock Exchange, Inc. (the "NYSE"), all in the manner provided in Section 2.02(e)(iii).

(iii) The sale of the Excess Shares by the Exchange Agent shall be executed

on the NYSE through one or more member firms of the NYSE and shall be executed in round lots to the extent practicable. The Exchange Agent shall use reasonable efforts to complete the sale of the Excess Shares as promptly following the Effective Time as, in the Exchange Agent's sole judgment, is practicable consistent with obtaining the best execution of such sales in light of prevailing market conditions. Until the net proceeds of such sale or sales have been distributed to the holders of Certificates formerly representing IXC Common Stock, the Exchange Agent shall hold such proceeds in trust for such holders (the "Common Shares Trust"). IXC shall pay all commissions, transfer taxes and other out-of-pocket transaction costs, including the expenses and compensation of the Exchange Agent, incurred in connection with such sale of the Excess Shares. The Exchange Agent shall determine the portion of the Common Shares Trust to which each former holder of IXC Common Stock is entitled, if any, by multiplying the amount of the aggregate net proceeds comprising the Common Shares Trust by a fraction, the numerator of which is the amount of the fractional share interest to which such former holder of IXC Common Stock is entitled (after taking into account all shares of IXC Common Stock held at the Effective Time by such holder) and the denominator of which is the aggregate amount of fractional share interests to which all former holders of IXC Common Stock are entitled.

(iv) Notwithstanding the provisions of Sections 2.02(e)(ii) and (iii), CBI may elect at its option, exercised prior to the Effective Time, in lieu of the issuance and sale of Excess Shares and the making of the payments hereinabove contemplated, to pay each former holder of IXC Common Stock an amount in cash equal to the product obtained by multiplying (A) the fractional share interest to which such former holder (after taking into account all shares of IXC Common Stock held at the Effective Time by such holder) would otherwise be entitled by (B) the closing price for a share of CBI Common Stock as reported on the NYSE (as reported in THE WALL STREET JOURNAL or, if not reported thereby, any other authoritative source) on the Closing Date, and, in such case, all references herein to the cash proceeds of the sale of the Excess Shares and similar references shall be deemed to mean and refer to the payments calculated as set forth in this Section 2.02(e)(iv).

(v) As soon as practicable after the determination of the amount of cash, if any, to be paid to holders of Certificates formerly representing IXC Common Stock with respect to any fractional share interests, the Exchange Agent shall make available such amounts to such holders of Certificates formerly representing IXC Common Stock subject to and in accordance with the terms of Section 2.02(c).

(f) TERMINATION OF EXCHANGE FUND. Any portion of the Exchange Fund that remains undistributed to the holders of the Certificates for six months after the Effective Time shall be delivered to CBI, upon demand, and any holders of the Certificates who have not theretofore complied with this Article II shall thereafter look only to CBI for payment of their claim for the Merger Consideration, any dividends or distributions with respect to CBI Common Stock

and any cash in lieu of fractional shares of CBI Common Stock.

(g) NO LIABILITY. None of CBI, Sub, IXC or the Exchange Agent shall be liable to any person in respect of any Merger Consideration, any dividends or distributions with respect thereto, or any cash in lieu of fractional shares of CBI Common Stock, in each case delivered to a public official pursuant to any applicable abandoned property, escheat or similar law. If any Certificate shall not have been surrendered prior to three years after the Effective Time (or immediately prior to such earlier date on which any Merger Consideration, any dividends or distributions payable to the holder of such Certificate or any cash payable in lieu of fractional shares of CBI Common Stock pursuant to this Article II, would otherwise escheat to or become the property of any Governmental Entity), any such Merger Consideration, dividends or distributions in respect thereof or such cash shall, to the extent permitted by applicable law, become the property of the Surviving Corporation, free and clear of all claims or interest of any person previously entitled thereto.

(h) INVESTMENT OF EXCHANGE FUND. The Exchange Agent shall invest any cash included in the Exchange Fund in investment-grade securities, as directed by CBI, on a daily basis. Any interest and other income resulting from such investments shall be paid to CBI.

(i) LOST CERTIFICATES. If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such Certificate to be lost, stolen or destroyed and, if required by CBI, the posting by such person of a bond in such reasonable amount as CBI may direct as indemnity against any claim that may be made against it with respect to such Certificate, the Exchange Agent shall issue in exchange for such lost, stolen or destroyed Certificate the Merger Consideration and any unpaid dividends and distributions in respect thereof and any cash in lieu of fractional shares of CBI Common Stock, in each case pursuant to this Agreement.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

SECTION 3.01. REPRESENTATIONS AND WARRANTIES OF IXC. Except (i) with respect to matters expressly permitted by Section 4.01(a), (ii) as expressly disclosed in IXC SEC Documents filed and publicly available prior to the date of this Agreement (the "IXC Filed SEC Documents") or (iii) as expressly set forth on the disclosure schedule delivered by IXC to CBI prior to the execution of this Agreement (the "IXC Disclosure Schedule"), IXC represents and warrants to CBI and Sub as follows:

(a) ORGANIZATION, STANDING AND CORPORATE POWER. Each of IXC and its Subsidiaries is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized and has the requisite corporate or other power and authority, as the case may be, to carry on its business as now being conducted. Each of IXC and its Subsidiaries is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the nature of its business or the

ownership, leasing or operation of its properties makes such qualification or licensing necessary, except for those jurisdictions in which the failure to be so qualified or licensed or to be in good standing individually or in the aggregate is not reasonably likely to have a Material Adverse Effect on IXC. IXC has made available to CBI prior to the execution of this Agreement complete and correct copies of its Restated Certificate of Incorporation and By-laws, as amended to the date of this Agreement, and the comparable charter and organizational documents of each Subsidiary of IXC, in each case as amended to the date of this Agreement.

(b) SUBSIDIARIES. Section 3.01(b) of the IXC Disclosure Schedule sets forth a true and complete list of each of IXC's Subsidiaries as of the date hereof. All the outstanding shares of capital stock of, or other equity interests in, each Subsidiary of IXC have been validly issued and are fully paid and nonassessable and are owned directly or indirectly by IXC, free and clear of all pledges, claims, liens, charges, encumbrances and security interests of any kind or nature whatsoever (collectively, "Liens") and free of any restriction on the right to vote, sell or otherwise dispose of such capital stock or other ownership interests. Except for the capital stock or other ownership interests of its Subsidiaries, as of the date hereof, IXC does not beneficially own directly or indirectly any material capital stock, membership interest, partnership interest, joint venture interest or other material equity interest in any person.

(c) CAPITAL STRUCTURE. The authorized capital stock of IXC consists of 320,000,000 shares of capital stock consisting of: (1) 300,000,000 shares of IXC Common Stock, (2) 3,000,000 shares of preferred stock, par value $.01 per share (the "IXC Ordinary Preferred Stock"), and (3) 17,000,000 shares of Class B preferred stock, par value $.01 per share (the "IXC Class B Preferred Stock" and, together with the IXC Ordinary Preferred Stock, the "IXC Preferred Stock"), of which (A) 1,400,000 shares have been designated as the IXC 7 1/4% Preferred Stock, (B) 450,000 shares have been designated as the IXC 12 1/2% Preferred Stock, (C) 450,000 shares have been designated as 12 1/2% Series B Junior Exchangeable Preferred Stock Due 2009 (the "IXC 12 1/2% Series B Preferred Stock"), (D) 55,000 shares have been designated as Series A Junior Participating Preferred Stock (the "IXC Series A Preferred Stock") and (E) 155,250 shares have been designated as the IXC 6 3/4% Preferred Stock. At the close of business on July 20, 1999, (i) 37,322,576 shares of IXC Common Stock were issued and outstanding; (ii) 71,363 shares of IXC Common Stock were held by IXC in its treasury; (iii) 1,074,496 shares of IXC 7 1/4% Preferred Stock were issued and outstanding; (iv) 371,618 shares of IXC 12 1/2% Preferred Stock were issued and outstanding; (v) no shares of IXC 12 1/2% Series B Preferred Stock were issued and outstanding; (vi) 55,000 shares of IXC Series A Preferred Stock were reserved for issuance in connection with the rights (the "IXC Rights") to purchase shares of IXC Series A Preferred Stock issued pursuant to the Rights Agreement dated as of September 9, 1998 (the "IXC Rights Agreement"), between IXC and U.S. Stock Transfer Corporation, as rights agent; (vii) 155,250 shares of IXC 6 3/4% Preferred Stock were issued and outstanding; (viii) no other

shares of IXC Preferred Stock were issued and outstanding; (ix) 75,000 shares of IXC Common Stock were reserved for issuance pursuant to 75,000 warrants issued and outstanding to purchase IXC Common Stock (the "IXC Warrants"); (x) 8,664,850 shares of IXC Common Stock were reserved for issuance pursuant to the Amended and Restated 1994 Stock Plan of IXC, as amended, the Special Stock Plan of IXC, the IXC 1998 Stock Plan, as amended, the IXC 1997 Special Executive Stock Plan and grants of options made to individual employees (such plans and arrangements, collectively, the "IXC Stock Plans") (of which 8,066,527 shares of IXC Common Stock are subject to outstanding IXC Stock Options); and (xi) 8,602,577 shares of IXC Common Stock were reserved for issuance upon conversion of (A) the IXC 7 1/4% Preferred Stock and (B) the IXC 6 3/4% Preferred Stock. There are no outstanding stock appreciation rights or other rights (other than the IXC Stock Options and IXC Warrants) to receive shares of IXC Common Stock on a deferred basis granted under the IXC Stock Plans or otherwise. Section 3.01(c)(i) of the IXC Disclosure Schedule sets forth a complete and correct list, as of July 20, 1999, of (i) the name of each holder of outstanding stock options or other rights to purchase or to receive IXC Common Stock granted under the IXC Stock Plans (collectively, "IXC Stock Options"), (ii) the number of shares of IXC Common Stock subject to each such IXC Stock Option, (iii) the exercise prices thereof and (iv) the name of the IXC Stock Plan pursuant to which such IXC Stock Options were granted. Section 3.01(c)(ii) of the IXC Disclosure Schedule sets forth a complete and correct list, as of July 20, 1999, of (i) the name of each holder of outstanding IXC Warrants, (ii) the number of shares of IXC Common Stock subject to each such IXC Warrant and (iii) the exercise prices thereof. No bonds, debentures, notes or other indebtedness of IXC having the right to vote (or convertible into or exchangeable or exercisable for securities having the right to vote)

on any matters on which stockholders of IXC or any of its Subsidiaries may vote are issued or outstanding or subject to issuance. All outstanding shares of capital stock of IXC are, and all shares which may be issued will be, when issued, duly authorized, validly issued, fully paid and nonassessable and will be delivered free and clear of all Liens (other than Liens created by or imposed upon the holders thereof) and not subject to preemptive rights. Except as set forth in this Section 3.01(c) (including pursuant to the conversion or exercise of the securities referred to above), (x) there are not issued, reserved for issuance or outstanding (A) any shares of capital stock or other voting securities of IXC or any of its Subsidiaries (other than shares of capital stock or other voting securities of such Subsidiaries that are directly or indirectly owned by IXC), (B) any securities of IXC or any of its Subsidiaries convertible into or exchangeable or exercisable for shares of capital stock or other voting securities of, or other ownership interests in, IXC or any of its Subsidiaries or (C) any warrants, calls, options or other rights to acquire from IXC or any of its Subsidiaries, and no obligation of IXC or any of its Subsidiaries to issue, any capital stock or other voting securities of, or other ownership interests in, or any securities convertible into or exchangeable or exercisable for any capital stock or other voting securities of, or other ownership interests in, IXC or any of its Subsidiaries, (y) there are not any outstanding

obligations of IXC or any of its Subsidiaries to repurchase, redeem or otherwise acquire any such securities or to issue, deliver or sell, or cause to be issued, delivered or sold, any such securities and (z) IXC is not a party to any voting agreement with respect to the voting of any such securities.

(d) AUTHORITY; NONCONTRAVENTION. IXC has the requisite corporate power and corporate authority to enter into this Agreement and, subject to receipt of IXC Stockholder Approval, to consummate the transactions contemplated by this Agreement. IXC has the requisite corporate power and corporate authority to enter into the Option Agreements and to consummate the transactions contemplated thereby. The execution and delivery of this Agreement and the Option Agreements by IXC and the consummation by IXC of the transactions contemplated by this Agreement and the Option Agreements have been duly authorized by all necessary corporate action on the part of IXC, subject, in the case of the Merger, to receipt of IXC Stockholder Approval. This Agreement and the Option Agreements have been duly executed and delivered by IXC and, assuming the due authorization, execution and delivery by each of the other parties hereto and thereto, constitute the legal, valid and binding obligations of IXC, enforceable against IXC in accordance with their terms. The execution and delivery of this Agreement and the Option Agreements do not, and the consummation of the transactions contemplated by this Agreement and the Option Agreements and compliance with the provisions hereof and thereof will not, conflict with, or result in any violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancelation or acceleration of any obligation or loss of a benefit under, or result in the creation of any Lien upon any of the properties or assets of IXC or any of its Subsidiaries under, (i) the Restated Certificate of Incorporation or By-laws of IXC or the comparable organizational documents of any of its Subsidiaries, (ii) any loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, instrument, permit, concession, franchise, license or similar authorization applicable to IXC or any of its Subsidiaries or their respective properties or assets or (iii) subject to the governmental filings and other matters referred to in the following sentence, any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to IXC or any of its Subsidiaries or their respective properties or assets, other than, in the case of clauses (ii) and (iii), any such conflicts, violations, defaults, rights, losses or Liens that individually or in the aggregate are not reasonably likely to (x) have a Material Adverse Effect on IXC, (y) impair the ability of IXC to perform its obligations under this Agreement or any of the Option Agreements or (z) prevent or materially delay the consummation of the transactions contemplated by this Agreement or any of the Option Agreements. No consent, approval, order or authorization of, action by or in respect of, or registration, declaration or filing with, any Federal, state, local or foreign government, any court, administrative, regulatory or other governmental agency, commission or authority or any nongovernmental self-regulatory agency, commission or

authority (each a "Governmental Entity") is required by or with respect to IXC

or any of its Subsidiaries in connection with the execution and delivery of this Agreement or any of the Option Agreements by IXC or the consummation by IXC of the Merger or the other transactions contemplated by this Agreement or any of the Option Agreements, except for (1) the filing of a premerger notification and report form by IXC under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), and any applicable filings and approvals under similar foreign antitrust or competition laws and regulations; (2) the filing with the Securities and Exchange Commission (the "SEC") of (A) a joint proxy statement relating to the IXC Stockholders Meeting and the CBI Shareholders Meeting (such proxy statement, as amended or supplemented from time to time, the "Joint Proxy Statement"), and (B) such reports under Section 13(a), 13(d), 15(d) or 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as may be required in connection with this Agreement, the Stockholders Agreements, the Option Agreements and the transactions contemplated by this Agreement, the Stockholders Agreements or any of the Option Agreements; (3) the filing of the Certificate of Merger with the Delaware Secretary of State and appropriate documents with the relevant authorities of other states in which IXC is qualified to do business and such filings with Governmental Entities to satisfy the applicable requirements of state securities or "blue sky" laws; (4) filings with and approvals of the Federal Communications Commission (the "FCC") as required under the Communications Act of 1934, as amended (the "Communications Act"), and the rules and regulations promulgated thereunder; (5) such filings with and approvals of The Nasdaq National Market ("Nasdaq") to permit the shares of IXC Common Stock that are to be issued pursuant to the IXC Stock Option Agreement to be quoted on Nasdaq; (6) filings with and approvals of any state public utility commissions ("PUCs"), foreign telecommunications regulatory agencies or similar regulatory bodies as required by applicable statutes, laws, rules, ordinances and regulations; and (7) such other consents, approvals, orders or authorizations the failure of which to be made or obtained individually or in the aggregate is not reasonably likely to (x) have a Material Adverse Effect on IXC, (y) impair the ability of IXC to perform its obligations under this Agreement or any of the Option Agreements or (z) prevent or materially delay the consummation of the transactions contemplated by this Agreement or any of the Option Agreements.

(e) SEC DOCUMENTS; UNDISCLOSED LIABILITIES. IXC has filed all required reports, schedules, forms, statements and other documents (including exhibits and all other information incorporated therein) with the SEC since January 1, 1998 (collectively, the "IXC SEC Documents"). As of their respective dates, the IXC SEC Documents complied in all material respects with the requirements of the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, as the case may be, and the rules and regulations of the SEC promulgated thereunder applicable to such IXC SEC Documents, and none of the IXC SEC Documents when filed contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Except to the extent that information contained in any IXC SEC Document has been revised or superseded by a later filed IXC SEC Document, none of the IXC SEC Documents contains any untrue statement of a material fact or omits to state any material fact required to be stated therein

or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of IXC included in the IXC SEC Documents comply as to form, as of their respective dates of filing with the SEC, in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto (the "Accounting Rules"), have been prepared in accordance with generally accepted accounting principles ("GAAP") (except, in the case of unaudited statements, as permitted by Form 10-Q of the SEC) applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and fairly present in all material respects the consolidated financial position of IXC and its consolidated Subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal recurring

year-end audit adjustments and the absence of footnotes, if applicable). Except (i) as reflected in the IXC Filed SEC Documents, (ii) for liabilities incurred in connection with this Agreement or any of the Option Agreements or the transactions contemplated by this Agreement or any of the Option Agreements or (iii) incurred since March 31, 1999, in the ordinary course of business consistent with past practice, neither IXC nor any of its Subsidiaries has any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) which individually or in the aggregate are reasonably likely to have a Material Adverse Effect on IXC.

(f) INFORMATION SUPPLIED. None of the information supplied or to be supplied by IXC specifically for inclusion or incorporation by reference in (i) the registration statement on Form S-4 to be filed with the SEC by CBI in connection with the issuance of CBI Common Stock in the Merger (the "Form S-4") will, at the time the Form S-4 becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading or (ii) the Joint Proxy Statement will, at the date it is first mailed to IXC's stockholders and CBI's shareholders or at the time of the IXC Stockholders Meeting or the CBI Shareholders Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. The Joint Proxy Statement will comply as to form in all material respects with the requirements of the Exchange Act and the rules and regulations promulgated thereunder. No representation or warranty is made by IXC with respect to statements made or incorporated by reference in the Joint Proxy Statement based on information supplied by CBI or Sub specifically for inclusion or incorporation by reference in the Joint Proxy Statement.

(g) ABSENCE OF CERTAIN CHANGES OR EVENTS. Except for liabilities incurred in connection with or expressly permitted by this Agreement and the Option Agreements and except as disclosed in the IXC Filed SEC Documents, since March

31, 1999, IXC and its Subsidiaries have conducted their business only in the ordinary course consistent with past practice, and since such date there has not been (1) any Material Adverse Change in IXC, (2) any declaration, setting aside or payment of any dividend or other distribution (whether in cash, stock or property) with respect to any of IXC's capital stock, except for dividends or other distributions declared, set aside or paid by IXC as required by and in accordance with the respective terms of such capital stock as of the date hereof, (3) any split, combination or reclassification of any of IXC's capital stock or any issuance or the authorization of any issuance of any other securities in respect of, in lieu of or in substitution for shares of IXC's capital stock, (4) (A) any granting by IXC or any of its Subsidiaries to any current or former director, executive officer or other employee of IXC or its Subsidiaries of any increase in compensation, bonus or other benefits, except for normal increases in cash compensation in the ordinary course of business consistent with past practice or as was required under any employment agreements in effect as of the date of the most recent audited financial statements included in the IXC Filed SEC Documents, (B) any granting by IXC or any of its Subsidiaries to any such current or former director, executive officer or employee of any increase in severance or termination pay, (C) any entry by IXC or any of its Subsidiaries into, or any amendments of, any employment, deferred compensation, consulting, severance, termination or indemnification agreement with any such current or former director, executive officer or employee or (D) any amendment to, or modification of, any IXC Stock Option or IXC Warrant, (5) any damage, destruction or loss, whether or not covered by insurance, that individually or in the aggregate is reasonably likely to have a Material Adverse Effect on IXC, (6) except insofar as may have been required by a change in GAAP, any change in accounting methods, principles or practices by IXC or any of its Subsidiaries materially affecting the consolidated financial position or results of operations of IXC or (7) any tax election or any settlement or compromise of any income tax liability that individually or in the aggregate is reasonably likely to adversely affect the tax liability or tax attributes of IXC or any of its Subsidiaries in any material respect or any settlement or compromise of any material income tax liability.

(h) LITIGATION. There is no suit, action, proceeding, claim, grievance or investigation pending or, to the Knowledge of IXC or any of its Subsidiaries, threatened against or affecting IXC or any of its Subsidiaries that individually or in the aggregate is reasonably likely to have a Material Adverse Effect on IXC nor is there any judgment, decree, injunction, rule or order of any Governmental Entity or arbitrator outstanding against IXC or any of its Subsidiaries having, or that individually or in the aggregate is reasonably likely to have a Material Adverse Effect on IXC. There are no facts, circumstances or conditions that are reasonably likely to give rise to any liability of, or form the basis of a claim against, IXC or any of its Subsidiaries under any applicable statutes, laws, ordinances, rules or regulations, which liability or claim is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on IXC.

(i) COMPLIANCE WITH APPLICABLE LAWS. IXC and its Subsidiaries hold all material permits, licenses, variances, exemptions, orders, registrations and approvals of all Governmental Entities (the "IXC Permits") which are required for them to own, lease or operate their assets and to carry on their businesses. IXC and its Subsidiaries are in compliance in all material respects with the terms of the IXC Permits and all applicable statutes, laws, ordinances, rules and regulations. No action, demand, requirement or investigation by any Governmental Entity and no suit, action or proceeding by any person, in each case with respect to IXC or any of its Subsidiaries or any of their respective properties, which is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on IXC, is pending or, to the Knowledge of IXC, threatened. As of the date hereof, Section 3.01(i) of the IXC Disclosure Schedule sets forth a true and complete list of all IXC Permits obtained from the FCC and any state PUC.

(j) CONTRACTS. Neither IXC nor any of its Subsidiaries is in violation of or in default under (nor does there exist any condition which upon the passage of time or the giving of notice or both would cause such a violation of or default under) any loan or credit agreement, bond, note, mortgage, indenture, lease or other contract, agreement, obligation, commitment, arrangement, understanding, instrument, permit or license to which it is a party or by which it or any of its properties or assets is bound, except for violations or defaults that individually or in the aggregate are not reasonably likely to have a Material Adverse Effect on IXC. Since December 31, 1998, through the date hereof, neither IXC nor any of its Subsidiaries has entered into any contract, agreement, obligation, commitment, arrangement or understanding with any Affiliate of IXC that would have been required to be filed as an exhibit to IXC's Annual Report on Form 10-K for the fiscal year ended December 31, 1998 (the "IXC 1998 10-K") had IXC been a party thereto as of December 31, 1998. Neither IXC nor any of its Subsidiaries is a party to or bound by any noncompetition agreement or any other similar agreement or obligation which purports to limit in any material respect the manner in which, or the localities in which, all or any material portion of the business of IXC and its Subsidiaries, taken as a whole, is conducted.

(k) ABSENCE OF CHANGES IN BENEFIT PLANS. Since the date of the most recent audited financial statements included in the IXC Filed SEC Documents, there has not been (i) any adoption or amendment by IXC or any of its Subsidiaries of any employment agreement with any director, officer or employee of IXC or any of its Subsidiaries or of any collective bargaining agreement or (ii) any adoption or amendment of any bonus, pension, profit sharing, deferred compensation, incentive compensation, stock ownership, stock purchase, stock option, phantom stock, retirement, vacation, severance, disability, death benefit, hospitalization, medical, welfare benefit or other plan, arrangement or understanding providing compensation or benefits to any current or former director, officer or employee of IXC or any of its Subsidiaries (collectively, the "IXC Benefit Plans"), or any change in any actuarial or other assumption used to calculate funding obligations with respect to any IXC pension plans, or any change in the manner in which contributions to any IXC pension plans are made or the basis on which such contributions are determined which are

reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on IXC.

(l) ERISA COMPLIANCE. (i) With respect to IXC Benefit Plans, no liability has been incurred and, to the Knowledge of IXC, there exists no condition or circumstances in connection with which IXC or any of its Subsidiaries could be subject to any liability that individually or in the aggregate is reasonably likely to have a Material Adverse Effect on IXC under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Code or any other applicable law.

(ii) Each IXC Benefit Plan has been administered in accordance with its terms, except for any failures so to administer any IXC Benefit Plan that individually or in the aggregate are not reasonably likely to have a Material Adverse Effect on IXC. IXC, its Subsidiaries and all IXC Benefit Plans are in compliance with the applicable provisions of ERISA, the Code and all other applicable laws and the terms of all applicable collective bargaining agreements, except for any failures to be in such compliance that individually or in the aggregate are not reasonably likely to have a Material Adverse Effect on IXC.

(iii) None of IXC or any of its Subsidiaries sponsors or contributes to any IXC Benefit Plan that is subject to Title IV of ERISA.

(iv) IXC and its Subsidiaries are in compliance with all Federal, state, local and foreign requirements regarding employment, except for any failures to comply that individually or in the aggregate are not reasonably likely to have a Material Adverse Effect on IXC. Neither IXC nor any of its Subsidiaries is a party to any collective bargaining or other labor union contract applicable to persons employed by IXC or any of its Subsidiaries in the United States and as of the date of this Agreement no such collective bargaining agreement is being negotiated by IXC or any of its Subsidiaries. As of the date of this Agreement, there is no labor dispute, strike or work stoppage against IXC or any of its Subsidiaries pending or, to the Knowledge of IXC, threatened which may interfere with the respective business activities of IXC or any of its Subsidiaries, except where such dispute, strike or work stoppage individually or in the aggregate is not reasonably likely to have a Material Adverse Effect on IXC. As of the date of this Agreement, to the Knowledge of IXC, none of IXC, any of its Subsidiaries or any of their respective representatives or employees has committed any unfair labor practice in connection with the operation of the respective businesses of IXC or any of its Subsidiaries, and there is no action, charge or complaint against IXC or any of its Subsidiaries by the National Labor Relations Board or any comparable governmental agency pending or threatened in writing, in each case except where such practices, actions, charges or complaints, individually or in the aggregate, are not reasonably likely to have a Material Adverse Effect on IXC.

(v) (A) No employee of IXC or its Subsidiaries will be entitled to any

additional benefits or any acceleration of the time of payment or vesting of any benefits under any IXC Benefit Plan (other than acceleration of vesting of options in accordance with their terms) as a result of the transactions contemplated by this Agreement or any of the Option Agreements, (B) no amount payable, or economic benefit provided, by IXC or its Subsidiaries (including any acceleration of the time of payment or vesting of any benefit (other than acceleration of vesting of options in accordance with their terms)) could be considered an "excess parachute payment" under Section 280G of the Code and (C) no person is entitled to receive any additional payment from IXC or its Subsidiaries or any other person in the event that the excise tax of Section 4999 of the Code is imposed on such person, in each case except where such additional benefits or payments or acceleration (other than acceleration of vesting of options in accordance with their terms), individually or in the aggregate, are not reasonably likely to have a Material Adverse Effect on IXC.

(m) TAXES. (i) Each of IXC and its Subsidiaries and each IXC Consolidated Group has filed or has caused to be filed all material tax returns and reports required to be filed by it and all such returns and reports are complete and correct in all material respects, or requests for extensions to file such returns or reports have been timely filed, granted and have not expired, except to the extent that such failures to file, to be complete or correct or to have extensions granted that remain in effect

individually or in the aggregate are not reasonably likely to have a Material Adverse Effect on IXC. IXC, each of its Subsidiaries and each IXC Consolidated Group has paid or caused to be paid (or IXC has paid on its behalf) all material taxes due and owing, and the most recent financial statements contained in the IXC Filed SEC Documents reflect an adequate reserve for all material taxes payable by IXC and its Subsidiaries for all taxable periods and portions thereof accrued through the date of such financial statements.

(ii) No deficiencies, audit examinations, refund litigation, proposed adjustments or matters in controversy for any taxes have been proposed, asserted or assessed in writing against IXC or any of its Subsidiaries or any IXC Consolidated Group that are not adequately reserved for, except for deficiencies, audit examinations, refund litigation, proposed adjustments or matters in controversy that individually or in the aggregate are not reasonably likely to have a Material Adverse Effect on IXC. The Federal income tax returns prior to the date set forth in Section 3.01(m)(ii) of the IXC Disclosure Schedule of IXC and its Subsidiaries consolidated in such returns have closed by virtue of the applicable statute of limitations. All assessments for taxes due and owing by IXC, any of its Subsidiaries or any IXC Consolidated Group with respect to completed and settled examinations or concluded litigation have been paid.

(iii) Neither IXC nor any of its Subsidiaries has taken or agreed to take any action or knows of any fact, agreement, plan or other circumstance that is reasonably likely to prevent the Merger from qualifying as a reorganization

within the meaning of Section 368(a) of the Code.

(iv) No deduction of any amount that would otherwise be deductible with respect to tax periods ending on or before the Effective Time could be disallowed under Section 162(m) of the Code, except any disallowances under Section 162(m) of the Code that alone or with other such disallowances are not reasonably likely to have a Material Adverse Effect on IXC.

(v) Neither IXC nor any of its Subsidiaries has constituted either a "distributing corporation" or a "controlled corporation" in a distribution of stock qualifying for tax-free treatment under Section 355 of the Code (x) in the two years prior to the date of this Agreement or (y) in a distribution which could otherwise constitute part of a "plan" or "series of related transactions" (within the meaning of Section 355(e) of the Code) in conjunction with the Merger.

(vi) To the Knowledge of IXC, no shareholder of IXC is a foreign person who held more than 5% of the IXC stock at some time during the shorter of the periods described in Section 897(c)(1)(A)(ii) of the Code.

(vii) Neither IXC nor any of its Subsidiaries has any material "deferred intercompany gains" (as defined in Treas. Reg. Section 1.1502-13).

(viii) Section 3.01(m)(1) of the IXC Disclosure Schedule sets forth a complete schedule of each IXC Consolidated Group of which IXC is or has been a member during the last six years. Such schedule sets forth the names of all members of each such IXC Consolidated Group and the periods during which IXC or any of its Subsidiaries is or has been a member.

(ix) As used in this Agreement (1) "taxes" shall include all (x) Federal, state, local or foreign income, property, sales, excise and other taxes or similar governmental charges, including any interest, penalties or additions with respect thereto, (y) liability for the payment of any amounts of the type described in clause (x) as a result of being a member of an affiliated, consolidated, combined or unitary group, and (z) liability for the payment of any amounts as a result of being party to any tax sharing agreement or as a result of any express or implied obligation to indemnify any other person with respect to the payment of any amounts of the type described in clause (x) or (y) and (2) "IXC Consolidated Group" means any affiliated group within the meaning of Section 1504(a) of the Code, in which IXC (or any Subsidiary of IXC) is or has ever been a member or any group of corporations with which IXC files, has filed or is or was required to file an affiliated, consolidated, combined, unitary or aggregate tax return.

(n) VOTING REQUIREMENTS. The affirmative vote of the holders of a majority of the outstanding shares of IXC Common Stock entitled to vote at the IXC Stockholders Meeting to (i) adopt this Agreement and (ii) adopt the agreement referred to in Section 8.11 (collectively, the "IXC Stockholder Approval") are

the only votes or approvals of the holders of any class or series of IXC's capital stock necessary to adopt this Agreement and the Option Agreements and to approve the Merger and the other transactions contemplated hereby or thereby.

(o) STATE TAKEOVER STATUTES. The Board of Directors of IXC (including the disinterested directors thereof) has approved the terms of this Agreement, the Stockholders Agreements and the Option Agreements and the consummation of the Merger and the other transactions contemplated by this Agreement, the Stockholders Agreements and the Option Agreements and such approval constitutes approval of the Merger and the other transactions contemplated by this Agreement, the Stockholders Agreements and the Option Agreements by the Board of Directors of IXC under the provisions of Section 203 of the DGCL and represents all the action necessary to ensure that the restrictions on "business combinations" (as defined in such Section 203) contained in Section 203 do not apply to CBI in connection with the Merger and the other transactions contemplated by this Agreement, the Stockholders Agreements and the Option Agreements. No other state takeover statute or similar statute or regulation is applicable to this Agreement, the Stockholders Agreements, the Option Agreements, the Merger or the other transactions contemplated by this Agreement, the Stockholders Agreements and the Option Agreements.

(p) BROKERS. No broker, investment banker, financial advisor or other person, other than Merrill Lynch & Co. and Morgan Stanley & Co. Incorporated, the fees, commissions and expenses of which will be paid by IXC, is entitled to any broker's, finder's, financial advisor's or other similar fee or commission, or the reimbursement of expenses, in connection with the transactions contemplated by this Agreement and the Option Agreements based upon arrangements made by or on behalf of IXC. IXC has furnished to CBI true and complete copies of all agreements under which any such fees, commissions or expenses are payable and all indemnification and other agreements related to the engagement of the persons to whom such fees, commissions or expenses are payable.

(q) OPINIONS OF FINANCIAL ADVISORS. IXC has received the opinions of its financial advisors, dated the date of this Agreement, to the effect that, as of such date, the Exchange Ratio is fair from a financial point of view to the stockholders of IXC (other than CBI and its Affiliates), a signed copy of which has been or promptly will be delivered to CBI.

(r) INTELLECTUAL PROPERTY; YEAR 2000. (i) IXC and its Subsidiaries own, or are validly licensed or otherwise have the right to use, all patents, patent rights, trademarks, trade secrets, trade names, service marks, copyrights and other proprietary intellectual property rights and computer programs (the "Intellectual Property Rights") which are material to the conduct of the business of IXC and its Subsidiaries, except where the failure to own or license such Intellectual Property Rights is not reasonably likely to have a Material Adverse Effect on IXC.

(ii) To the Knowledge of IXC, neither IXC nor any of its Subsidiaries has materially interfered with, infringed upon, misappropriated or otherwise come into conflict with any Intellectual Property Rights of any other person. Neither

IXC nor any of its Subsidiaries has received any written charge, complaint, claim, demand or notice alleging any such interference, infringement, misappropriation or other conflict (including any claim that IXC or any such Subsidiary must license or refrain from using any Intellectual Property Rights or other proprietary information of any other person) which has not been settled or otherwise fully resolved. To IXC's Knowledge, no other person has materially interfered with, infringed upon, misappropriated or otherwise come into conflict with any Intellectual Property Rights of IXC or any of its Subsidiaries.

(iii) As the business of IXC and its Subsidiaries is presently conducted and proposed to be conducted without giving effect to any change with respect thereto that may be made by CBI, to IXC's

Knowledge, CBI's use after the Closing of the Intellectual Property Rights which are material to the conduct of the business of IXC and its Subsidiaries taken as a whole will not interfere with, infringe upon, misappropriate or otherwise come into conflict with the Intellectual Property Rights of any other person.

(iv) The disclosure set forth in the IXC 1998 10-K under the heading "Year 2000 Readiness" was true and correct in all material respects on the date thereof and is true and correct in all material respects as if made as of the date hereof.

(v) As of the Closing Date, IXC and its Subsidiaries have no Knowledge that they are not Year 2000 Compliant and, as of the date hereof, IXC and its Subsidiaries have no Knowledge that their respective suppliers will not be Year 2000 Compliant at January 1, 2000, except, in each case, for such failures to be Year 2000 Compliant that individually or in the aggregate are not reasonably likely to have a Material Adverse Effect on IXC. The term "Year 2000 Compliant", with respect to a computer system or software program, means that such computer system or program: (A) is capable of recognizing, processing, managing, representing, interpreting and manipulating correctly date-related data for dates earlier and later than January 1, 2000; (B) has the ability to provide date recognition for any data element without limitation; (C) has the ability to function automatically into and beyond the Year 2000 without human intervention and without any change in operations associated with the advent of the Year 2000; (D) has the ability to interpret data, dates and time correctly into and beyond the Year 2000; (E) has the ability not to produce noncompliance in existing data, nor otherwise corrupt such data, into and beyond the Year 2000; (F) has the ability to process correctly after January 1, 2000, data containing dates and times before that date; and (G) has the ability to recognize all "leap year" dates, including February 29, 2000.

(s) IXC RIGHTS AGREEMENT. IXC has amended the IXC Rights Agreement substantially in the form of Exhibit F hereto.

(t) TITLE TO PROPERTIES. (i) Section 3.01(t) of the IXC Disclosure Schedule sets forth a true and complete list of all material real property and

the 20 most significant leasehold properties owned or leased by IXC or any of its Subsidiaries. Each of IXC and its Subsidiaries has good and valid title to, or valid leasehold interests in or valid rights to, all its material properties and assets except for such as are no longer used or useful in the conduct of its businesses or as have been disposed of in the ordinary course of business and except for defects in title, easements, restrictive covenants and similar encumbrances that individually or in the aggregate do not materially interfere with its ability to conduct its business as currently conducted. All such material assets and properties, other than assets and properties in which IXC or any of its Subsidiaries has a leasehold interest, are free and clear of all Liens except for Liens that individually or in the aggregate do not materially interfere with the ability of IXC and its Subsidiaries to conduct their respective businesses as currently conducted.

(ii) Each of IXC and its Subsidiaries has complied in all material respects with the terms of all material leases to which it is a party and under which it is in occupancy, and all such leases are in full force and effect. Each of IXC and its Subsidiaries enjoys peaceful and undisturbed possession under all such leases, except where a failure to do so individually or in the aggregate are not reasonably likely to have a Material Adverse Effect on IXC.

SECTION 3.02. REPRESENTATIONS AND WARRANTIES OF CBI AND SUB. Except (i) with respect to matters expressly permitted by Section 4.01(b), (ii) as expressly disclosed in the CBI SEC Documents filed and publicly available prior to the date of this Agreement (the "CBI Filed SEC Documents") or (iii) as expressly set forth on the disclosure schedule delivered by CBI and Sub to IXC prior to the

execution of this Agreement (the "CBI Disclosure Schedule"), CBI and Sub represent and warrant to IXC as follows:

(a) ORGANIZATION, STANDING AND CORPORATE POWER. Each of CBI, Sub and its Subsidiaries is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized and has the requisite corporate or other power and authority, as the case may be, to carry on its business as now being conducted. Each of CBI and its Subsidiaries is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the nature of its business or the ownership, leasing or operation of its properties makes such qualification or licensing necessary, except for those jurisdictions in which the failure to be so qualified or licensed or to be in good standing individually or in the aggregate is not reasonably likely to have a Material Adverse Effect on CBI. CBI has made available to IXC prior to the execution of this Agreement complete and correct copies of its Amended Articles of Incorporation and Amended Regulations, as amended to the date of this Agreement.

(b) CAPITAL STRUCTURE. (i) The authorized capital stock of CBI consists of 485,000,000 shares of capital stock consisting of: (1) 480,000,000 shares of CBI

Common Stock, (2) 1,000,000 shares of non-voting preferred stock without par value (the "Non-Voting Preferred Stock") and (3) 4,000,000 shares of voting preferred stock without par value (the "Voting Preferred Stock" and, together with the Non-Voting Preferred Stock, the "CBI Preferred Stock") of which 2,000,000 shares have been designated as Series A Preferred Stock (the "CBI Series A Preferred Stock"). At the close of business on July 15, 1999, (i) 137,792,751 shares of CBI Common Stock were issued and outstanding; (ii) no shares of CBI Common Stock were held by CBI in its treasury; (iii) no shares of CBI Preferred Stock were issued and outstanding; (iv) 2,000,000 shares of CBI Series A Preferred Stock were reserved for issuance in connection with the rights to purchase shares of CBI Common Stock issued pursuant to the Rights Agreement dated as of April 29, 1997 (the "CBI Rights Agreement"), between CBI and The Fifth Third Bank, as rights agent; and (v) no shares of CBI Common Stock were reserved for issuance pursuant to the CBI 1989 Stock Option Plan, the CBI 1997 Stock Option Plan for Non-Employee Directors, the CBI 1997 Long Term Incentive Plan, the CBI Executive Deferred Compensation Plan and grants of options made to individual employees (such plans and arrangements, collectively, the "CBI Stock Plans") (of which 10,629,687 shares of CBI Common Stock are subject to outstanding CBI Stock Options). There are no outstanding stock appreciation rights or rights (other than the CBI Stock Options) to receive shares of CBI Common Stock on a deferred basis granted under the CBI Stock Plans or otherwise. Section 3.02(b) of the CBI Disclosure Schedule sets forth a complete and correct list, as of July 15, 1999, of all outstanding stock options or other rights to purchase or receive CBI Common Stock granted under the CBI Stock Plans (collectively, "CBI Stock Options"). No bonds, debentures, notes or other indebtedness of CBI having the right to vote (or convertible into or exchangeable or exercisable for securities having the right to vote) on any matters on which stockholders of CBI or any of its Subsidiaries may vote are issued or outstanding or subject to issuance. All outstanding shares of capital stock of CBI are, and all shares which may be issued will be, when issued, duly authorized, validly issued, fully paid and nonassessable and will be delivered free and clear of all Liens (other than Liens created by or imposed upon the holders thereof) and not subject to preemptive rights. Except as set forth in this Section 3.02(b) (including pursuant to the conversion or exercise of the securities referred to above), (x) there are not issued, reserved for issuance or outstanding (A) any shares of capital stock or other voting securities of CBI or any of its Subsidiaries (other than shares of capital stock or other voting securities of such Subsidiaries that are directly or indirectly owned by CBI), (B) any securities of CBI or any of its Subsidiaries convertible into or exchangeable or exercisable for shares of capital stock or other voting securities of, or other ownership interests in, CBI or any of its Subsidiaries or (C) any warrants, calls, options or other rights to acquire from CBI or any of its Subsidiaries, and no obligation of CBI or any of its Subsidiaries to issue, any capital stock or other voting securities of, or other ownership interests in, or any securities convertible into or exchangeable or exercisable for any capital stock or other voting securities of, or other

ownership interests in, CBI or any of its Subsidiaries, (y) there are not any

outstanding obligations of CBI or any of its Subsidiaries to repurchase, redeem or otherwise acquire any such securities or to issue, deliver or sell, or cause to be issued, delivered or sold, any such securities and (z) CBI is not a party to any voting agreement with respect to the voting of any such securities. Other than the capital stock of, or other equity interests in, its Subsidiaries, CBI does not directly or indirectly beneficially own any securities or other beneficial ownership interests in any other entity.

(ii) The authorized capital stock of Sub consists of 1,000 shares of common stock, par value $.01 per share ("Sub Common Stock"). There are issued and outstanding 1,000 shares of Sub Common Stock. All such shares are owned by CBI. Sub does not have issued or outstanding any options, warrants, subscriptions, calls, rights, convertible securities or other agreements or commitments obligating Sub to issue, transfer or sell any shares of Sub Common Stock. Sub does not have bonds, debentures, notes or other indebtedness outstanding.

(iii) Section 3.02(b)(iii) of the CBI Disclosure Schedule sets forth a true and complete list of each of CBI's Subsidiaries as of the date hereof. All the outstanding shares of capital stock of, or other equity interests in, each Subsidiary of CBI have been validly issued and are fully paid and nonassessable and are owned directly or indirectly by CBI, free and clear of any Liens and free of any restriction on the right to vote, sell or otherwise dispose of such capital stock or other ownership interests. Except for the capital stock or other ownership interests of its Subsidiaries, as of the date hereof, CBI does not beneficially own directly or indirectly any material capital stock, membership interest, partnership interest, joint venture interest or other material equity interest in any person.

(c) AUTHORITY; NONCONTRAVENTION. Each of CBI and Sub has the requisite corporate power and corporate authority to enter into this Agreement and, subject to receipt of CBI Shareholder Approval, to consummate the transactions contemplated by this Agreement. CBI has the requisite corporate power and corporate authority to enter into the Stockholders Agreements and the Option Agreements and to consummate the transactions contemplated thereby. The execution and delivery of this Agreement, the Stockholders Agreements and the Option Agreements by CBI and the consummation by CBI of the transactions contemplated by this Agreement, the Stockholders Agreements and the Option Agreements have been duly authorized by all necessary corporate action on the part of CBI, subject, in connection with, among other things, the issuance of shares of CBI Common Stock in the Merger, to receipt of CBI Shareholder Approval. This Agreement, the Stockholders Agreements and the Option Agreements have been duly executed and delivered by CBI and, assuming the due authorization, execution and delivery by each of the other parties hereto and thereto, constitute the legal, valid and binding obligations of CBI, enforceable against CBI in accordance with their terms. The execution and delivery of this Agreement, the Stockholders Agreements and the Option Agreements do not, and the consummation of the transactions contemplated by this Agreement, the Stockholders Agreements and the Option Agreements and compliance with the provisions hereof and thereof will not, conflict with, or result in any violation of, or default (with or without notice or lapse of time, or both)

under, or give rise to a right of termination, cancelation or acceleration of any obligation or loss of a benefit under, or result in the creation of any Lien upon any of the properties or assets of CBI or any of its Subsidiaries under, (i) the Amended Articles of Incorporation or Amended Regulations of CBI or the comparable organizational documents of any of its Subsidiaries, (ii) any loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, instrument, permit, concession, franchise, license or similar authorization applicable to CBI or any of its Subsidiaries or their respective properties or assets or (iii) subject to the governmental filings and other matters referred to in the following sentence, any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to IXC or any of its Subsidiaries or their respective properties or assets, other than, in the case of clauses (ii) and (iii), any such conflicts, violations, defaults, rights, losses or Liens that individually or in the aggregate are not reasonably likely to (x) have a Material Adverse Effect on CBI, (y) impair the ability of CBI to perform its obligations under this Agreement or any of the Option Agreements or

(z) prevent or materially delay the consummation of the transactions contemplated by this Agreement or any of the Option Agreements. No consent, approval, order or authorization of, action by or in respect of, or registration, declaration or filing with, any Governmental Entity is required by or with respect to CBI or any of its Subsidiaries in connection with the execution and delivery of this Agreement, the Stockholders Agreements or any of the Option Agreements by CBI or the consummation by CBI of the Merger or the other transactions contemplated by this Agreement, the Stockholders Agreements or any of the Option Agreements, except for (1) the filing of a premerger notification and report form by CBI under the HSR Act and any applicable filings and approvals under similar foreign antitrust or competition laws and regulations; (2) the filing with the SEC of (A) the Joint Proxy Statement and (B) such reports under Section 13(a), 13(d), 15(d) or 16(a) of the Exchange Act as may be required in connection with this Agreement, the Stockholders Agreements and the Option Agreements and the transactions contemplated by this Agreement, the Stockholders Agreements or any of the Option Agreements; (3) the filing of the Certificate of Merger with the Delaware Secretary of State and appropriate documents with the relevant authorities of other states in which CBI is qualified to do business and such filings with Governmental Entities to satisfy the applicable requirements of state securities or "blue sky" laws; (4) filings with and approvals of the FCC as required under the Communications Act and the rules and regulations promulgated thereunder; (5) such filings with and approvals of the NYSE and The Cincinnati Stock Exchange (the "CSE") to permit the shares of CBI Common Stock that are to be issued in the Merger and pursuant to the CBI Stock Option Agreement to be listed on the NYSE and the CSE; (6) filings with and approvals of any state PUCs, foreign telecommunications regulatory agencies or similar regulatory bodies as required by applicable statutes, laws, rules, ordinances and regulations; and (7) such other consents, approvals, orders or authorizations the failure of which to be made or obtained individually or in the aggregate is not reasonably likely to (x) have a Material Adverse Effect on CBI, (y) impair the ability of CBI to perform its obligations

under this Agreement or any of the Option Agreements or (z) prevent or materially delay the consummation of the transactions contemplated by this Agreement or any of the Option Agreements.

(d) SEC DOCUMENTS; UNDISCLOSED LIABILITIES. CBI has filed all required reports, schedules, forms, statements and other documents (including exhibits and all other information incorporated therein) with the SEC since January 1, 1998 (collectively, the "CBI SEC Documents"). As of their respective dates, the CBI SEC Documents complied in all material respects with the requirements of the Securities Act or the Exchange Act, as the case may be, and the rules and regulations of the SEC promulgated thereunder applicable to such CBI SEC Documents, and none of the CBI SEC Documents when filed contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Except to the extent that information contained in any CBI SEC Document has been revised or superseded by a later filed CBI SEC Document, none of the CBI SEC Documents contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of CBI included in the CBI SEC Documents comply as to form, as of their respective dates of filing with the SEC, in all material respects with the Accounting Rules, have been prepared in accordance with GAAP (except, in the case of unaudited statements, as permitted by Form 10-Q of the SEC) applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and fairly present in all material respects the consolidated financial position of CBI and its consolidated Subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal recurring year-end audit adjustments and the absence of footnotes if applicable). Except (i) as reflected in the CBI Filed SEC Documents, (ii) for liabilities incurred in connection with this Agreement, the Stockholders Agreements or any of the Option Agreements or the transactions contemplated by this

Agreement, the Stockholders Agreements or any of the Option Agreements or (iii) incurred since March 31, 1999, in the ordinary course of business consistent with past practice, neither CBI nor any of its Subsidiaries has any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) which individually or in the aggregate are reasonably likely to have a Material Adverse Effect on CBI.

(e) INFORMATION SUPPLIED. None of the information supplied or to be supplied by CBI specifically for inclusion or incorporation by reference in (i) the Form S-4 will, at the time the Form S-4 becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading or (ii) the Joint Proxy Statement will, at the

date it is first mailed to CBI's shareholders and IXC's stockholders or at the time of the CBI Shareholders Meeting or the IXC Stockholders Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. The Form S-4 and the Joint Proxy Statement will comply as to form in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and the respective rules and regulations promulgated thereunder. No representation or warranty is made by CBI with respect to statements made or incorporated by reference in the Form S-4 and the Joint Proxy Statement based on information supplied by IXC specifically for inclusion or incorporation by reference in the Form S-4 or the Joint Proxy Statement, as the case may be.

(f) ABSENCE OF CERTAIN CHANGES OR EVENTS. Except for liabilities incurred in connection with or expressly permitted by this Agreement, the Stockholders Agreements and the Option Agreements and except as disclosed in the CBI Filed SEC Documents, since March 31, 1999, CBI and its Subsidiaries have conducted their business only in the ordinary course consistent with past practice, and since such date there has not been (1) any Material Adverse Change in CBI, (2) any declaration, setting aside or payment of any dividend or other distribution (whether in cash, stock or property) with respect to any of CBI's capital stock, except for regular quarterly cash dividends declared, set aside or paid by CBI with respect to CBI Common Stock, (3) any split, combination or reclassification of any of CBI's capital stock or any issuance or the authorization of any issuance of any other securities in respect of, in lieu of or in substitution for shares of CBI's capital stock, (4) (A) any granting by CBI or any of its Subsidiaries to any current or former director, executive officer or other employee of CBI or its Subsidiaries of any increase in compensation, bonus or other benefits, except for normal increases in cash compensation in the ordinary course of business consistent with past practice or as was required under any employment agreements in effect as of the date of the most recent audited financial statements included in the CBI Filed SEC Documents, (B) any granting by CBI or any of its Subsidiaries to any such current or former director, executive officer or employee of any increase in severance or termination pay, (C) any entry by CBI or any of its Subsidiaries into, or any amendments of, any employment, deferred compensation, consulting, severance, termination or indemnification agreement with any such current or former director, executive officer or employee or (D) any amendment to, or modification of, any CBI Stock Option, (5) any damage, destruction or loss, whether or not covered by insurance, that individually or in the aggregate is reasonably likely to have a Material Adverse Effect on CBI, (6) except insofar as may have been required by a change in GAAP, any change in accounting methods, principles or practices by CBI or any of its Subsidiaries materially affecting the consolidated financial position or results of operations of CBI or (7) any tax election or any settlement or compromise of any income tax liability that individually or in the aggregate is reasonably likely to adversely affect the tax liability or tax attributes of CBI or any of its Subsidiaries in any material respect or any settlement or compromise of any material income tax liability.

(g) LITIGATION. There is no suit, action, proceeding, claim, grievance or investigation pending or, to the Knowledge of CBI or any of its Subsidiaries, threatened against or affecting CBI or any of its Subsidiaries that individually or in the aggregate is reasonably likely to have a Material Adverse Effect

on CBI nor is there any judgment, decree, injunction, rule or order of any Governmental Entity or arbitrator outstanding against IXC or any of its Subsidiaries having, or that is individually or in the aggregate reasonably likely to have, a Material Adverse Effect on CBI. There are no facts, circumstances or conditions that are reasonably likely to give rise to any liability of, or form the basis of a claim against, CBI or any of its Subsidiaries under any applicable statutes, laws, ordinances, rules or regulations, which liability or claim is reasonably likely to have individually or in the aggregate a Material Adverse Effect on CBI.

(h) COMPLIANCE WITH APPLICABLE LAWS. CBI and its Subsidiaries hold all material permits, licenses, variances, exemptions, orders, registrations and approvals of all Governmental Entities (the "CBI Permits") which are required for them to own, lease or operate their assets and to carry on their businesses. CBI and its Subsidiaries are in compliance in all material respects with the terms of the CBI Permits and all applicable statutes, laws, ordinances, rules and regulations. No action, demand, requirement or investigation by any Governmental Entity and no suit, action or proceeding by any person, in each case with respect to CBI or any of its Subsidiaries or any of their respective properties, that is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on CBI, is pending or, to the Knowledge of CBI, threatened. As of the date hereof, Section 3.02(h) of the CBI Disclosure Schedule sets forth a true and complete list of all CBI Permits obtained from the FCC and any state PUC.

(i) CONTRACTS. Neither CBI nor any of its Subsidiaries is in violation of or in default under (nor does there exist any condition which upon the passage of time or the giving of notice or both would cause such a violation of or default under) any loan or credit agreement, bond, note, mortgage, indenture, lease or other contract, agreement, obligation, commitment, arrangement, understanding, instrument, permit or license to which it is a party or by which it or any of its properties or assets is bound, except for violations or defaults that individually or in the aggregate are not reasonably likely to have a Material Adverse Effect on CBI. Since December 31, 1998, through the date hereof, neither of CBI nor any of its Subsidiaries has entered into any contract, agreement, obligation, commitment, arrangement or understanding with any Affiliate of CBI that would have been required to be filed as an exhibit to CBI's Annual Report on Form 10-K for the fiscal year ended December 31, 1998 (the "CBI 1998 10-K") had CBI been a party thereto as of December 31, 1998. Neither CBI nor any of its Subsidiaries is a party to or bound by any non-competition agreement or any other similar agreement or obligation which purports to limit in any material respect the manner in which, or the localities in which, all or any material portion of the business of CBI and its

Subsidiaries, taken as a whole, is conducted.

(j) ABSENCE OF CHANGES IN BENEFIT PLANS. Since the date of the most recent audited financial statements included in the CBI Filed SEC Documents, there has not been (i) any adoption or amendment by CBI or any of its Subsidiaries of any employment agreement with any director, officer or employee of CBI or any of its Subsidiaries or of any collective bargaining agreement or (ii) any adoption or amendment of any bonus, pension, profit sharing, deferred compensation, incentive compensation, stock ownership, stock purchase, stock option, phantom stock, retirement, vacation, severance, disability, death benefit, hospitalization, medical, welfare benefit or other plan, arrangement or understanding providing compensation or benefits to any current or former director, officer or employee of CBI or any of its Subsidiaries (collectively, the "CBI Benefit Plans"), or any change in any actuarial or other assumption used to calculate funding obligations with respect to any CBI pension plans, or any change in the manner in which contributions to any CBI pension plans are made or the basis on which such contributions are determined which are reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on CBI.

(k) ERISA COMPLIANCE. (i) With respect to CBI Benefit Plans, no liability has been incurred and, to the Knowledge of CBI, there exists no condition or circumstances in connection with which CBI or any of its Subsidiaries could be subject to any liability that individually or in the aggregate is reasonably likely to have a Material Adverse Effect on CBI under ERISA, the Code or any other applicable law.

(ii) Each CBI Benefit Plan has been administered in accordance with its terms, except for any failures so to administer any CBI Benefit Plan that individually or in the aggregate are not reasonably likely to have a Material Adverse Effect on CBI. CBI, its Subsidiaries and all CBI Benefit Plans are in compliance with the applicable provisions of ERISA, the Code and all other applicable laws and the terms of all applicable collective bargaining agreements, except for any failures to be in such compliance that individually or in the aggregate are not reasonably likely to have a Material Adverse Effect on CBI.

(iii) None of CBI or any of its Subsidiaries sponsors or contributes to any CBI Benefit Plan that is subject to Title IV of ERISA.

(iv) CBI and its Subsidiaries are in compliance with all Federal, state, local and foreign requirements regarding employment, except for any failures to comply that individually or in the aggregate are not reasonably likely to have a Material Adverse Effect on CBI. Neither CBI nor any of its Subsidiaries is a party to any collective bargaining or other labor union contract applicable to persons employed by CBI or any of its Subsidiaries in the United States and as of the date of this Agreement no such collective bargaining agreement is being negotiated by CBI or any of its Subsidiaries. As of the date of this Agreement,

there is no labor dispute, strike or work stoppage against CBI or any of its Subsidiaries pending or, to the Knowledge of CBI, threatened which may interfere with the respective business activities of CBI or any of its Subsidiaries, except where such dispute, strike or work stoppage individually or in the aggregate is not reasonably likely to have a Material Adverse Effect on CBI. As of the date of this Agreement, to the Knowledge of CBI, none of CBI, any of its Subsidiaries or any of their respective representatives or employees has committed any unfair labor practice in connection with the operation of the respective businesses of CBI or any of its Subsidiaries, and there is no action, charge or complaint against CBI or any of its Subsidiaries by the National Labor Relations Board or any comparable governmental agency pending or threatened in writing, in each case except where such practices, actions, charges or complaints, individually or in the aggregate, are not reasonably likely to have a Material Adverse Effect on CBI.

(l) TAXES. (i) Each of CBI and its Subsidiaries and each CBI Consolidated Group has filed or has caused to be filed all material tax returns and reports required to be filed by it and all such returns and reports are complete and correct in all material respects, or requests for extensions to file such returns or reports have been timely filed, granted and have not expired, except to the extent that such failures to file, to be complete or correct or to have extensions granted that remain in effect individually or in the aggregate are not reasonably likely to have a Material Adverse Effect on CBI. CBI, each of its Subsidiaries and each CBI Consolidated Group has paid or caused to be paid (or CBI has paid on its behalf) all material taxes due and owing, and the most recent financial statements contained in the CBI Filed SEC Documents reflect an adequate reserve for all material taxes payable by CBI and its Subsidiaries for all taxable periods and portions thereof accrued through the date of such financial statements.

(ii) No deficiencies, audit examinations, refund litigation, proposed adjustments or matters in controversy, for any taxes have been proposed, asserted or assessed in writing against CBI or any of its Subsidiaries or any CBI Consolidated Group that are not adequately reserved for, except for deficiencies, audit examinations, refund litigation, proposed adjustments or matters in controversy that individually or in the aggregate are not reasonably likely to have a Material Adverse Effect on CBI. The Federal income tax returns of CBI and its Subsidiaries consolidated in such returns prior to 1993 have closed by virtue of the applicable statute of limitations. All assessments for taxes due and owing by CBI, any of its Subsidiaries or any CBI Consolidated Group with respect to completed and settled examinations or concluded litigation have been paid.

(iii) Neither CBI nor any of its Subsidiaries has taken or agreed to take any action or knows of any fact, agreement, plan or other circumstance that is reasonably likely to prevent the Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code.

(iv) No deduction of any amount that would otherwise be deductible with respect to tax periods ending on or before the Effective Time could be disallowed under Section 162(m) of the Code, except any disallowances under Section 162(m) of the Code that alone or with other such disallowances are not reasonably likely to have a Material Adverse Effect on CBI.

(v) Section 3.02(l)(1) of the CBI Disclosure Schedule sets forth a complete schedule of each CBI Consolidated Group of which CBI is or has been a member during the last six years. Such schedule sets forth the names of all members of each such CBI Consolidated Group and the periods during which CBI or any of its Subsidiaries is or has been a member.

(vi) As used in this Agreement (1) "taxes" shall include all (x) Federal, state, local or foreign income, property, sales, excise and other taxes or similar governmental charges, including any interest, penalties or additions with respect thereto, (y) liability for the payment of any amounts of the type described in clause (x) as a result of being a member of an affiliated, consolidated, combined or unitary group, and (z) liability for the payment of any amounts as a result of being party to any tax sharing agreement or as a result of any express or implied obligation to indemnify any other person with respect to the payment of any amounts of the type described in clause (x) or (y) and (2) "CBI Consolidated Group" means any affiliated group within the meaning of Section 1504(a) of the Code, in which CBI (or any Subsidiary of CBI) is or has ever been a member or any group of corporations with which CBI files, has filed or is or was required to file an affiliated, consolidated, combined, unitary or aggregate tax return.

(m) VOTING REQUIREMENTS. The affirmative vote at the CBI Shareholders Meeting (the "CBI Shareholder Approval") of the holders of a majority of all shares of CBI Common Stock casting votes (PROVIDED that the total vote cast represents more than fifty percent in interest of all capital stock of CBI entitled to vote) is the only vote of the holders of any class or series of CBI's capital stock necessary to approve, in accordance with the applicable rules of the NYSE, the issuance of CBI Common Stock in connection with the Merger and the other transactions contemplated by this Agreement.

(n) BROKERS. No broker, investment banker, financial advisor or other person, other than Salomon Smith Barney Inc., the fees, commissions and expenses of which will be paid by CBI, is entitled to any broker's, finder's, financial advisor's or other similar fee or commission, or the reimbursement of expenses, in connection with the transactions contemplated by this Agreement, the Stockholders Agreements and the Option Agreements based upon arrangements made by or on behalf of CBI. CBI has furnished to IXC true and complete copies of all agreements under which any such fees, commissions or expenses are payable and all indemnification and other agreements related to the engagement of the persons to whom such fees, commissions or expenses are payable.

(o) OPINION OF FINANCIAL ADVISOR. CBI has received the opinion of Salomon Smith Barney Inc., dated the date of this Agreement, to the effect that, as of such date, the Exchange Ratio is fair to CBI from a financial point of view, a

signed copy of which has been or promptly will be delivered to CBI.

(p) INTERIM OPERATIONS OF SUB. Sub was formed solely for the purpose of engaging in the transactions contemplated hereby, has engaged in no other business activities and has conducted its operations only as contemplated hereby.

(q) INTELLECTUAL PROPERTY; YEAR 2000. (i) CBI and its Subsidiaries own, or are validly licensed or otherwise have the right to use, all Intellectual Property Rights which are material to the conduct of the business of CBI and its Subsidiaries, except where the failure to own or license such Intellectual Property Rights is not reasonably likely to have a Material Adverse Effect on CBI.

(ii) To the Knowledge of CBI, neither CBI nor any of its Subsidiaries has materially interfered with, infringed upon, misappropriated or otherwise come into conflict with any Intellectual Property Rights of any other person. Neither CBI nor any of its Subsidiaries has received any written charge, complaint, claim, demand or notice alleging any such interference, infringement, misappropriation or other conflict (including any claim that CBI or any such Subsidiary must license or refrain from using any Intellectual Property Rights or other proprietary information of any other person) which has not been settled or otherwise fully resolved. To CBI's Knowledge, no other person has materially interfered with, infringed upon, misappropriated or otherwise come into conflict with any Intellectual Property Rights of CBI or any of its Subsidiaries.

(iii) The disclosure set forth in the CBI 1998 10-K under the heading "Year 2000 Readiness" was true and correct in all material respects on the date thereof and is true and correct in all material respects as if made as of the date hereof.

(iv) As of the Closing Date, CBI and its Subsidiaries have no Knowledge that they are not Year 2000 Compliant and, as of the date hereof, CBI and its Subsidiaries have no Knowledge that their respective suppliers will not be Year 2000 Compliant at January 1, 2000, except, in each case, for such failures to be Year 2000 Compliant that individually or in the aggregate are not reasonably likely to have a Material Adverse Effect on CBI.

(r) OWNERSHIP OF IXC STOCK. Neither CBI nor Sub (nor any other Subsidiary of CBI) has acquired or, except as the result of the Merger, will acquire, or has owned in the past three years, any stock of IXC.

(s) CBI RIGHTS AGREEMENT. CBI has amended the CBI Rights Agreement to provide that IXC shall not be deemed to be an Acquiring Person (as defined in the CBI Rights Agreement) and the Distribution Date or Share Acquisition Date (each as defined in the CBI Rights Agreement) shall not be deemed to occur and that the CBI Rights will not become separable, distributable, unredeemable or exercisable as a result of the approval, execution and delivery of this

Agreement, the CBI Stock Option Agreement or the consummation of the Merger and/or the other transactions contemplated hereby or thereby.

(t) TITLE TO PROPERTIES. (i) Section 3.02(t) of the CBI Disclosure Schedule sets forth a true and complete list of all material real property and leasehold property owned or leased by CBI or any of its Subsidiaries. Each of CBI and its Subsidiaries has good and valid title to, or valid leasehold interests in or valid rights to, all its material properties and assets except for such as are no longer used or useful in the conduct of its businesses or as have been disposed of in the ordinary course of business and except for defects in title, easements, restrictive covenants and similar encumbrances that individually or in the aggregate do not materially interfere with its ability to conduct its business as currently conducted. All such material assets and properties, other than assets and properties in which CBI or any of its Subsidiaries has a leasehold interest, are free and clear of all Liens except for Liens that individually or in the aggregate do not materially interfere with the ability of CBI and its Subsidiaries to conduct their respective businesses as currently conducted.

(ii) Each of CBI and its Subsidiaries has complied in all material respects with the terms of all material leases to which it is a party and under which it is in occupancy, and all such leases are in full force and effect. Each of CBI and its Subsidiaries enjoys peaceful and undisturbed possession under all such leases, except where a failure to do so individually or in the aggregate are not reasonably likely to have a Material Adverse Effect on CBI.

ARTICLE IV
COVENANTS RELATING TO CONDUCT OF BUSINESS

SECTION 4.01. CONDUCT OF BUSINESS. (a) CONDUCT OF BUSINESS BY IXC. Except as set forth in Section 4.01(a) of the IXC Disclosure Schedule, as otherwise expressly permitted by this Agreement or any of the Option Agreements or as consented to in writing by CBI, during the period from the date of this Agreement to the Effective Time, IXC shall, and shall cause its Subsidiaries to, carry on their respective businesses in the ordinary course consistent with past practice and in compliance in all material respects with all applicable laws and regulations. Without limiting the generality of the foregoing, during the period from the date of this Agreement to the Effective Time, except as set forth in Section 4.01(a) of the IXC Disclosure Schedule, as otherwise expressly permitted by this Agreement or any of the Option Agreements or as consented to in writing by CBI, IXC shall not, and shall not permit any of its Subsidiaries to:

(i) other than dividends and distributions (including liquidating distributions) by a direct or indirect wholly owned Subsidiary of IXC to its parent and dividends and distributions declared, set aside or paid by IXC as required by and in accordance with the respective terms of its capital stock as of the date hereof, (x) declare, set aside or pay any dividends on, or make any other distributions (whether in cash, stock, property or otherwise)

in respect of, any of its capital stock, (y) split, combine or reclassify any of its capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock, or (z) purchase, redeem or otherwise acquire, directly or indirectly, any shares of capital stock of IXC or any of its Subsidiaries or any other securities thereof or any rights, warrants or options to acquire any such shares or other securities;

(ii) issue, deliver, sell, grant, pledge or otherwise encumber or subject to any Lien any shares of its capital stock, any other voting securities or any securities convertible into, or any rights, warrants or options to acquire, any such shares, voting securities or convertible securities (other than (w) in accordance with the IXC Rights Agreement, (x) the issuance of shares of IXC Common Stock upon the exercise of IXC Stock Options as of the date hereof in accordance with their terms on the date hereof or options issued after the date hereof with the approval of CBI in its sole discretion, (y) the issuance of shares of IXC Common Stock upon the conversion of the IXC 7 1/4% Preferred Stock and the IXC 6 3/4% Preferred Stock outstanding as of the date hereof in accordance with their terms on the date hereof or (z) the issuance of shares of IXC Common Stock pursuant to the IXC Stock Option Agreement);

(iii) amend IXC's Restated Certificate of Incorporation, By-laws or other comparable organizational documents;

(iv) acquire or agree to acquire by merging or consolidating with, or by purchasing assets of, or by any other manner, any business or any person, other than purchases of raw materials or supplies in the ordinary course of business consistent with past practice;

(v) sell, lease, license, sell and leaseback, mortgage or otherwise encumber or subject to any Lien or otherwise dispose of any of its properties or assets (including securitizations), other than sales or licenses of finished goods and services in the ordinary course of business consistent with past practice;

(vi) (A) incur any indebtedness for borrowed money or guarantee any such indebtedness of another person, issue or sell any debt securities or warrants or other rights to acquire any debt securities of IXC or any of its Subsidiaries, guarantee any debt securities of another person, enter into any "keep well" or other agreement to maintain any financial statement condition of another person or enter into any arrangement having the economic effect of any of the foregoing, except

for (x) short-term borrowings incurred in the ordinary course of business (or to refund existing or maturing indebtedness) consistent with past practice and (y) intercompany indebtedness between IXC and any of its wholly owned Subsidiaries or between such wholly owned Subsidiaries, or (B) make

any loans, advances or capital contributions to, or investments in, any other person;

(vii) make or agree to make any new capital expenditure or expenditures;

(viii) (A) pay, discharge, settle or satisfy any claims, liabilities or obligations (absolute, accrued, asserted or unasserted, contingent or otherwise) or litigation (whether or not commenced prior to the date of this Agreement), other than the payment, discharge, settlement or satisfaction, in the ordinary course of business consistent with past practice or in accordance with its terms, of any liability recognized or disclosed in the most recent consolidated financial statements (or the notes thereto) of IXC included in the IXC Filed SEC Documents or incurred since the date of such financial statements, or (B) waive the benefits of, or agree to modify in any manner, terminate, release any person from or fail to enforce any confidentiality, standstill or similar agreement to which IXC or any of its Subsidiaries is a party or of which IXC or any of its Subsidiaries is a beneficiary;

(ix) except as required by law or contemplated hereby, enter into, adopt or amend in any material respect or terminate any IXC Benefit Plan, collective bargaining agreement, employment agreement, deferred compensation agreement, consulting agreement, severance agreement, termination agreement, indemnification agreement or any other agreement, plan or policy involving IXC or any of its Subsidiaries, and one or more of its current or former directors, officers or employees, or change any actuarial or other assumption used to calculate funding obligations with respect to any pension plan, or change the manner in which contributions to any pension plan are made or the basis on which such contributions are determined;

(x) except for normal increases in the ordinary course of business consistent with past practice that, in the aggregate, do not materially increase benefits or compensation expenses of IXC or its Subsidiaries, or as contemplated hereby or by the terms of any contract the existence of which does not constitute a violation of this Agreement, increase the compensation, bonus or other benefits of any director, officer or other employee or pay any benefit or amount not required by a plan or arrangement as in effect on the date of this Agreement to any such person;

(xi) transfer or license to any person or entity or otherwise extend, amend or modify any rights to the Intellectual Property Rights of IXC and its Subsidiaries other than in the ordinary course of business consistent with past practices or on a non-exclusive basis not materially different from past practices;

(xii) take any action that would cause the representations and warranties set forth in paragraph (4)(B), (4)(D), (6) or (7) of Section 3.01(g) to no longer be true and correct on the Closing Date;

(xiii) call or hold any meeting of stockholders of IXC other than in

connection with the election of members of the Board of Directors of IXC or other routine matters in the ordinary course of business consistent with past practice;

(xiv) enter into any contract, agreement, obligation, commitment, arrangement or understanding with any Affiliate of IXC that would have been required to be filed as an exhibit to the IXC 1998 10-K had IXC been a party thereto as of December 31, 1998;

(xv) make any material tax election or settle or compromise any material tax liability other than in the ordinary course of business;

(xvi) make any offering of IXC Stock Options under any employee stock option or stock purchase plan after the date hereof; or

(xvii) authorize, commit, resolve or agree to take any of the foregoing actions.

(b) CONDUCT OF BUSINESS BY CBI. During the period from the date of this Agreement to the Effective Time, without prior consultation with IXC, CBI shall not, nor shall it permit any of its Subsidiaries to:

(i) make any material acquisition of assets or businesses;

(ii) sell or otherwise dispose of any material part of its properties or assets other than sales or licenses of services in the ordinary course of business consistent with past practice; or

(iii) issue or sell a material amount of its shares of capital stock, any other voting securities or any securities convertible into any such shares, voting securities or convertible securities (other than (x) in accordance with the CBI Rights Agreement, (y) the issuance of shares of CBI Common Stock upon the exercise of CBI Stock Options in accordance with their terms or (z) the issuance of shares of CBI Common Stock pursuant to the CBI Stock Option Agreement).

(c) OTHER ACTIONS. Except as required by applicable law or as expressly permitted by this Agreement, IXC and CBI shall not, and shall not permit any of their respective Subsidiaries to, voluntarily take any action that would, or that is reasonably likely to, result in (i) any of the representations and warranties of such party set forth in this Agreement or any of the Option Agreements that are qualified as to materiality becoming untrue at the Effective Time, (ii) any of such representations and warranties that are not so qualified becoming untrue in any material respect at the Effective Time or (iii) any of the conditions to the Merger set forth in Article VI not being satisfied.

(d) ADVICE OF CHANGES. IXC and CBI shall promptly advise the other party orally and in writing to the extent it has Knowledge of (i) any representation

or warranty made by it (and, in the case of CBI, made by Sub) contained in this Agreement or any of the Option Agreements that is qualified as to materiality becoming untrue or inaccurate in any respect or any such representation or warranty that is not so qualified becoming untrue or inaccurate in any material respect or (ii) the failure of it (and, in the case of CBI, by Sub) to comply with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied by it under this Agreement or any of the Option Agreements and (iii) any change or event having, or which is reasonably likely to have, a Material Adverse Effect on such party or on the truth of their respective representations and warranties or the ability of the conditions set forth in Article VI to be satisfied; PROVIDED, HOWEVER, that no such notification shall affect the representations, warranties, covenants or agreements of the parties (or remedies with respect thereto) or the conditions to the obligations of the parties under this Agreement or any of the Option Agreements.

SECTION 4.02. TRANSITION TEAM. Immediately following the execution of this Agreement, the parties will create a special transition team (the "Transition Team") comprised of the individuals from CBI and IXC set forth in Section 4.02 of the CBI Disclosure Schedule and IXC will make available to the Transition Team sufficient office space, facilities and support within its corporate headquarters. To the extent permitted under applicable law, CBI and IXC will consult with each other regarding the business and operations of IXC and its Subsidiaries. In addition, the Transition Team will develop recommendations concerning the future structure and operations of the Surviving Corporation and its Subsidiaries following the Effective Time.

SECTION 4.03. NO SOLICITATION BY IXC. (a) From and after the date of this Agreement, IXC shall not, nor shall it permit any of its Subsidiaries to, nor shall it authorize or permit any of its directors, officers or employees or any investment banker, financial advisor, attorney, accountant or other representative retained by it or any of its Subsidiaries to, directly or indirectly through another person, (i) solicit, initiate or encourage (including by way of furnishing information), or take any other action designed to facilitate, any inquiries or the making of any proposal that constitutes, an IXC Takeover Proposal or (ii) participate in any discussions or negotiations regarding any IXC Takeover

Proposal. For purposes of this Agreement, "IXC Takeover Proposal" means any bona fide inquiry, proposal or offer from any person relating to any direct or indirect acquisition or purchase of a business that constitutes 35% or more of the net revenues, net income or the assets of IXC and its Subsidiaries, taken as a whole, or 35% or more of any class of equity securities of IXC or any of its Subsidiaries, any tender offer or exchange offer that if consummated would result in any person beneficially owning 35% or more of any class of equity securities of IXC or any of its Subsidiaries, or any merger, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving IXC or any of its Subsidiaries, other than the

transactions contemplated by this Agreement.

(b) Neither the Board of Directors of IXC nor any committee thereof shall (i) except as required by law as advised by counsel, withdraw or modify, or propose publicly to withdraw or modify, in a manner adverse to CBI, the approval or recommendation by such Board of Directors or such committee of the Merger or this Agreement, (ii) approve or recommend, or propose publicly to approve or recommend, any IXC Takeover Proposal or (iii) cause IXC to enter into any letter of intent, agreement in principle, acquisition agreement or other similar agreement (each, an "IXC Acquisition Agreement") related to any IXC Takeover Proposal.

(c) In addition to the obligations of IXC set forth in paragraphs (a) and (b) of this Section 4.03, IXC shall immediately advise CBI orally and in writing of any request for information or of any IXC Takeover Proposal, the material terms and conditions of such request or IXC Takeover Proposal and the identity of the person making such request or IXC Takeover Proposal. IXC will keep CBI informed of the status and details (including amendments or proposed amendments) of any such request or IXC Takeover Proposal.

(d) Nothing contained in this Section 4.03 shall prohibit IXC from taking and disclosing to its stockholders a position contemplated by Rule 14d-9 or 14e-2 promulgated under the Exchange Act or from making any disclosure to IXC's stockholders if, in the good faith judgment of the Board of Directors of IXC, after consultation with outside counsel, failure so to disclose would be inconsistent with its obligations under applicable law; provided, however, that, subject to Section 4.03(b)(i), neither IXC nor its Board of Directors nor any committee thereof shall withdraw or modify, or propose publicly to withdraw or modify, its position with respect to this Agreement or the Merger or approve or recommend, or propose publicly to approve or recommend, an IXC Takeover Proposal.

SECTION 4.04. NO SOLICITATION BY CBI. (a) From and after the date of this Agreement, CBI shall not, nor shall it permit any of its Subsidiaries to, nor shall it authorize or permit any of its directors, officers or employees or any investment banker, financial advisor, attorney, accountant or other representative retained by it or any of its Subsidiaries to, directly or indirectly through another person, (i) solicit, initiate or encourage (including by way of furnishing information), or take any other action designed to facilitate, any inquiries or the making of any proposal that constitutes, a CBI Takeover Proposal or (ii) participate in any discussions or negotiations regarding any CBI Takeover Proposal. For purposes of this Agreement, "CBI Takeover Proposal" means any bona fide inquiry, proposal or offer from any person relating to any direct or indirect acquisition or purchase of a business that constitutes 35% or more of the net revenues, net income or the assets of CBI and its Subsidiaries, taken as a whole, or 35% or more of any class of equity securities of CBI or any of its Subsidiaries, any tender offer or exchange offer that if consummated would result in any person beneficially owning 35% or more of any class of equity securities of CBI or any of its Subsidiaries, or any merger, consolidation, business combination,

recapitalization, liquidation, dissolution or similar transaction involving CBI or any of its Subsidiaries, other than the transactions contemplated by this Agreement.

(b) Neither the Board of Directors of CBI nor any committee thereof shall (i) except as required by law as advised by counsel, withdraw or modify, or propose publicly to withdraw or modify, in a

manner adverse to IXC, the approval or recommendation by such Board of Directors or such committee of the Merger or this Agreement, (ii) approve or recommend, or propose publicly to approve or recommend, any CBI Takeover Proposal or (iii) cause CBI to enter into any letter of intent, agreement in principle, acquisition agreement or other similar agreement (each, a "CBI Acquisition Agreement") related to any CBI Takeover Proposal.

(c) In addition to the obligations of CBI set forth in paragraphs (a) and (b) of this Section 4.04, CBI shall immediately advise IXC orally and in writing of any request for information or of any CBI Takeover Proposal, the material terms and conditions of such request or CBI Takeover Proposal and the identity of the person making such request or CBI Takeover Proposal. CBI will keep IXC informed of the status and details (including amendments or proposed amendments) of any such request or CBI Takeover Proposal.

(d) Nothing contained in this Section 4.04 shall prohibit CBI from taking and disclosing to its shareholders a position contemplated by Rule 14d-9 or 14e-2 promulgated under the Exchange Act or from making any disclosure to CBI's shareholders if, in the good faith judgment of the Board of Directors of CBI, after consultation with outside counsel, failure so to disclose would be inconsistent with its obligations under applicable law; PROVIDED, HOWEVER, that, subject to Section 4.03(b)(i), neither CBI nor its Board of Directors nor any committee thereof shall withdraw or modify, or propose publicly to withdraw or modify, its position with respect to this Agreement or the Merger or approve or recommend, or propose publicly to approve or recommend, a CBI Takeover Proposal.

ARTICLE V
ADDITIONAL AGREEMENTS

SECTION 5.01. PREPARATION OF THE FORM S-4 AND JOINT PROXY STATEMENT; STOCKHOLDER MEETINGS. (a) As soon as practicable following the date of this Agreement, IXC and CBI shall prepare and file with the SEC the Joint Proxy Statement and IXC and CBI shall prepare and CBI shall file with the SEC the Form S-4, in which the Joint Proxy Statement will be included as a prospectus. Each of IXC and CBI shall use reasonable efforts to have the Form S-4 declared effective under the Securities Act as promptly as practicable after such filing and keep the Form S-4 effective for so long as necessary to complete the Merger. IXC will use all reasonable efforts to cause the Joint Proxy Statement to be mailed to IXC's stockholders, and CBI will use all reasonable efforts to cause the Joint Proxy Statement to be mailed to CBI's shareholders, in each case as

promptly as practicable after the Form S-4 is declared effective under the Securities Act. CBI shall also take any action (other than qualifying to do business in any jurisdiction in which it is not now so qualified or to file a general consent to service of process) required to be taken under any applicable state securities laws in connection with the issuance of CBI Common Stock in the Merger and IXC shall furnish all information concerning IXC and the holders of capital stock of IXC as may be reasonably requested in connection with any such action. No filing of, or amendment or supplement to, or correspondence to the SEC or its staff with respect to, the Form S-4 will be made by CBI, or the Joint Proxy Statement will be made by CBI or IXC, without providing the other party a reasonable opportunity to review and comment thereon. CBI will advise IXC, promptly after it receives notice thereof, of the time when the Form S-4 has become effective or any supplement or amendment thereto has been filed, the issuance of any stop order, the suspension of the qualification of the CBI Common Stock issuable in connection with the Merger for offering or sale in any jurisdiction, or any request by the SEC for amendment of the Form S-4 or the Joint Proxy Statement or comments thereon and responses thereto or requests by the SEC for additional information and will, as promptly as practicable, provide to IXC copies of all correspondence and filings with the SEC with respect to the Form S-4. IXC will inform CBI, promptly after it receives notice thereof, of any request by the SEC for the amendment of the Joint Proxy Statement or comments thereon and responses thereto or requests by the SEC for additional

information and will, as promptly as practicable, provide to CBI copies of all correspondence and filings with the SEC with respect to the Joint Proxy Statement. If at any time prior to the Effective Time any information relating to IXC or CBI, or any of their respective Affiliates, directors or officers, should be discovered by IXC or CBI which should be set forth in an amendment or supplement to any of the Form S-4 or the Joint Proxy Statement, so that any of such documents would not include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the party which discovers such information shall promptly notify the other parties hereto and an appropriate amendment or supplement describing such information shall be promptly filed with the SEC and, to the extent required by law, disseminated to the shareholders of CBI and the stockholders of IXC. For purposes of Sections 3.01(f), 3.02(e) and 5.01, information concerning or related to CBI, its Subsidiaries or the CBI Shareholders Meeting will be deemed to have been provided by CBI, and information concerning or related to IXC, its Subsidiaries or the IXC Stockholders Meeting will be deemed to have been provided by IXC.

(b) IXC (i) shall, as soon as practicable following the date of this Agreement, establish a record date (which shall be as soon as practicable following the date of this Agreement) for, duly call, give notice of, convene and hold a meeting of its stockholders (the "IXC Stockholders Meeting") for the purpose of obtaining IXC Stockholder Approval and (ii) shall, through its Board of Directors, recommend to its stockholders the approval and adoption of this Agreement, the Merger and the other transactions contemplated hereby. Without

limiting the generality of the foregoing but subject to its rights to terminate this Agreement pursuant to Section 7.01, IXC agrees that its obligations pursuant to the first sentence of this Section 5.01(b) shall not be affected by the commencement, public proposal, public disclosure or communication to IXC of any IXC Takeover Proposal.

(c) CBI (i) shall, as soon as practicable following the date of this Agreement, establish a record date (which shall be as soon as practicable following the date of this Agreement) for, duly call, give notice of, convene and hold a meeting of its shareholders (the "CBI Shareholders Meeting") for the purpose of obtaining CBI Shareholder Approval and (ii) shall, through its Board of Directors, recommend to its shareholders the approval of the matters referred to in Section 3.02(m). Without limiting the generality of the foregoing but subject to its rights to terminate this Agreement pursuant to Section 7.01, CBI agrees that its obligations pursuant to the first sentence of this Section 5.01(c) shall not be affected by the commencement, public proposal, public disclosure or communication to CBI of any CBI Takeover Proposal.

(d) IXC and CBI will use all reasonable efforts to hold the IXC Stockholders Meeting and the CBI Shareholders Meeting on the same date and as soon as practicable after the date hereof.

SECTION 5.02. LETTERS OF IXC'S ACCOUNTANTS. IXC shall use reasonable efforts to cause to be delivered to CBI two letters from IXC's independent accountants, one dated a date within two Business Days before the date on which the Form S-4 shall become effective and one dated a date within two Business Days before the Closing Date, each addressed to CBI, in form and substance reasonably satisfactory to CBI and customary in scope and substance for comfort letters delivered by independent public accountants in connection with registration statements similar to the Form S-4.

SECTION 5.03. LETTERS OF CBI'S ACCOUNTANTS. CBI shall use reasonable efforts to cause to be delivered to IXC two letters from CBI's independent accountants, one dated a date within two Business Days before the date on which the Form S-4 shall become effective and one dated a date within two Business Days before the Closing Date, each addressed to IXC, in form and substance reasonably satisfactory to IXC and customary in scope and substance for comfort letters delivered by independent public accountants in connection with registration statements similar to the Form S-4.

SECTION 5.04. ACCESS TO INFORMATION; CONFIDENTIALITY. Subject to the existing confidentiality agreement dated as of May 28, 1999 (the "Confidentiality Agreement"), between CBI and IXC, upon

reasonable notice, each of CBI and IXC shall, and shall cause each of its respective Subsidiaries to, afford to the other party and to the officers, employees, accountants, counsel, financial advisors and other representatives of such other party, reasonable access during normal business hours during the

period prior to the Effective Time to all their respective properties, books, contracts, commitments, personnel and records and, during such period, each of CBI and IXC shall, and shall cause each of its respective Subsidiaries to, furnish promptly to the other party (a) a copy of each report, schedule, registration statement and other document filed or received by it during such period pursuant to the requirements of Federal or state securities laws and (b) all other information concerning its business, properties and personnel as such other party may reasonably request. Neither CBI nor IXC shall be required to provide access to or disclose information where such access or disclosure would contravene any applicable law, rule, regulation, order or decree or would, with respect to any pending matter, result in a waiver of the attorney-client privilege or the protection afforded attorney work-product. CBI and IXC shall use reasonable efforts to obtain from third parties any consents or waivers of confidentiality restrictions with respect to any such information being provided by it. No review pursuant to this Section 5.04 shall have an effect for the purpose of determining the accuracy of any representation or warranty given by either party hereto to the other party hereto. Each of CBI and IXC will hold, and will cause its respective officers, employees, accountants, counsel, financial advisors and other representatives and Affiliates to hold, any nonpublic information in accordance with the terms of the Confidentiality Agreement.

SECTION 5.05. REASONABLE EFFORTS. (a) Upon the terms and subject to the conditions set forth in this Agreement, each of the parties agrees to use its reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the Merger and the other transactions contemplated by this Agreement, the Stockholders Agreements and the Option Agreements, including using reasonable efforts to accomplish the following: (i) the taking of all reasonable acts necessary to cause the conditions to Closing to be satisfied as promptly as practicable, (ii) the obtaining of all necessary actions or nonactions, waivers, consents and approvals from Governmental Entities and the making of all necessary registrations and filings (including filings with Governmental Entities, if any) and the taking of all reasonable steps as may be necessary to obtain an approval or waiver from, or to avoid an action or proceeding by any Governmental Entity, (iii) the obtaining of all necessary consents, approvals or waivers from third parties, (iv) the defending of any lawsuits or other legal proceedings, whether judicial or administrative, challenging this Agreement, the Stockholders Agreements or any of the Option Agreements or the consummation of the Merger or the other transactions contemplated by, and to fully carry out the purposes of, this Agreement, the Stockholders Agreements and the Option Agreements, including seeking to have any stay or temporary restraining order entered by any court or other Governmental Entity vacated or reversed and (v) the execution and delivery of any additional instruments necessary to consummate the Merger and the other transactions contemplated by, and to fully carry out the purposes of, this Agreement, the Stockholders Agreements and the Option Agreements.

(b) In connection with and without limiting the foregoing, IXC and its Board

of Directors and CBI and its Board of Directors shall make reasonable efforts to: (1) take all action necessary to ensure that no state takeover statute or similar statute or regulation is or becomes applicable to this Agreement, the Stockholders Agreements or any of the Option Agreements or the Merger or any of the other transactions contemplated by this Agreement, the Stockholders Agreements or any of the Option Agreements and (2) if any state takeover statute or similar statute becomes applicable to this Agreement, the Stockholders Agreements, any of the Option Agreements, the Merger or any other transactions contemplated by this Agreement, the Stockholders Agreements or any of the Option Agreements, take all action necessary to ensure that the Merger and the other transactions contemplated by this Agreement, the Stockholders Agreements and the Option Agreements may be consummated as promptly as practicable on the terms contemplated by this Agreement, the

Stockholders Agreements and the Option Agreements and otherwise to minimize the effect of such statute or regulation on this Agreement, the Stockholders Agreements, the Option Agreements, the Merger and the other transactions contemplated by this Agreement, the Stockholders Agreements and the Option Agreements. Nothing in this Agreement shall be deemed to require CBI to agree to, or proffer to, divest or hold separate any assets or any portion of any business of CBI, IXC or any of their respective Subsidiaries if the Board of Directors of CBI determines that so doing would materially impair the benefit intended to be obtained by CBI in the Merger. Without limiting the generality of the foregoing, IXC shall give CBI the opportunity to participate in the defense of any litigation against IXC and/or its directors relating to the transactions contemplated by this Agreement, the Stockholders Agreements and the Option Agreements.

SECTION 5.06. IXC STOCK OPTIONS AND IXC WARRANTS. (a) As soon as practicable following the date of this Agreement, the Board of Directors of IXC (or, if appropriate, any committee administering IXC Stock Plans) shall adopt such resolutions or take such other actions as may be required to effect the following:

(i) adjust the terms of all outstanding IXC Stock Options, whether vested or unvested, as necessary to provide that, at the Effective Time, each IXC Stock Option outstanding immediately prior to the Effective Time shall be amended and converted into an option to acquire, on the same terms and conditions as were applicable under IXC Stock Option, the number of shares of CBI Common Stock (rounded down to the nearest whole share) determined by multiplying the number of shares of IXC Common Stock subject to such IXC Stock Option by the Exchange Ratio, at a price per share of CBI Common Stock equal to (A) the aggregate exercise price for the shares of IXC Common Stock otherwise purchasable pursuant to such IXC Stock Option divided by (B) the aggregate number of shares of CBI Common Stock deemed purchasable pursuant to such IXC Stock Option (each, as so adjusted, an "Adjusted Option"); provided that such exercise price shall be rounded up to the nearest whole cent; and

(ii) make such other changes to IXC Stock Plans as CBI and IXC may agree are appropriate to give effect to the Merger.

(b) The adjustments provided herein with respect to any IXC Stock Options to which Section 421(a) of the Code applies shall be and are intended to be effected in a manner which is consistent with Section 424(a) of the Code.

(c) At the Effective Time, by virtue of the Merger and without the need of any further corporate action, each IXC Stock Option outstanding at the Effective Time shall be converted into an option relating to CBI Common Stock following the Effective Time so as to substitute CBI Common Stock for IXC Common Stock purchasable thereunder (subject to the adjustments required by this Section 5.06 after giving effect to the Merger). Prior to the Effective Time, CBI shall take all necessary actions (including, if required to comply with Section 162(m) of the Code (and the regulations thereunder) or applicable law or rule of Nasdaq, obtaining the approval of its shareholders at the next regularly scheduled annual meeting of CBI following the Effective Time) for the conversion of IXC Stock Options, including the reservation, issuance and listing of CBI Common Stock in a number at least equal to the number of shares of CBI Common Stock that will be subject to the Adjusted Options.

(d) As soon as practicable following the Effective Time, CBI shall prepare and file with the SEC a registration statement on Form S-8 (or another appropriate form) registering a number of shares of CBI Common Stock equal to the number of shares subject to the Adjusted Options. Such registration statement shall be kept effective (and the current status of the prospectus or prospectuses required thereby shall be maintained) at least for so long as any Adjusted Options or any unsettled awards granted under IXC Stock Plans after the Effective Time may remain outstanding.

(e) As soon as practicable after the Effective Time, CBI shall deliver to the holders of IXC Stock Options appropriate notices setting forth such holders' rights pursuant to the respective IXC Stock Plans and the agreements evidencing the grants of such IXC Stock Options and that such IXC Stock Options and agreements shall be assumed by CBI and shall continue in effect on the same terms and conditions (subject to the adjustments required by this Section 5.06 after giving effect to the Merger and to vesting, if any, caused by the Merger).

(f) Except as otherwise expressly provided in this Section 5.06 and except to the extent required under the respective terms of IXC Stock Options, all restrictions or limitations on transfer and vesting with respect to IXC Stock Options awarded under IXC Stock Plans or any other plan, program or arrangement of IXC or any of its Subsidiaries, to the extent that such restrictions or limitations shall not have already lapsed, and all other terms thereof, shall remain in full force and effect with respect to such options after giving effect to the Merger and the assumption by CBI as set forth above.

(g) At the Effective Time, by virtue of the Merger and without the need for any further corporate action, each Warrant outstanding immediately prior to the Effective Time shall be automatically converted into an option or warrant to acquire, on the same terms and conditions as were applicable under such Warrant, the number of shares of CBI Common Stock (rounded down to the nearest whole share) determined by multiplying the number of shares of IXC Common Stock subject to such Warrant by the Exchange Ratio, at a price per share of CBI Common Stock equal to (A) the aggregate exercise price for shares of IXC Common Stock otherwise purchasable pursuant to such Warrant divided by (B) the aggregate number of shares of CBI Common Stock deemed purchasable pursuant to such Warrant; PROVIDED, HOWEVER, that such exercise price shall be rounded up to the nearest whole cent.

SECTION 5.07. EMPLOYEE BENEFIT PLANS; EXISTING AGREEMENTS. (a) During the six-month period following the Effective Time (the "Transition Period"), CBI shall cause the Surviving Corporation to either maintain the benefit programs (other than equity-based arrangements) provided by IXC and its Subsidiaries before the Effective Time or replace all or any such programs with programs maintained for similarly situated employees of CBI; PROVIDED that the aggregate level of benefits (other than equity-based arrangements) provided during the Transition Period shall be substantially similar to the aggregate level of benefits (other than equity-based arrangements) provided by IXC and its Subsidiaries before the Effective Time. To the extent that any plan of CBI or any of its Affiliates (a "CBI Plan") becomes applicable to any employee or former employee of IXC or its Subsidiaries, CBI shall grant, or cause to be granted, to such employees or former employees credit for their service with IXC and its Subsidiaries (and any of their predecessors) for the purpose of determining eligibility to participate and nonforfeitability of benefits under such CBI Plan and for purposes of benefit accrual under vacation and severance pay plans (but only to the extent such service was credited under similar plans of IXC and its Subsidiaries).

(b) With respect to any welfare benefit plan of CBI or its Affiliates made available to individuals who immediately prior to the Closing Date were employees of IXC or any of its Subsidiaries, CBI shall, or shall cause the Surviving Corporation to, waive any waiting periods, pre-existing condition exclusions and actively-at-work requirements to the extent such provisions were inapplicable immediately before such plan was made available and provide that any expenses incurred on or before the date such plan was made available by any such individual or such individual's covered dependents shall be taken into account for purposes of satisfying applicable deductible, coinsurance and maximum out-of-pocket provisions.

SECTION 5.08. INDEMNIFICATION, EXCULPATION AND INSURANCE. (a) CBI and Sub agree that all rights to indemnification and exculpation from liabilities for acts or omissions occurring at or prior to the Effective Time (and rights for advancement of expenses) now existing in favor of the current or former directors or officers of IXC or its Subsidiaries as provided in their respective certificates of incorporation or by-laws (or comparable organizational documents) and any indemnification or other

agreements of IXC as in effect on the date hereof shall be assumed by the Surviving Corporation in the Merger, without further action, as of the Effective Time and shall survive the Merger and shall continue in full force and effect in accordance with their terms.

(b) In the event that the Surviving Corporation or any of its successors or assigns (i) consolidates with or merges into any other person and is not the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers or conveys all or substantially all its properties and assets to any person, then, and in each such case, CBI shall cause proper provision to be made so that the successors and assigns of the Surviving Corporation assume the obligations set forth in this Section 5.08.

(c) For six years from and after the Effective Time, CBI shall maintain in effect IXC's current directors' and officers' liability insurance covering acts or omissions occurring prior to the Effective Time covering each person currently covered by IXC's directors' and officers' liability insurance policy on terms with respect to such coverage and amounts no less favorable than those of such policy in effect on the date hereof; PROVIDED that CBI may substitute therefor policies of CBI or its subsidiaries containing terms with respect to coverage and amount no less favorable to such directors or officers; PROVIDED, HOWEVER, that in no event shall CBI be required to pay aggregate premiums for insurance under this Section 5.08(c) in excess of 200% of the amount of the aggregate premiums paid by IXC in 1998 on an annualized basis for such purpose; PROVIDED that CBI shall nevertheless be obligated to provide such coverage as may be obtained for such 200% amount.

(d) The provisions of this Section 5.08 (i) are intended to be for the benefit of, and will be enforceable by, each indemnified party, his or her heirs and his or her representatives and (ii) are in addition to, and not in substitution for, any other rights to indemnification or contribution that any such person may have by contract or otherwise.

SECTION 5.09. FEES AND EXPENSES. (a) Except as provided in this Section 5.09, all fees and expenses incurred in connection with the Merger, this Agreement, the Stockholders Agreements, the Option Agreements and the transactions contemplated hereby and thereby shall be paid by the party incurring such fees or expenses, whether or not the Merger is consummated, except that each of CBI and IXC shall bear and pay one-half of (1) the costs and expenses incurred in connection with the filing, printing and mailing of the Form S-4 and the Joint Proxy Statement (including SEC filing fees) and (2) the filing fees for the premerger notification and report forms under the HSR Act.

(b) In the event that (1) an IXC Takeover Proposal shall have been made to IXC or any of its Subsidiaries or shall have been made directly to the stockholders of IXC generally or shall have otherwise become publicly known or any person shall have publicly announced an intention (whether or not

conditional) to make an IXC Takeover Proposal and thereafter this Agreement is terminated by either CBI or IXC pursuant to Section 7.01(b)(i) or (iii) or (2) this Agreement is terminated by CBI pursuant to Section 7.01(e), then IXC shall promptly, but in no event later than the date of such termination, pay CBI a fee equal to $105 million (the "Termination Fee"), payable by wire transfer of same day funds; PROVIDED, HOWEVER, that no Termination Fee shall be payable to CBI pursuant to clause (1) of this paragraph (b) or pursuant to a termination by CBI pursuant to Section 7.01(e) unless and until within 12 months of such termination IXC or any of its Subsidiaries enters into any IXC Acquisition Agreement with respect to, or consummates, any IXC Takeover Proposal (for the purposes of the foregoing proviso the term "IXC Takeover Proposal" shall have the meaning assigned to such term in Section 4.03 except that references to "35%" in the definition of "IXC Takeover Proposal" in Section 4.03 as they relate to net revenues, net income or assets of IXC and its Subsidiaries, taken as a whole, shall be deemed to be references to "50%"), in which event the Termination Fee shall be payable upon the first to occur of such events. IXC acknowledges that the agreements contained in this Section 5.09(b) are an integral part of the transactions contemplated by this Agreement, and that, without these agreements, CBI would not enter into this Agreement; accordingly, if IXC fails promptly

to pay the amount due pursuant to this Section 5.09(b), and, in order to obtain such payment, CBI commences a suit which results in a judgment against IXC for the fee set forth in this Section 5.09(b), IXC shall pay to CBI its costs and expenses (including attorneys' fees and expenses) in connection with such suit, together with interest on the amount of the fee at the prime rate of Citibank, N.A. in effect on the date such payment was required to be made.

(c) In the event that (1) a CBI Takeover Proposal shall have been made to CBI or any of its Subsidiaries or shall have been made directly to the shareholders of CBI generally or shall have otherwise become publicly known or any person shall have publicly announced an intention (whether or not conditional) to make a CBI Takeover Proposal and thereafter this Agreement is terminated by either CBI or IXC pursuant to Section 7.01(b)(i) or (ii) or (2) this Agreement is terminated by IXC pursuant to Section 7.01(f), then CBI shall promptly, but in no event later than the date of such termination, pay IXC the Termination Fee, payable by wire transfer of same day funds; PROVIDED, HOWEVER, that no Termination Fee shall be payable to IXC pursuant to clause (1) of this paragraph (c) or pursuant to a termination by IXC pursuant to Section 7.01(f) unless and until within 12 months of such termination CBI or any of its Subsidiaries enters into any CBI Acquisition Agreement with respect to, or consummates, any CBI Takeover Proposal (for the purposes of the foregoing proviso the term "CBI Takeover Proposal" shall have the meaning assigned to such term in Section 4.04 except that references to "35%" in the definition of "CBI Takeover Proposal" in Section 4.04 as they relate to net revenues, net income or assets of CBI and its Subsidiaries, taken as a whole, shall be deemed to be references to "50%"), in which event the Termination Fee shall be payable upon the first to occur of such events. CBI acknowledges that the agreements

contained in this Section 5.09(c) are an integral part of the transactions contemplated by this Agreement, and that, without these agreements, IXC would not enter into this Agreement; accordingly, if CBI fails promptly to pay the amount due pursuant to this Section 5.09(c), and, in order to obtain such payment, IXC commences a suit which results in a judgment against CBI for the fee set forth in this Section 5.09(c), CBI shall pay to IXC its costs and expenses (including attorneys' fees and expenses) in connection with such suit, together with interest on the amount of the fee at the prime rate of Citibank, N.A. in effect on the date such payment was required to be made.

SECTION 5.10. PUBLIC ANNOUNCEMENTS. Promptly after the date hereof, CBI and IXC will develop a joint communications plan and each party hereto shall use all reasonable best efforts to ensure that all press releases and other public statements with respect to the transactions contemplated by this Agreement, including the Merger, the Stockholders Agreements and the Option Agreements shall be consistent with such joint communications plan. CBI and IXC will consult with each other before issuing any press release or otherwise making any written public statement with respect to the transactions contemplated by this Agreement, including the Merger, the Stockholders Agreements and the Option Agreements, and shall not issue any such press release or make any such written public statement prior to such consultation, except as either party may determine is required by applicable law or by obligations pursuant to any listing agreement with any national securities exchange or national trading system. The parties agree that the initial press release to be issued with respect to the transactions contemplated by this Agreement, the Stockholders Agreements and the Option Agreements shall be in the form heretofore agreed to by the parties.

SECTION 5.11. AFFILIATES. IXC shall deliver to CBI at least 30 days prior to the Closing Date a letter identifying all persons who are, at the time this Agreement is submitted for adoption by the stockholders of IXC, "affiliates" of IXC for purposes of Rule 145 under the Securities Act and applicable SEC rules and regulations. IXC shall use reasonable efforts to cause each such person to deliver to CBI at least 30 days prior to the Closing Date a written agreement substantially in the form attached as Exhibit A hereto.

SECTION 5.12. STOCK EXCHANGE LISTINGS. (a) CBI shall use reasonable efforts to cause the CBI Common Stock issuable in the Merger and pursuant to the CBI Stock Option Agreement to be

approved for listing on the NYSE and the CSE, subject to official notice of issuance, as promptly as practicable after the date hereof, and in any event prior to the Closing Date.

(b) IXC shall use reasonable efforts to cause the IXC Common Stock issuable pursuant to the IXC Stock Option Agreement to be approved for quotation on Nasdaq, subject to official notice of issuance, as promptly as practicable after the date hereof, and in any event prior to the Closing Date.

(c) IXC shall use reasonable best efforts to cause the IXC 7 1/4% Preferred Stock, the IXC 6 3/4% Preferred Stock and the IXC 12 1/2% Preferred Stock to be approved for quotation on Nasdaq, subject to official notice of issuance, as promptly as practicable after the date hereof, and in any event prior to the record date for the IXC Stockholders Meeting.

SECTION 5.13. TAX TREATMENT. Each of CBI and IXC shall use reasonable efforts to cause the Merger to qualify as a reorganization under the provisions of Section 368 of the Code and to obtain the opinions of counsel referred to in Section 6.03(c), including the execution of the letters of representation referred to therein.

SECTION 5.14. FURTHER ASSURANCES. IXC shall deliver, or shall cause to be delivered, if required by the terms of any note, indenture, credit agreement, warrant or other financing instrument or preferred stock, as promptly as possible after the date hereof but in no event less than 15 days prior to the Effective Time, any notice of the Merger or the transactions contemplated by this Agreement.

SECTION 5.15. IXC RIGHTS AGREEMENT. The Board of Directors of IXC shall take all further action (in addition to that referred to in Section 3.01(s)) necessary or desirable (including redeeming IXC Rights immediately prior to the Effective Time or amending the IXC Rights Agreement if reasonably requested by CBI) in order to render the IXC Rights inapplicable to the Merger and to the other transactions contemplated by this Agreement, the Stockholders Agreements and the Option Agreements to the extent provided herein. Except as provided above with respect to the Merger and the other transactions contemplated by this Agreement, the Stockholders Agreements and the Option Agreements, until the date following the IXC Stockholders Meeting, the Board of Directors of IXC shall not, without the prior written consent of CBI, (a) amend the IXC Rights Agreement or (b) take any action with respect to, or make any determination under, the IXC Rights Agreement, including a redemption of the IXC Rights or any action to facilitate an IXC Takeover Proposal.

SECTION 5.16. CBI RIGHTS AGREEMENT. The Board of Directors of CBI shall take all further action (in addition to that referred to in Section 3.02(s)) necessary or desirable (including redeeming CBI Rights immediately prior to the Effective Time or amending the CBI Rights Agreement if reasonably requested by IXC) in order to render the CBI Rights inapplicable to the Merger and the other transactions contemplated by this Agreement, the Stockholders Agreements and the Option Agreements to the extent provided herein. Except as provided above with respect to the Merger and the other transactions contemplated by this Agreement, the Stockholders Agreements and the Option Agreements, until the date following the CBI Shareholders Meeting, the Board of Directors of CBI shall not, without the prior written consent of IXC, (a) amend the CBI Rights Agreement (other than any amendment made in connection with an acquisition by CBI of any assets or voting securities of another person) or (b) take any action with respect to, or make any determination under, the CBI Rights Agreement, including a redemption of the CBI Rights or any action to facilitate a CBI Takeover Proposal.

SECTION 5.17. TRANSFER TAXES. All stock transfer, real estate transfer, documentary, stamp, recording and other similar taxes (including interest, penalties and additions to any such taxes) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by IXC.

SECTION 5.18. STOCKHOLDERS AGREEMENTS LEGEND. IXC will inscribe upon any certificate representing Subject Shares (as defined in the Stockholders Agreements) tendered by a Stockholder (as defined in the Stockholders Agreements) in connection with any proposed transfer of any Subject

Shares by such Stockholder in accordance with the terms of the Stockholders Agreements the following legend: "THE SHARES OF COMMON STOCK, PAR VALUE $.01, PER SHARE, OF IXC COMMUNICATIONS, INC., REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A STOCKHOLDERS AGREEMENT DATED AS OF JULY 20, 1999, AND ARE SUBJECT TO THE TERMS THEREOF. COPIES OF SUCH AGREEMENT MAY BE OBTAINED AT THE PRINCIPAL EXECUTIVE OFFICES OF IXC COMMUNICATIONS, INC."; and IXC will return such certificate containing such inscription to such Stockholder within three business days following IXC's receipt thereof.

ARTICLE VI
CONDITIONS PRECEDENT

SECTION 6.01. CONDITIONS TO EACH PARTY'S OBLIGATION TO EFFECT THE MERGER. The respective obligation of each party to effect the Merger is subject to the satisfaction or waiver on or prior to the Closing Date of the following conditions:

(a) STOCKHOLDER APPROVALS. Each of the IXC Stockholder Approval and the CBI Shareholder Approval shall have been obtained.

(b) HSR ACT. The waiting period (and any extension thereof) applicable to the Merger under the HSR Act shall have been terminated or shall have expired.

(c) FCC AND PUC APPROVALS. All consents, approvals or orders of authorization of, or actions by the FCC and all necessary state PUC approvals shall have been obtained.

(d) NO LITIGATION. No judgment, order, decree, statute, law, ordinance, rule or regulation, entered, enacted, promulgated, enforced or issued by any court or other Governmental Entity of competent jurisdiction or other legal restraint or prohibition (collectively, "Restraints") shall be in effect, and there shall not be pending or threatened any suit, action or proceeding by any Governmental Entity (i) preventing the consummation of the Merger or (ii) which otherwise is reasonably likely to have a Material Adverse Effect on IXC or CBI, as applicable; PROVIDED, HOWEVER, that each of the parties shall have used its reasonable efforts to prevent the entry of any such Restraints and to appeal as promptly as possible any such Restraints that may be entered.

(e) FORM S-4. The Form S-4 shall have become effective under the Securities Act and shall not be the subject of any stop order or proceedings seeking a stop order.

(f) STOCK EXCHANGE LISTINGS. The shares of CBI Common Stock issuable to IXC's stockholders as contemplated by this Agreement shall have been approved for listing on the NYSE, subject to official notice of issuance.

(g) EQUITY INVESTMENT. CBI shall have received $400 million pursuant to the terms of the Investment Agreement.

SECTION 6.02. CONDITIONS TO OBLIGATIONS OF CBI AND SUB. The obligation of CBI and Sub to effect the Merger is further subject to satisfaction or waiver of the following conditions:

(a) REPRESENTATIONS AND WARRANTIES. The representations and warranties of IXC set forth herein that are qualified as to materiality shall be true and correct, and those that are not so qualified shall be true and correct in all material respects, in each case as of the date hereof and as of the Closing Date, with the same effect as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such date). CBI shall have received a certificate signed on behalf of IXC by the chief executive officer of IXC to such effect.

(b) PERFORMANCE OF OBLIGATIONS OF IXC. IXC shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date. CBI shall have received a certificate signed on behalf of IXC by the chief executive officer of IXC to such effect.

SECTION 6.03. CONDITIONS TO OBLIGATIONS OF IXC. The obligation of IXC to effect the Merger is further subject to satisfaction or waiver of the following conditions:

(a) REPRESENTATIONS AND WARRANTIES. The representations and warranties of CBI and Sub set forth herein that are qualified as to materiality shall be true and correct, and those that are not so qualified shall be true and correct in all material respects, in each case as of the date hereof and as of the Closing Date, with the same effect as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such date). IXC shall have received a certificate signed on behalf of CBI by the chief executive officer of CBI to such effect.

(b) PERFORMANCE OF OBLIGATIONS OF CBI AND SUB. CBI and Sub shall have performed in all material respects all obligations required to be performed by them under this Agreement at or prior to the Closing Date. IXC shall have received a certificate signed on behalf of CBI by the chief executive officer of CBI to such effect.

(c) TAX OPINION. IXC shall have received from Riordan & McKinzie, counsel to IXC, on the date on which the Form S-4 is filed with the SEC and on the Closing Date, an opinion, in each case dated as of such respective date and to the effect that: (i) the Merger will qualify for U.S. Federal income tax purposes as a "reorganization" within the meaning of Section 368(a) of the Code and (ii) IXC, CBI and Sub will each be a "party to a reorganization" within the meaning of Section 368(b) of the Code. The issuance of such opinion shall be conditioned upon the receipt by such tax counsel of representation letters from each of IXC and CBI in substantially the same form as Exhibits C and D, respectively. The opinion shall be in substantially the same form as Exhibit E.

SECTION 6.04. FRUSTRATION OF CLOSING CONDITIONS. None of CBI, Sub or IXC may rely on the failure of any condition set forth in Section 6.01, 6.02 or 6.03, as the case may be, to be satisfied if such failure was caused by such party's failure to use its reasonable efforts to consummate the Merger and the other transactions contemplated by this Agreement, the Stockholders Agreements and the Option Agreements, as required by and subject to Section 5.05.

ARTICLE VII
TERMINATION, AMENDMENT AND WAIVER

SECTION 7.01. TERMINATION. This Agreement may be terminated at any time prior to the Effective Time, whether before or after the CBI Shareholder Approval or the IXC Stockholder Approval:

(a) by mutual written consent of CBI and IXC;

(b) by either CBI or IXC:

(i) if the Merger shall not have been consummated by April 30, 2000; PROVIDED, HOWEVER, that if on such date the condition to the Closing set forth in Section 6.01(c) shall not have been satisfied, then either CBI or IXC may cause such date to be extended to July 31, 2000, upon delivery of written notice to the other party; PROVIDED FURTHER, HOWEVER, that the right to terminate this Agreement pursuant to this Section 7.01(b)(i) shall not be available to any party whose failure to perform any of its obligations under this Agreement results in the failure of the Merger to be consummated by such time;

(ii) if the CBI Shareholder Approval shall not have been obtained at a CBI Shareholders Meeting duly convened therefor or at any adjournment or postponement thereof;

(iii) if the IXC Stockholder Approval shall not have been obtained at an IXC Stockholders Meeting duly convened therefor or at any adjournment or postponement thereof; or

(iv) if any Restraint having any of the effects set forth in Section 6.01(d) shall be in effect and shall have become final and nonappealable; PROVIDED that the party seeking to terminate this Agreement pursuant to this Section 7.01(b)(iv) shall have used reasonable efforts to prevent the entry of and to remove such Restraint;

(c) by CBI, if IXC shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform (A) would give rise to the failure of a condition set forth in Section 6.02(a) or (b) and (B) has not been or is incapable of being cured by IXC within 30 calendar days after its receipt of written notice from CBI;

(d) by IXC, if CBI shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform (A) would give rise to the failure of a condition set forth in Section 6.03(a) or (b) and (B) has not been or is incapable of being cured by CBI within 30 calendar days after its receipt of written notice from IXC;

(e) by CBI, if IXC or any of its directors or officers shall participate in discussions or negotiations in breach of Section 4.03; or

(f) by IXC, if CBI or any of its directors or officers shall participate in discussions or negotiations in breach of Section 4.04.

SECTION 7.02. EFFECT OF TERMINATION. In the event of termination of this Agreement by either IXC or CBI as provided in Section 7.01, this Agreement shall forthwith become void and have no effect, without any liability or obligation on the part of CBI or IXC, other than the provisions of Section 3.01(p), Section 3.02(n), the last sentence of Section 5.04, Section 5.09, this Section 7.02 and Article VIII, which provisions survive such termination, and except to the extent that such termination results from the wilful and material breach by a party of any of its representations, warranties, covenants or agreements set forth in this Agreement. If this Agreement is terminated under circumstances in which a party is entitled to receive the Termination Fee, the payment of such Termination Fee shall be the sole and exclusive remedy available to such party, except if there shall have been a wilful breach by the other party of Section 4.03 or Section 4.04, as the case may be.

SECTION 7.03. AMENDMENT. This Agreement may be amended by the parties at any time before or after the IXC Stockholder Approval or the CBI Shareholder Approval; PROVIDED, HOWEVER, that after any such approval, there shall not be made any amendment that by law requires further approval by the stockholders of IXC or further approval of the shareholders of CBI without the further approval of such stockholders or shareholders. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties.

SECTION 7.04. EXTENSION; WAIVER. At any time prior to the Effective Time, a party may (a) extend the time for the performance of any of the obligations or

other acts of the other parties, (b) waive any inaccuracies in the representations and warranties of the other parties contained in this Agreement or in any document delivered pursuant to this Agreement or (c) subject to the proviso of Section 7.03, waive compliance by the other party with any of the agreements or conditions contained in this Agreement. Any agreement on the part of a party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party. The failure of any party to

this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights.

ARTICLE VIII
GENERAL PROVISIONS

SECTION 8.01. NONSURVIVAL OF REPRESENTATIONS AND WARRANTIES. None of the representations, warranties, covenants or agreements in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Effective Time. This Section 8.01 shall not limit any covenant or agreement of the parties which by its terms contemplates performance after the Effective Time.

SECTION 8.02. NOTICES. All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be deemed given if delivered personally, telecopied (which is confirmed) or sent by overnight courier (providing proof of delivery) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to CBI or Sub, to

Cincinnati Bell Inc.
201 E. Fourth Street, 102-1900
P.O. Box 2301
Cincinnati, Ohio 45201-2301
Telecopy No.: (513) 397-9557
Attention: General Counsel
with a copy to:
Cravath, Swaine & Moore
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019
Telecopy No.: (212) 474-3700
Attention: Robert A. Kindler, Esq.
Robert I. Townsend, III, Esq.;

and

(b) if to IXC, to

IXC Communications, Inc.
1122 Capital of Texas Highway South
Austin, Texas 78746-6426
Telecopy No.: (512) 328-7902

Attention: General Counsel
with a copy to:
Riordan & McKinzie
695 Town Center Drive
Suite 1500
Costa Mesa, CA 92626
Telecopy No.: (714) 549-3244
Attention: Michael P. Whalen, Esq.

SECTION 8.03. DEFINITIONS. For purposes of this Agreement:

(a) an "Affiliate" of any person means another person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first person, where "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a person, whether through the ownership of voting securities, by contract, as trustee or executor, or otherwise;

(b) "Business Day" means any day other than Saturday, Sunday or any other day on which banks are legally permitted to be closed in New York;

(c) "Knowledge" of any person that is not an individual means, with respect to any specific matter, the knowledge of such person's executive officers and other officers having primary responsibility for such matter;

(d) "Material Adverse Change" or "Material Adverse Effect" means, when used in connection with IXC or CBI, any change, effect, event, occurrence, condition, development or state of facts that is materially adverse to the business, assets, results of operations, condition (financial or otherwise) or prospects of such party (or the Surviving Corporation when used with respect to IXC) and its Subsidiaries, taken as a whole, other than any change, effect, event, occurrence, condition, development or state of facts (i) relating to the economy or securities markets in general, (ii) relating to the industries in which such party operates in general and not specifically relating to such party, (iii) resulting from the announcement or anticipated consummation of the transactions contemplated by this Agreement, the Stockholders Agreements, the Option Agreements, and the transactions contemplated by this Agreement, or (iv) arising from a change in generally accepted accounting principles.

(e) "person" means an individual, corporation, partnership, limited

liability company, joint venture, association, trust, unincorporated organization or other entity; and

(f) a "Subsidiary" of any person means another person, an amount of the voting securities, other voting ownership or voting partnership interests of which is sufficient to elect at least a majority of its Board of Directors or other governing body (or, if there are no such voting interests, 50% or more of the equity interests of which) is owned directly or indirectly by such first person.

SECTION 8.04. INTERPRETATION. When a reference is made in this Agreement to an Article, Section or Exhibit, such reference shall be to an Article or Section of, or an Exhibit to, this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. References to a person are also to its permitted successors and assigns. Terms used herein that are defined under GAAP are used herein as so defined.

SECTION 8.05. COUNTERPARTS. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

SECTION 8.06. ENTIRE AGREEMENT; NO THIRD-PARTY BENEFICIARIES. This Agreement (including the documents and instruments referred to herein), the Option Agreements, the Stockholders Agreements and the Confidentiality Agreement (a) constitute the entire agreement, and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter of this Agreement and (b) except for the provisions of Article II, Section 5.06 and Section 5.08, are not intended to confer upon any person other than the parties any rights or remedies.

SECTION 8.07. GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflict of laws thereof, except to the extent the laws of the State of Ohio are mandatorily applicable for the rights of CBI shareholders and directors and corporate governance matters.

SECTION 8.08. ASSIGNMENT. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of law or otherwise by either of the parties hereto without the prior written consent of the other party. Any assignment in violation of the preceding sentence shall be void. Subject to the preceding two sentences, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns.

SECTION 8.09. ENFORCEMENT. The parties agree that irreparable damage would occur and that the parties would not have any adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any Federal court located in the State of Delaware or in Delaware state court, this being in addition to any other remedy to which they are entitled at law or in equity. In addition, each of the parties hereto (a) consents to submit itself to the personal jurisdiction of any Federal court located in the State of Delaware or any Delaware state court in the event any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, and (c) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than a Federal court sitting in the State of Delaware or a Delaware state court.

SECTION 8.10. SEVERABILITY. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by applicable law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

SECTION 8.11. ADDITIONAL AGREEMENT OF IXC. IXC agrees that (a) promptly after the date hereof, it will form a wholly owned subsidiary and enter into a merger agreement with such subsidiary in a form satisfactory to CBI, including the terms set forth in Section 8.11 to the IXC Disclosure Schedule and (b) it will submit such merger agreement for approval of stockholders of IXC at the IXC Stockholders Meeting.

IN WITNESS WHEREOF, CBI, Sub and IXC have caused this Agreement to be signed by their respective officers thereunto duly authorized, all as of the date first written above.

CINCINNATI BELL INC.,

By: /s/ RICHARD G. ELLENBERGER

Name: Richard G. Ellenberger
Title: President and Chief Executive Officer

IVORY MERGER INC.,

By: /s/ THOMAS E. TAYLOR

Name: Thomas E. Taylor
Title: Vice President and Secretary

IXC COMMUNICATIONS, INC.,

By: /s/ JOHN M. ZRNO

Name: John M. Zrno
Title: President and Chief Executive Officer

ANNEX I
TO THE MERGER AGREEMENT

INDEX OF DEFINED TERMS

ANNEX 2

AGREEMENT GOVERNING THE IXC INTERNAL REORGANIZATION dated as of August 16, 1999 (this "Agreement"), between IXC COMMUNICATIONS, INC., a Delaware corporation ("IXC"), and IXC MERGER SUB, INC., a Delaware corporation and a wholly owned subsidiary of IXC ("Merger Sub").

WHEREAS the respective Boards of Directors of IXC and Merger Sub have each approved and declared advisable this Agreement and the merger of Merger Sub with and into IXC (the "Initial Merger"), upon the terms and subject to the conditions set forth in this Agreement, whereby each issued and outstanding share of common stock, par value $.01 per share, of Merger Sub ("Merger Sub Common Stock") shall be canceled and retired in accordance with the terms of this Agreement and all rights in respect thereof shall cease to exist;

WHEREAS the respective Boards of Directors of IXC and Merger Sub have each determined that the Initial Merger is consistent with, and in furtherance of, their respective business strategies and goals;

WHEREAS the respective Boards of Directors of Cincinnati Bell Inc., an Ohio corporation ("Cincinnati Bell"), Ivory Merger Inc., a Delaware corporation and a wholly owned subsidiary of Cincinnati Bell ("Ivory"), and IXC have approved and declared advisable an Agreement and Plan of Merger dated as of July 20, 1999 (as the same may be amended or supplemented, the "Merger Agreement"; terms used but not defined herein shall have the meanings set forth in the Merger Agreement), and the merger of Ivory with and into IXC (the "Principal Merger"); and

WHEREAS for U.S. federal income tax purposes, it is intended that the Initial Merger shall qualify as (i) a tax-free liquidation under Sections 332 and 337 of the Internal Revenue Code of 1986, as amended (the "Code"), and/or (ii) a tax-free reorganization under the provisions of Section 368(a) of the Code and that this Agreement constitutes a plan of reorganization.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I
THE INITIAL MERGER

SECTION 1.01. THE INITIAL MERGER. Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the Delaware General Corporation Law (the "DGCL"), Merger Sub shall be merged with and into IXC at the Initial Effective Time (as defined in Section 1.03). Following the Initial Merger, the separate corporate existence of Merger Sub shall cease and IXC shall continue as the surviving corporation (the "Surviving Corporation") and shall succeed to and assume all the rights and obligations of Merger Sub in accordance with the DGCL.

SECTION 1.02. CLOSING. The closing of the Initial Merger (the "Closing") will take place at 9:00 a.m. on a date to be specified by the parties (the "Closing Date"), at the offices of Cravath, Swaine & Moore, Worldwide Plaza, 825 Eighth Avenue, New York, New York 10019, unless another time, date or place is agreed to by the parties hereto.

SECTION 1.03. INITIAL EFFECTIVE TIME. Subject to the provisions of this Agreement, a certificate of merger and all other appropriate documents (the "Certificate of Merger") shall be duly prepared, executed, acknowledged and filed with the Secretary of State of the State of Delaware by the parties hereto in accordance with the relevant provisions of the DGCL. The Initial Merger shall become effective at such time as the Certificate of Merger is duly filed with the Secretary of State of the State of Delaware, or at such subsequent time as Merger Sub and IXC shall agree should be specified in the Certificate of Merger (the time the Initial Merger becomes effective being herein referred to as the

"Initial Effective Time"); PROVIDED, HOWEVER, that the Initial Effective Time of the Initial Merger shall be prior to the Effective Time of the Principal Merger.

SECTION 1.04. EFFECTS OF THE INITIAL MERGER. The Initial Merger shall have the effects set forth in Section 259 of the DGCL.

SECTION 1.05. CERTIFICATE OF INCORPORATION AND BYLAWS. (a) At the Initial Effective Time, the Restated Certificate of Incorporation of IXC, as amended through the Initial Effective Time, shall be the Certificate of Incorporation of the Surviving Corporation with such amendments as are set forth in Exhibit A hereto and incorporated herein by reference, until thereafter changed or amended as provided therein or by applicable law.

(b) The bylaws of IXC as in effect immediately prior to the Initial Effective Time shall be the bylaws of the Surviving Corporation, until thereafter changed or amended as provided therein or by applicable law.

SECTION 1.06. BOARD OF DIRECTORS. The directors of IXC immediately prior to

the Initial Effective Time shall be the directors of the Surviving Corporation until the earlier of their resignation or removal or until their respective successors are duly elected and qualified, as the case may be.

SECTION 1.07. OFFICERS. The officers of IXC immediately prior to the Initial Effective Time shall be the officers of the Surviving Corporation until the earlier of their resignation or removal or until their respective successors are duly elected and qualified, as the case may be.

ARTICLE II
EFFECT OF THE INITIAL MERGER ON THE CAPITAL STOCK OF IXC AND MERGER SUB COMMON STOCK

SECTION 2.01. EFFECT ON THE CAPITAL STOCK OF IXC. As of the Initial Effective Time, by virtue of the Initial Merger and without any action on the part of IXC, Merger Sub or the holder of any shares of capital stock of IXC or Merger Sub Common Stock, each issued and outstanding share of capital stock of IXC shall continue to remain issued and outstanding.

SECTION 2.02. EFFECT ON MERGER SUB COMMON STOCK. As of the Initial Effective Time, by virtue of the Initial Merger and without any action on the part of IXC, Merger Sub or the holder of any shares of capital stock of IXC or any shares of Merger Sub Common Stock, each issued and outstanding share of Merger Sub Common Stock shall be canceled and retired and all rights in respect thereof shall cease to exist without any conversion thereof or any payment with respect thereto or in exchange therefor.

ARTICLE III
CONDITION PRECEDENT

SECTION 3.01. CONDITION TO EACH PARTY'S OBLIGATION TO EFFECT THE INITIAL MERGER. The respective obligation of each party hereto to effect the Initial Merger is subject to the satisfaction or waiver by the parties thereto of the conditions precedent to the consummation of the Principal Merger set forth in Article VI of the Merger Agreement.

ARTICLE IV
TERMINATION, AMENDMENT AND WAIVER

SECTION 4.01. TERMINATION. This Agreement may only be terminated by IXC prior to the Initial Effective Time if the Merger Agreement has been terminated in accordance with its terms.

SECTION 4.02. EFFECT OF TERMINATION. In the event of termination of this Agreement as provided in Section 4.01, this Agreement shall forthwith become void and have no effect, without any liability or obligation on the part of IXC or Merger Sub other than the provisions of this Section 4.02 and Article V.

SECTION 4.03. AMENDMENT. This Agreement may be amended by the parties hereto at any time by an instrument in writing signed on behalf of each of the parties hereto.

SECTION 4.04. WAIVER. At any time prior to the Initial Effective Time, a party may waive compliance by the other party with any of the agreements or conditions contained in this Agreement. Any agreement on the part of a party to any such waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party. The failure of any party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights.

SECTION 4.05. PROCEDURE FOR TERMINATION, AMENDMENT, EXTENSION OR WAIVER. A termination of this Agreement pursuant to Section 4.01, an amendment of this Agreement pursuant to Section 4.03 or a waiver pursuant to Section 4.04 shall, in order to be effective, require in the case of IXC or Merger Sub, action by its Board of Directors or the duly authorized designee of its Board of Directors to the extent permitted by law.

ARTICLE V
GENERAL PROVISIONS

SECTION 5.01. NOTICES. All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be deemed given if delivered personally, telecopied (which is confirmed) or sent by overnight courier (providing proof of delivery) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to IXC, to:
IXC Communications, Inc.
1122 Capital of Texas Highway South
Austin, TX 78746-6426
Telecopy: (512) 328-7902

Attention: General Counsel

(b) if to Merger Sub, to:
IXC Merger Sub Inc.
1122 Capital of Texas Highway South
Austin, TX 78746-6426
Telecopy: (512) 328-7902

Attention: President

SECTION 5.02. ENTIRE AGREEMENT; NO THIRD-PARTY BENEFICIARIES. This Agreement (including the documents and instruments referred to herein) (a) constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter of this Agreement and (b) is not intended to confer any rights or remedies upon any

person other than the parties.

SECTION 5.03. TRANSFER TAXES. All transfer, documentary and other similar taxes (including any interest, penalties or additions with respect thereto) and all filing, recording and other similar fees, in each case, attributable to the transactions contemplated by this Agreement shall be paid by IXC.

SECTION 5.04. GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

IN WITNESS WHEREOF, IXC and Merger Sub have caused this Agreement to be signed by their respective officers thereunto duly authorized, all as of the date first written above.

IXC COMMUNICATIONS, INC.,

by /s/ JEFFREY C. SMITH

Name: Jeffrey C. Smith
Title:Senior Vice President, General Counsel and Secretary

IXC MERGER SUB, INC.,

by /s/ JEFFREY C. SMITH

Name: Jeffrey C. Smith
Title:Senior Vice President, General Counsel and Secretary

EXHIBIT A

The Restated Certificate of Incorporation of IXC shall be amended in the Initial Merger as follows:

1. Section (g)(ix)(3) of the Certificate of Designation for the 7 1/4% Junior Convertible Preferred Stock Due 2007 shall be amended by inserting after the words "business of the Company" in the definition of "Common Stock Change in Control" the following: "(which shall include a corporation that is the direct or indirect owner of all the equity interests of the surviving

corporation in the merger) (hereinafter, a "successor")".

2. Section (f)(i) of the Certificate of Designation for the 12 1/2% Junior Exchangeable Preferred Stock Due 2009 shall be amended to read as follows: "The holders of Exchangeable Preferred Stock, in addition to the voting rights required under Delaware law and as set forth in paragraphs (ii) and (iii) below, shall be entitled to cast one-tenth of one vote per share on all matters, voting together with the common stock of the Company as a single class."

3. Section (f)(iii)(B) of the Certificate of Designation for the 12 1/2% Junior Exchangeable Preferred Stock Due 2009 shall be amended by deleting the words "a majority" and by substituting the words "two-thirds" therefor.

4. Section (6) of the Certificate of Designation for the 6 3/4% Cumulative Convertible Preferred Stock shall be amended by inserting the following paragraph after paragraph 5 of such section:

"So long as any shares of the Cumulative Convertible Preferred Stock are outstanding, the Company will not amend this Certificate of Designation so as to affect adversely the specified rights, preferences, privileges or voting rights of Holders of shares of Cumulative Convertible Preferred Stock or to authorize the issuance of any additional shares of Cumulative Convertible Preferred Stock without the affirmative vote or consent of Holders of at least two-thirds of the issued and outstanding shares of Cumulative Convertible Preferred Stock, voting or consenting, as the case may be, as one class, given in person or by proxy, either in writing or by resolution adopted at an annual or special meeting."

ANNEX 3

STOCK OPTION AGREEMENT dated as of July 20, 1999 (the "Agreement"), by and between IXC COMMUNICATIONS, INC., a Delaware corporation ("Issuer"), and CINCINNATI BELL INC., an Ohio corporation ("Grantee").

RECITALS

A. Grantee, Ivory Merger Inc., a wholly owned subsidiary of Grantee ("Sub"), and Issuer have entered into an Agreement and Plan of Merger dated as of the date hereof (the "Merger Agreement"; defined terms used but not defined herein have the meanings set forth in the Merger Agreement), providing for, among other things, the merger of Sub with and into Issuer, with Issuer as the surviving corporation in the Merger;

B. As a condition and inducement to Grantee's willingness to enter into the Merger Agreement, the Stockholders Agreements and the CBI Stock Option Agreement, Grantee has requested that Issuer agree, and Issuer has agreed, to grant Grantee the Option (as defined below); and

C. As a condition and inducement to Issuer's willingness to enter into the Merger Agreement and this Agreement, Issuer has requested that Grantee agree, and Grantee has agreed, to grant Issuer an option to purchase shares of Grantee's common stock on substantially the same terms as the Option.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein, Issuer and Grantee agree as follows:

1. GRANT OF OPTION. Subject to the terms and conditions set forth herein, Issuer hereby grants to Grantee an irrevocable option (the "Option") to purchase up to 7,427,192 (as adjusted as set forth herein) shares (the "Option Shares") of Common Stock, par value $.01 per share ("Issuer Common Stock"), of Issuer at a purchase price of $52.25 (as adjusted as set forth herein) per Option Share (the "Purchase Price").

2. EXERCISE OF OPTION. (a) Grantee may, at any time or times, exercise the Option with respect to at least 33 1/3% of the Option Shares, subject to the provisions of Section 2(c), after the occurrence of any event as a result of which the Grantee is unconditionally entitled to receive the Termination Fee pursuant to Section 5.09 of the Merger Agreement (a "Purchase Event"); PROVIDED, HOWEVER, that (i) except as provided in the last sentence of this Section 2(a), the Option will terminate and be of no further force and effect upon the earliest to occur of (A) the Effective Time, (B) 12 months after the first occurrence of a Purchase Event, and (C) termination of the Merger Agreement in accordance with its terms prior to the occurrence of a Purchase Event, unless, in the case of clause (C), Grantee has the right to receive a Termination Fee following such termination upon the occurrence of certain events, in which case the Option will not terminate until the later of (x) six months following the time such Termination Fee becomes unconditionally payable and (y) the expiration of the period in which the Grantee has such right to receive a Termination Fee, and (ii) any purchase of Option Shares upon exercise of the Option will be subject to compliance with the HSR Act and the obtaining or making of any consents, approvals, orders, notifications, filings or authorizations, the failure of which to have obtained or made would violate any law, regulation or agreement to which Issuer is subject (the "Regulatory Approvals"). Notwithstanding the foregoing, (A) if all necessary Regulatory Approvals have not been obtained prior to the termination of the Option, such termination shall be extended to the date that is the fifth Business Day after receipt of such Regulatory Approvals, and (B) notwithstanding the termination of the Option, if Grantee has exercised the Option in accordance with the terms hereof prior to the termination of the Option, Grantee will be entitled to purchase the Option Shares and the termination of the Option will not affect any rights hereunder.

(b) In the event that Grantee is entitled to and wishes to exercise the Option, it will send to Issuer a written notice (an "Exercise Notice"; the date of which being herein referred to as the "Notice

Date") to that effect which Exercise Notice also specifies the number of Option Shares, if any, Grantee wishes to purchase pursuant to this Section 2(b), the number of Option Shares, if any, with respect to which Grantee wishes to exercise its Cash-Out Right (as defined herein) pursuant to Section 6(c), the denominations of the certificate or certificates evidencing the Option Shares which Grantee wishes to purchase pursuant to this Section 2(b) and a date (an "Option Closing Date"), subject to the following sentence, not earlier than three business days nor later than 20 business days from the Notice Date for the closing of such purchase (an "Option Closing"). Any Option Closing will be at an agreed location and time in New York, New York on the applicable Option Closing Date or at such later date as may be necessary so as to comply with the first sentence of Section 2(a).

(c) Notwithstanding anything to the contrary contained herein, any exercise of the Option and purchase of Option Shares shall be subject to compliance with applicable laws and regulations, which may prohibit the purchase of all the Option Shares specified in the Exercise Notice without first obtaining or making certain Regulatory Approvals. In such event, if the Option is otherwise exercisable and Grantee wishes to exercise the Option, the Option may be exercised in accordance with Section 2(b) and Grantee shall acquire the maximum number of Option Shares specified in the Exercise Notice that Grantee is then permitted to acquire under the applicable laws and regulations, and if Grantee thereafter obtains the Regulatory Approvals to acquire the remaining balance of the Option Shares specified in the Exercise Notice, then Grantee shall be entitled to acquire such remaining balance. Issuer agrees to use its reasonable efforts to assist Grantee in seeking the Regulatory Approvals.

In the event (i) Grantee receives notice that a Regulatory Approval required for the purchase of any Option Shares will not be issued or granted or (ii) such Regulatory Approval has not been issued or granted within six months of the date of the Exercise Notice, Grantee shall have the right to exercise its Cash-Out Right pursuant to Section 6(c) with respect to the Option Shares for which such Regulatory Approval will not be issued or granted or has not been issued or granted.

3. PAYMENT AND DELIVERY OF CERTIFICATES. (a) At any Option Closing, Grantee will pay to Issuer in immediately available funds by wire transfer to a bank account designated in writing by Issuer an amount equal to the Purchase Price multiplied by the number of Option Shares to be purchased at such Option Closing plus the amount of any transfer, stamp or other similar taxes or charges imposed in connection therewith.

(b) At any Option Closing, simultaneously with the delivery of immediately available funds as provided in Section 3(a), Issuer will deliver to Grantee a certificate or certificates representing the Option Shares to be purchased at such Option Closing, which Option Shares will be free and clear of all liens, claims, charges and encumbrances of any kind whatsoever, except pursuant to applicable federal and state securities laws. If at the time of issuance of Option Shares pursuant to an exercise of the Option hereunder, Issuer shall have

issued any securities similar to rights under a stockholder rights plan, then each Option Share issued pursuant to such exercise will also represent such a corresponding right with terms substantially the same as and at least as favorable to Grantee as are provided under any such stockholder rights plan then in effect.

(c) Certificates for the Option Shares delivered at an Option Closing will have typed or printed thereon a restrictive legend which will read substantially as follows:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY BE REOFFERED OR SOLD ONLY IF SO REGISTERED OR IF AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE. SUCH SECURITIES ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER AS SET FORTH IN THE STOCK OPTION AGREEMENT DATED AS OF JULY 20, 1999, A COPY OF WHICH MAY BE OBTAINED

FROM THE SECRETARY OF IXC COMMUNICATIONS, INC. AT ITS PRINCIPAL EXECUTIVE OFFICES."

It is understood and agreed that (i) the reference to restrictions arising under the Securities Act in the above legend will be removed by delivery of substitute certificate(s) without such reference if such Option Shares have been registered pursuant to the Securities Act, such Option Shares have been sold in reliance on and in accordance with Rule 144 under the Securities Act or Grantee has delivered to Issuer a copy of a letter from the staff of the SEC, or an opinion of counsel in form and substance reasonably satisfactory to Issuer and its counsel, to the effect that such legend is not required for purposes of the Securities Act and (ii) the reference to restrictions pursuant to this Agreement in the above legend will be removed by delivery of substitute certificate(s) without such reference if the Option Shares evidenced by certificate(s) containing such reference have been sold or transferred in compliance with the provisions of this Agreement under circumstances that do not require the retention of such reference.

4. REPRESENTATIONS AND WARRANTIES OF ISSUER. Issuer hereby represents and warrants to Grantee as follows:

AUTHORIZED STOCK. Issuer has taken all necessary corporate and other action to authorize and reserve and, subject to the expiration or termination of any required waiting period under the HSR Act and other Regulatory Approvals that are required, to permit it to issue, and, at all times from the date hereof until the obligation to deliver Option Shares upon the exercise of the Option terminates, shall have reserved for issuance, upon exercise of the Option, shares of Issuer Common Stock necessary for Grantee to exercise the Option, and Issuer will take all necessary corporate action to authorize and reserve for issuance all additional shares of Issuer Common Stock or other securities which may be

issued pursuant to Section 6 upon exercise of the Option. The shares of Issuer Common Stock to be issued upon due exercise of the Option, including all additional shares of Issuer Common Stock or other securities which may be issuable upon exercise of the Option or any other securities which may be issued pursuant to Section 6, upon issuance pursuant hereto, will be duly and validly issued, fully paid and nonassessable, and will be delivered free and clear of all liens, claims, charges and encumbrances of any kind or nature whatsoever, including without limitation any preemptive rights of any stockholder of Issuer, but will be subject to applicable securities laws.

5. REPRESENTATIONS AND WARRANTIES OF GRANTEE. Grantee hereby represents and warrants to Issuer that:

PURCHASE NOT FOR DISTRIBUTION. Any Option Shares or other securities acquired by Grantee upon exercise of the Option will not be transferred or otherwise disposed of except in a transaction registered, or exempt from registration, under the Securities Act.

6. ADJUSTMENT UPON CHANGES IN CAPITALIZATION, ETC. (a) In the event of any change in Issuer Common Stock by reason of a stock dividend, split-up, merger, recapitalization, combination, exchange of shares, or similar transaction, the type and number of shares or securities subject to the Option, and the Purchase Price thereof, will be adjusted appropriately, and proper provision will be made in the agreements governing such transaction, so that Grantee will receive upon exercise of the Option the number and class of shares or other securities or property that Grantee would have received in respect of Issuer Common Stock if the Option had been exercised immediately prior to such event or the record date therefor, as applicable, PROVIDED THAT no such adjustment shall be required in connection with the exercise of options or similar rights under any stock option plan or benefit arrangement in effect on the date hereof or in connection with the conversion of any convertible or exchangeable securities outstanding on the date hereof.

(b) Without limiting the parties' relative rights and obligations under the Merger Agreement, in the event that Issuer enters into an agreement (i) to consolidate with or merge into any person, other than Grantee or one of its subsidiaries, and Issuer will not be the continuing or surviving corporation in such consolidation or merger, (ii) to permit any person, other than Grantee or one of its subsidiaries, to merge into Issuer and Issuer will be the continuing or surviving corporation, but in connection with such merger, the shares of Issuer Common Stock outstanding immediately prior to the consummation of such merger will be changed into or exchanged for stock or other securities of Issuer or any other person or cash or any other property, or the shares of Issuer Common Stock outstanding immediately prior to the consummation of such merger will, after such merger, represent less than 50% of the outstanding voting securities of the merged company, or (iii) to sell or otherwise transfer all or substantially all of its assets to any person, other than Grantee or one of its subsidiaries, then, and in each such case, the agreement governing such

transaction will make proper provision so that the Option will, upon the consummation of any such transaction and upon the terms and conditions set forth herein, be converted into, or exchanged for, an option with identical terms appropriately adjusted to acquire the number and class of shares or other securities or property that Grantee would have received in respect of Issuer Common Stock if the Option had been exercised immediately prior to such consolidation, merger, sale, or transfer, or the record date therefor, as applicable and make any other necessary adjustments.

(c) If, at any time during the period commencing on a Purchase Event and ending on the termination of the Option in accordance with Section 2, Grantee sends to Issuer an Exercise Notice indicating Grantee's election to exercise its right (the "Cash-Out Right") pursuant to this Section 6(c), then Issuer shall pay to Grantee, on the Option Closing Date, in exchange for the cancelation of the Option with respect to such number of Option Shares as Grantee specifies in the Exercise Notice, an amount in cash equal to such number of Option Shares multiplied by the difference between (i) the average closing price, for the 10 trading days commencing on the 12th trading day immediately preceding the Option Closing Date, per share of Issuer Common Stock as reported on The Nasdaq National Market (or, if not listed on The Nasdaq National Market, as reported on any other national securities exchange or national securities quotation system on which the Issuer Common Stock is listed or quoted, as reported in THE WALL STREET JOURNAL (Northeast edition), or, if not reported thereby, any other authoritative source) (the "Closing Price") and (ii) the Purchase Price. Notwithstanding the termination of the Option, Grantee will be entitled to exercise its rights under this Section 6(c) if it has exercised such rights in accordance with the terms hereof prior to the termination of the Option.

7. PROFIT LIMITATIONS. (a) Notwithstanding any other provision of this Agreement, in no event shall the Total Option Profit (as defined herein) exceed in the aggregate $26.25 million (such amount, the "Profit Limit") and, if any payment to be made to Grantee otherwise would cause such aggregate amount to be exceeded, the Grantee, at its sole election, shall either (i) reduce the number of shares of Issuer Common Stock subject to this Option, (ii) deliver to Issuer for cancelation Option Shares previously purchased by Grantee, (iii) pay cash to Issuer or (iv) any combination thereof, so that the Total Option Profit shall not exceed the Profit Limit after taking into account the foregoing actions.

(b) Notwithstanding any other provision of this Agreement, the Option may not be exercised for a number of shares of Issuer Common Stock as would, as of the date of exercise, result in a Notional Total Option Profit (as hereinafter defined) which would exceed in the aggregate the Profit Limit and, if it otherwise would exceed such amount, the Grantee, at its sole election, shall on or prior to the date of exercise either (i) reduce the number of shares of Issuer Common Stock subject to such exercise, (ii) deliver to Issuer for cancelation Option Shares previously purchased by Grantee, (iii) pay cash to Issuer or (iv) any combination thereof, so that the Notional Total Option Profit shall not exceed the Profit Limit after taking into account the foregoing actions, provided that this paragraph (b) shall not be construed as to restrict any exercise of the Option that is not prohibited hereby on any subsequent date.

(c) As used herein, the term "Total Option Profit" shall mean the aggregate amount (before taxes) of the following: (i) any amount received by Grantee pursuant to the Cash-Out Right, (ii)(x) the net consideration, if any, received by Grantee pursuant to the sale of Option Shares (or any other securities into which such Option Shares are converted or exchanged) to any unaffiliated party, valuing any non-cash consideration at its fair market value (as defined below), less (y) the Exercise Price and any cash paid by Grantee to Issuer pursuant to Section 7(a)(iii) or Section 7(b)(iii) and (iii) the net cash amounts received by Grantee on the transfer (in accordance with Section 12(g)) of the Option (or any portion thereof) to any unaffiliated party.

(d) As used herein, the term "Notional Total Option Profit" with respect to any number of shares of Option Shares as to which Grantee may propose to exercise the Option shall be the aggregate of (i) the Total Option Profit determined under paragraph (c) above with respect to prior exercises and (ii) Total Option Profit with respect to such number of shares of Issuer Common Stock as to which Grantee proposes to exercise and all other Option Shares held by Grantee and its affiliates as of such date, assuming that all such shares were sold for cash at the closing market price for Issuer Common Stock as of the close of business on the preceding trading day (less customary brokerage commissions or underwriting discounts).

(e) As used herein, the "fair market value" of any non-cash consideration consisting of:

(i) securities listed on a national securities exchange or traded on The Nasdaq National Market shall be equal to the average closing price per share of such security as reported on such exchange or The Nasdaq National Market for the five trading days after the date of determination; and

(ii) consideration which is other than cash or securities of the form specified in clause (i) above shall be determined by a nationally recognized independent investment banking firm mutually agreed upon by the parties within five business days of the event requiring selection of such banking firm, PROVIDED that if the parties are unable to agree within two business days after the date of such event as to the investment banking firm, then the parties shall each select one firm, and those firms shall select a third nationally recognized independent investment banking firm, which third firm shall make such determination.

8. REGISTRATION RIGHTS. Issuer will, if requested by Grantee at any time and from time to time within three years of the exercise of the Option, as expeditiously as possible prepare and file up to three registration statements under the Securities Act if such registration is necessary in order to permit the sale or other disposition of any or all shares of securities that have been acquired by or are issuable to Grantee upon exercise of the Option in accordance with the intended method of sale or other disposition stated by Grantee,

including a "shelf" registration statement under Rule 415 under the Securities Act or any successor provision, and Issuer will use its reasonable efforts to qualify such shares or other securities under any applicable state securities laws, PROVIDED that Issuer shall not be required to effect such registration if less than 10% of the Option Shares subject to the Option will be offered for sale pursuant thereto. Grantee agrees to cause, and to cause any underwriters of any sale or other disposition to cause, any sale or other disposition pursuant to such registration statement to be effected on a widely distributed basis so that upon consummation thereof no purchaser or transferee will own beneficially more than 5% of the then-outstanding voting power of Issuer. Issuer will use reasonable efforts to cause each such registration statement to become effective, to obtain all consents or waivers of other parties which are required therefor, and to keep such registration statement effective for such period not in excess of 120 calendar days from the day such registration statement first becomes effective as may be reasonably necessary to effect such sale or other disposition. The obligations of Issuer hereunder to file a registration statement and to maintain its effectiveness may be suspended for up to 120 calendar days in the aggregate if the Board of Directors of Issuer shall have determined that the filing of such registration statement or the maintenance of its effectiveness would

require premature disclosure of material nonpublic information that would materially and adversely affect Issuer or otherwise interfere with or adversely affect any pending or proposed offering of securities of Issuer or any other material transaction involving Issuer. Any registration statement prepared and filed under this Section 8, and any sale covered thereby, will be at Issuer's expense except for underwriting discounts or commissions, brokers' fees and the fees and disbursements of Grantee's counsel related thereto. Grantee will provide all information reasonably requested by Issuer for inclusion in any registration statement to be filed hereunder. If, during the time periods referred to in the first sentence of this Section 8, Issuer effects a registration under the Securities Act of Issuer Common Stock for its own account or for any other stockholders of Issuer (other than on Form S-4 or Form S-8, or any successor form), it will allow Grantee the right to participate in such registration, and such participation will not affect the obligation of Issuer to effect demand registration statements for Grantee under this Section 8; PROVIDED that, if the managing underwriters of such offering advise Issuer in writing that in their opinion the number of shares of Issuer Common Stock requested to be included in such registration exceeds the number which can be sold in such offering, Issuer will include the shares requested to be included therein by Grantee pro rata with the shares intended to be included therein by Issuer. In connection with any registration pursuant to this Section 8, Issuer and Grantee will provide each other and any underwriter of the offering with customary representations, warranties, covenants, indemnification, and contribution in connection with such registration.

9. TRANSFERS. The Option Shares may not be sold, assigned, transferred, or otherwise disposed of except (i) in an underwritten public offering as provided

in Section 8 or (ii) to any purchaser or transferee who would not, to the knowledge of Grantee after reasonable inquiry (which shall include obtaining a representation from the purchaser or transferee), immediately following such sale, assignment, transfer or disposal, beneficially own more than 5% of the then-outstanding voting power of the Issuer and who is not a competitor in any material line of business of Issuer; PROVIDED, HOWEVER, that Grantee shall be permitted to sell any Option Shares if such sale is made pursuant to a tender or exchange offer that has been approved or recommended by a majority of the members of the Board of Directors of Issuer (which majority shall include a majority of directors who were directors as of the date hereof).

10. QUOTATION. If Issuer Common Stock or any other securities to be acquired upon exercise of the Option are then approved for quotation on The Nasdaq National Market (or any other national securities exchange or national securities quotation system), Issuer, upon the request of Grantee, will promptly file an application to have approved for quotation the shares of Issuer Common Stock or other securities to be acquired upon exercise of the Option on The Nasdaq National Market (and any such other national securities exchange or national securities quotation system) and will use reasonable efforts to obtain approval of such quotation as promptly as practicable.

11. LOSS OR MUTILATION. Upon receipt by Issuer of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Agreement, and (in the case of loss, theft or destruction) of reasonably satisfactory indemnification, and upon surrender and cancelation of this Agreement, if mutilated, Issuer will execute and deliver a new Agreement of like tenor and date. Any such new Agreement executed and delivered will constitute an additional contractual obligation on the part of Issuer, whether or not the Agreement so lost, stolen, destroyed, or mutilated shall at any time be enforceable by anyone.

12. MISCELLANEOUS. (a) EXPENSES. Each of the parties hereto will bear and pay all costs and expenses incurred by it or on its behalf in connection with the transactions contemplated hereunder, including fees and expenses of its own financial consultants, investment bankers, accountants, and counsel.

(b) AMENDMENT. This Agreement may not be amended, except by an instrument in writing signed on behalf of each of the parties.

(c) EXTENSION; WAIVER. Any agreement on the part of a party to waive any provision of this Agreement, or to extend the time for performance, will be valid only if set forth in an instrument in writing signed on behalf of such party. The failure of any party to this Agreement to assert any of its rights under this Agreement or otherwise will not constitute a waiver of such rights.

(d) ENTIRE AGREEMENT; NO THIRD-PARTY BENEFICIARIES. This Agreement, the Merger Agreement (including the documents and instruments attached thereto as exhibits or schedules or delivered in connection therewith), the Stockholders

Agreement, the CBI Stock Option Agreement and the Confidentiality Agreement (i) constitute the entire agreement, and supersede all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter of this Agreement, and (ii) except as provided in Section 8.06 of the Merger Agreement, are not intended to confer upon any person other than the parties any rights or remedies.

(e) GOVERNING LAW. This Agreement will be governed by, and construed in accordance with, the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflict of laws thereof.

(f) NOTICES. All notices, requests, claims, demands, and other communications under this Agreement shall be sent in the manner and to the addresses set forth in the Merger Agreement.

(g) ASSIGNMENT. Neither this Agreement, the Option nor any of the rights, interests, or obligations under this Agreement may be assigned or delegated, in whole or in part, by operation of law or otherwise, by Issuer or Grantee without the prior written consent of the other. Any assignment or delegation in violation of the preceding sentence will be void. Subject to the first and second sentences of this Section 12(g), this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns.

(h) FURTHER ASSURANCES. In the event of any exercise of the Option by Grantee, Issuer and Grantee will execute and deliver all other documents and instruments and take all other actions that may be reasonably necessary in order to consummate the transactions provided for by such exercise.

(i) ENFORCEMENT. The parties agree that irreparable damage would occur and that the parties would not have any adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties will be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any Federal court located in the State of Delaware or in Delaware state court, the foregoing being in addition to any other remedy to which they are entitled at law or in equity. In addition, each of the parties hereto (i) consents to submit itself to the personal jurisdiction of any Federal court located in the State of Delaware or any Delaware state court in the event any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement, (ii) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, and (iii) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than a Federal court sitting in the State of Delaware or a Delaware state court.

(j) SEVERABILITY. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless

remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by applicable law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

IN WITNESS WHEREOF, Issuer and Grantee have caused this Agreement to be signed by their respective officers thereunto duly authorized as of the day and year first written above.

IXC COMMUNICATIONS, INC.,

By: /s/ JOHN M. ZRNO

Name: John M. Zrno
Title: President and
Chief Executive Officer

CINCINNATI BELL INC.,

By: /s/ RICHARD G. ELLENBERGER

Name: Richard G. Ellenberger
Title: President and Chief
Executive Officer

ANNEX 4

STOCK OPTION AGREEMENT dated as of July 20, 1999 (the "Agreement"), by and between CINCINNATI BELL INC., an Ohio corporation ("Issuer"), and IXC COMMUNICATIONS, INC., a Delaware corporation ("Grantee").

RECITALS

A. Issuer, Ivory Merger Inc., a wholly owned subsidiary of Issuer ("Sub"), and Grantee have entered into an Agreement and Plan of Merger dated as of the date hereof (the "Merger Agreement"; defined terms used but not defined herein have the meanings set forth in the Merger Agreement), providing for, among other things, the merger of Sub with and into Grantee, with Grantee as the surviving corporation in the Merger;

B. As a condition and inducement to Grantee's willingness to enter into the Merger Agreement and the IXC Stock Option Agreement, Grantee has requested that

Issuer agree, and Issuer has agreed, to grant Grantee the Option (as defined below); and

C. As a condition and inducement to Issuer's willingness to enter into the Merger Agreement, the Stockholder Agreements and this Agreement, Issuer has requested that Grantee agree, and Grantee has agreed, to grant Issuer an option to purchase shares of Grantee's common stock on substantially the same terms as the Option.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein, Issuer and Grantee agree as follows:

1. GRANT OF OPTION. Subject to the terms and conditions set forth herein, Issuer hereby grants to Grantee an irrevocable option (the "Option") to purchase up to 27,420,757 (as adjusted as set forth herein) shares (the "Option Shares") of Common Stock, par value $.01 per share ("Issuer Common Stock"), of Issuer at a purchase price of $34.83 (as adjusted as set forth herein) per Option Share (the "Purchase Price").

2. EXERCISE OF OPTION. (a) Grantee may, at any time or times, exercise the Option with respect to at least 33 1/3% of the Option Shares, subject to the provisions of Section 2(c), after the occurrence of any event as a result of which the Grantee is unconditionally entitled to receive the Termination Fee pursuant to Section 5.09 of the Merger Agreement (a "Purchase Event"); PROVIDED, HOWEVER, that (i) except as provided in the last sentence of this Section 2(a), the Option will terminate and be of no further force and effect upon the earliest to occur of (A) the Effective Time, (B) 12 months after the first occurrence of a Purchase Event, and (C) termination of the Merger Agreement in accordance with its terms prior to the occurrence of a Purchase Event, unless, in the case of clause (C), Grantee has the right to receive a Termination Fee following such termination upon the occurrence of certain events, in which case the Option will not terminate until the later of (x) six months following the time such Termination Fee becomes unconditionally payable and (y) the expiration of the period in which the Grantee has such right to receive a Termination Fee, and (ii) any purchase of Option Shares upon exercise of the Option will be subject to compliance with the HSR Act and the obtaining or making of any consents, approvals, orders, notifications, filings or authorizations, the failure of which to have obtained or made would violate any law, regulation or agreement to which Issuer is subject (the "Regulatory Approvals"). Notwithstanding the foregoing, (A) if all necessary Regulatory Approvals have not been obtained prior to the termination of the Option, such termination shall be extended to the date that is the fifth Business Day after receipt of such Regulatory Approvals, and (B) notwithstanding the termination of the Option, if Grantee has exercised the Option in accordance with the terms hereof prior to the termination of the Option, Grantee will be entitled to purchase the Option Shares and the termination of the Option will not affect any rights hereunder.

(b) In the event that Grantee is entitled to and wishes to exercise the Option, it will send to Issuer a written notice (an "Exercise Notice"; the date of which being herein referred to as the "Notice Date") to that effect which Exercise Notice also specifies the number of Option Shares, if any, Grantee wishes to purchase pursuant to this Section 2(b), the number of Option Shares, if any, with respect to which Grantee wishes to exercise its Cash-Out Right (as defined herein) pursuant to Section 6(c), the denominations of the certificate or certificates evidencing the Option Shares which Grantee wishes to purchase pursuant to this Section 2(b) and a date (an "Option Closing Date"), subject to the following sentence, not earlier than three business days nor later than 20 business days from the Notice Date for the closing of such purchase (an "Option Closing"). Any Option Closing will be at an agreed location and time in New York, New York on the applicable Option Closing Date or at such later date as may be necessary so as to comply with the first sentence of Section 2(a).

(c) Notwithstanding anything to the contrary contained herein, any exercise of the Option and purchase of Option Shares shall be subject to compliance with applicable laws and regulations, which may prohibit the purchase of all the Option Shares specified in the Exercise Notice without first obtaining or making certain Regulatory Approvals. In such event, if the Option is otherwise exercisable and Grantee wishes to exercise the Option, the Option may be exercised in accordance with Section 2(b) and Grantee shall acquire the maximum number of Option Shares specified in the Exercise Notice that Grantee is then permitted to acquire under the applicable laws and regulations, and if Grantee thereafter obtains the Regulatory Approvals to acquire the remaining balance of the Option Shares specified in the Exercise Notice, then Grantee shall be entitled to acquire such remaining balance. Issuer agrees to use its reasonable efforts to assist Grantee in seeking the Regulatory Approvals.

In the event (i) Grantee receives notice that a Regulatory Approval required for the purchase of any Option Shares will not be issued or granted or (ii) such Regulatory Approval has not been issued or granted within six months of the date of the Exercise Notice, Grantee shall have the right to exercise its Cash-Out Right pursuant to Section 6(c) with respect to the Option Shares for which such Regulatory Approval will not be issued or granted or has not been issued or granted.

3. PAYMENT AND DELIVERY OF CERTIFICATES. (a) At any Option Closing, Grantee will pay to Issuer in immediately available funds by wire transfer to a bank account designated in writing by Issuer an amount equal to the Purchase Price multiplied by the number of Option Shares to be purchased at such Option Closing plus the amount of any transfer, stamp or other similar taxes or charges imposed in connection therewith.

(b) At any Option Closing, simultaneously with the delivery of immediately available funds as provided in Section 3(a), Issuer will deliver to Grantee a certificate or certificates representing the Option Shares to be purchased at such Option Closing, which Option Shares will be free and clear of all liens, claims, charges and encumbrances of any kind whatsoever, except pursuant to applicable federal and state securities laws. If at the time of issuance of

Option Shares pursuant to an exercise of the Option hereunder, Issuer shall have issued any securities similar to rights under a stockholder rights plan, then each Option Share issued pursuant to such exercise will also represent such a corresponding right with terms substantially the same as and at least as favorable to Grantee as are provided under any such stockholder rights plan then in effect.

(c) Certificates for the Option Shares delivered at an Option Closing will have typed or printed thereon a restrictive legend which will read substantially as follows:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY BE REOFFERED OR SOLD ONLY IF SO REGISTERED OR IF AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE. SUCH SECURITIES ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER AS SET FORTH IN THE STOCK OPTION

AGREEMENT DATED AS OF JULY 20, 1999, A COPY OF WHICH MAY BE OBTAINED FROM THE SECRETARY OF CINCINNATI BELL INC. AT ITS PRINCIPAL EXECUTIVE OFFICES."

It is understood and agreed that (i) the reference to restrictions arising under the Securities Act in the above legend will be removed by delivery of substitute certificate(s) without such reference if such Option Shares have been registered pursuant to the Securities Act, such Option Shares have been sold in reliance on and in accordance with Rule 144 under the Securities Act or Grantee has delivered to Issuer a copy of a letter from the staff of the SEC, or an opinion of counsel in form and substance reasonably satisfactory to Issuer and its counsel, to the effect that such legend is not required for purposes of the Securities Act and (ii) the reference to restrictions pursuant to this Agreement in the above legend will be removed by delivery of substitute certificate(s) without such reference if the Option Shares evidenced by certificate(s) containing such reference have been sold or transferred in compliance with the provisions of this Agreement under circumstances that do not require the retention of such reference.

4. REPRESENTATIONS AND WARRANTIES OF ISSUER. Issuer hereby represents and warrants to Grantee as follows:

AUTHORIZED STOCK. Issuer has taken all necessary corporate and other action to authorize and reserve and, subject to the expiration or termination of any required waiting period under the HSR Act and other Regulatory Approvals that are required, to permit it to issue, and, at all times from the date hereof until the obligation to deliver Option Shares upon the exercise of the Option terminates, shall have reserved for issuance, upon exercise of the Option, shares of Issuer Common Stock necessary for Grantee to exercise the Option, and Issuer will take all necessary corporate action to authorize and reserve for issuance all additional shares of Issuer Common Stock or other securities which may be issued pursuant to Section 6 upon exercise of the Option. The shares of

Issuer Common Stock to be issued upon due exercise of the Option, including all additional shares of Issuer Common Stock or other securities which may be issuable upon exercise of the Option or any other securities which may be issued pursuant to Section 6, upon issuance pursuant hereto, will be duly and validly issued, fully paid and nonassessable, and will be delivered free and clear of all liens, claims, charges and encumbrances of any kind or nature whatsoever, including without limitation any preemptive rights of any stockholder of Issuer, but will be subject to applicable securities laws.

5. REPRESENTATIONS AND WARRANTIES OF GRANTEE. Grantee hereby represents and warrants to Issuer that:

PURCHASE NOT FOR DISTRIBUTION. Any Option Shares or other securities acquired by Grantee upon exercise of the Option will not be transferred or otherwise disposed of except in a transaction registered, or exempt from registration, under the Securities Act.

6. ADJUSTMENT UPON CHANGES IN CAPITALIZATION, ETC. (a) In the event of any change in Issuer Common Stock by reason of a stock dividend, split-up, merger, recapitalization, combination, exchange of shares, or similar transaction, the type and number of shares or securities subject to the Option, and the Purchase Price thereof, will be adjusted appropriately, and proper provision will be made in the agreements governing such transaction, so that Grantee will receive upon exercise of the Option the number and class of shares or other securities or property that Grantee would have received in respect of Issuer Common Stock if the Option had been exercised immediately prior to such event or the record date therefor, as applicable, PROVIDED THAT no such adjustment shall be required in connection with the exercise of options or similar rights under any stock option plan or benefit arrangement in effect on the date hereof or in connection with the conversion of any convertible or exchangeable securities outstanding on the date hereof.

(b) Without limiting the parties' relative rights and obligations under the Merger Agreement, in the event that Issuer enters into an agreement (i) to consolidate with or merge into any person, other than Grantee or one of its subsidiaries, and Issuer will not be the continuing or surviving corporation in such consolidation or merger, (ii) to permit any person, other than Grantee or one of its subsidiaries, to merge into Issuer and Issuer will be the continuing or surviving corporation, but in connection with such merger, the shares of Issuer Common Stock outstanding immediately prior to the consummation of such merger will be changed into or exchanged for stock or other securities of Issuer or any other person or cash or any other property, or the shares of Issuer Common Stock outstanding immediately prior to the consummation of such merger will, after such merger, represent less than 50% of the outstanding voting securities of the merged company, or (iii) to sell or otherwise transfer all or substantially all of its assets to any person, other than Grantee or one of its subsidiaries, then, and in each such case, the agreement governing such transaction will make proper provision so that the Option will, upon the

consummation of any such transaction and upon the terms and conditions set forth herein, be converted into, or exchanged for, an option with identical terms appropriately adjusted to acquire the number and class of shares or other securities or property that Grantee would have received in respect of Issuer Common Stock if the Option had been exercised immediately prior to such consolidation, merger, sale, or transfer, or the record date therefor, as applicable and make any other necessary adjustments.

(c) If, at any time during the period commencing on a Purchase Event and ending on the termination of the Option in accordance with Section 2, Grantee sends to Issuer an Exercise Notice indicating Grantee's election to exercise its right (the "Cash-Out Right") pursuant to this Section 6(c), then Issuer shall pay to Grantee, on the Option Closing Date, in exchange for the cancelation of the Option with respect to such number of Option Shares as Grantee specifies in the Exercise Notice, an amount in cash equal to such number of Option Shares multiplied by the difference between (i) the average closing price, for the 10 trading days commencing on the 12th trading day immediately preceding the Option Closing Date, per share of Issuer Common Stock as reported on the New York Stock Exchange, Inc. (the "NYSE") (or, if not listed on the NYSE, as reported on any other national securities exchange or national securities quotation system on which the Issuer Common Stock is listed or quoted, as reported in THE WALL STREET JOURNAL (Northeast edition), or, if not reported thereby, any other authoritative source) (the "Closing Price") and (ii) the Purchase Price. Notwithstanding the termination of the Option, Grantee will be entitled to exercise its rights under this Section 6(c) if it has exercised such rights in accordance with the terms hereof prior to the termination of the Option.

7. PROFIT LIMITATIONS. (a) Notwithstanding any other provision of this Agreement, in no event shall the Total Option Profit (as defined herein) exceed in the aggregate $26.25 million (such amount, the "Profit Limit") and, if any payment to be made to Grantee otherwise would cause such aggregate amount to be exceeded, the Grantee, at its sole election, shall either (i) reduce the number of shares of Issuer Common Stock subject to this Option, (ii) deliver to Issuer for cancelation Option Shares previously purchased by Grantee, (iii) pay cash to Issuer or (iv) any combination thereof, so that the Total Option Profit shall not exceed the Profit Limit after taking into account the foregoing actions.

(b) Notwithstanding any other provision of this Agreement, the Option may not be exercised for a number of shares of Issuer Common Stock as would, as of the date of exercise, result in a Notional Total Option Profit (as hereinafter defined) which would exceed in the aggregate the Profit Limit and, if it otherwise would exceed such amount, the Grantee, at its sole election, shall on or prior to the date of exercise either (i) reduce the number of shares of Issuer Common Stock subject to such exercise, (ii) deliver to Issuer for cancellation Option Shares previously purchased by Grantee, (iii) pay cash to Issuer or (iv) any combination thereof, so that the Notional Total Option Profit shall not exceed the Profit Limit after taking into account the foregoing actions, provided that this paragraph (b) shall not be construed as to restrict any exercise of the Option that is not prohibited hereby on any subsequent date.

(c) As used herein, the term "Total Option Profit" shall mean the aggregate amount (before taxes) of the following: (i) any amount received by Grantee pursuant to the Cash-Out Right, (ii)(x) the net consideration, if any, received by Grantee pursuant to the sale of Option Shares (or any other securities into which such Option Shares are converted or exchanged) to any unaffiliated party, valuing any non-cash consideration at its fair market value (as defined below), less (y) the Exercise Price and any cash paid by Grantee to Issuer pursuant to Section 7(a)(iii) or Section 7(b)(iii) and (iii) the net cash amounts received by Grantee on the transfer (in accordance with Section 12(g)) of the Option (or any portion thereof) to any unaffiliated party.

(d) As used herein, the term "Notional Total Option Profit" with respect to any number of shares of Option Shares as to which Grantee may propose to exercise the Option shall be the aggregate of (i) the Total Option Profit determined under paragraph (c) above with respect to prior exercises and (ii) Total Option Profit with respect to such number of shares of Issuer Common Stock as to which Grantee proposes to exercise and all other Option Shares held by Grantee and its affiliates as of such date, assuming that all such shares were sold for cash at the closing market price for Issuer Common Stock as of the close of business on the preceding trading day (less customary brokerage commissions or underwriting discounts).

(e) As used herein, the "fair market value" of any non-cash consideration consisting of:

(i) securities listed on a national securities exchange or traded on The Nasdaq National Market shall be equal to the average closing price per share of such security as reported on such exchange or The Nasdaq National Market for the five trading days after the date of determination; and

(ii) consideration which is other than cash or securities of the form specified in clause (i) above shall be determined by a nationally recognized independent investment banking firm mutually agreed upon by the parties within five business days of the event requiring selection of such banking firm, PROVIDED that if the parties are unable to agree within two business days after the date of such event as to the investment banking firm, then the parties shall each select one firm, and those firms shall select a third nationally recognized independent investment banking firm, which third firm shall make such determination.

8. REGISTRATION RIGHTS. Issuer will, if requested by Grantee at any time and from time to time within three years of the exercise of the Option, as expeditiously as possible prepare and file up to three registration statements under the Securities Act if such registration is necessary in order to permit the sale or other disposition of any or all shares of securities that have been acquired by or are issuable to Grantee upon exercise of the Option in accordance with the intended method of sale or other disposition stated by Grantee, including a "shelf" registration statement under Rule 415 under the Securities

Act or any successor provision, and Issuer will use its reasonable efforts to qualify such shares or other securities under any applicable state securities laws, PROVIDED that Issuer shall not be required to effect such registration if less than 10% of the Option Shares subject to the Option will be offered for sale pursuant thereto. Grantee agrees to cause, and to cause any underwriters of any sale or other disposition to cause, any sale or other disposition pursuant to such registration statement to be effected on a widely distributed basis so that upon consummation thereof no purchaser or transferee will own beneficially more than 5% of the then-outstanding voting power of Issuer. Issuer will use reasonable efforts to cause each such registration statement to become effective, to obtain all consents or waivers of other parties which are required therefor, and to keep such registration statement effective for such period not in excess of 120 calendar days from the day such registration statement first becomes effective as may be reasonably necessary to effect such sale or other disposition. The obligations of Issuer hereunder to file a registration statement and to maintain its effectiveness may be suspended for up to 120 calendar days in the aggregate if the Board of Directors of Issuer shall have determined that the filing of such registration statement or the maintenance of its effectiveness would

require premature disclosure of material nonpublic information that would materially and adversely affect Issuer or otherwise interfere with or adversely affect any pending or proposed offering of securities of Issuer or any other material transaction involving Issuer. Any registration statement prepared and filed under this Section 8, and any sale covered thereby, will be at Issuer's expense except for underwriting discounts or commissions, brokers' fees and the fees and disbursements of Grantee's counsel related thereto. Grantee will provide all information reasonably requested by Issuer for inclusion in any registration statement to be filed hereunder. If, during the time periods referred to in the first sentence of this Section 8, Issuer effects a registration under the Securities Act of Issuer Common Stock for its own account or for any other stockholders of Issuer (other than on Form S-4 or Form S-8, or any successor form), it will allow Grantee the right to participate in such registration, and such participation will not affect the obligation of Issuer to effect demand registration statements for Grantee under this Section 8; PROVIDED that, if the managing underwriters of such offering advise Issuer in writing that in their opinion the number of shares of Issuer Common Stock requested to be included in such registration exceeds the number which can be sold in such offering, Issuer will include the shares requested to be included therein by Grantee pro rata with the shares intended to be included therein by Issuer. In connection with any registration pursuant to this Section 8, Issuer and Grantee will provide each other and any underwriter of the offering with customary representations, warranties, covenants, indemnification, and contribution in connection with such registration.

9. TRANSFERS. The Option Shares may not be sold, assigned, transferred, or otherwise disposed of except (i) in an underwritten public offering as provided in Section 8 or (ii) to any purchaser or transferee who would not, to the

knowledge of Grantee after reasonable inquiry (which shall include obtaining a representation from the purchaser or transferee), immediately following such sale, assignment, transfer or disposal, beneficially own more than 5% of the then-outstanding voting power of the Issuer and who is not a competitor in any material line of business of Issuer; PROVIDED, HOWEVER, that Grantee shall be permitted to sell any Option Shares if such sale is made pursuant to a tender or exchange offer that has been approved or recommended by a majority of the members of the Board of Directors of Issuer (which majority shall include a majority of directors who were directors as of the date hereof).

10. LISTING. If Issuer Common Stock or any other securities to be acquired upon exercise of the Option are then listed on the NYSE (or any other national securities exchange or national securities quotation system), Issuer, upon the request of Grantee, will promptly file an application to list the shares of Issuer Common Stock or other securities to be acquired upon exercise of the Option on the NYSE (and any such other national securities exchange or national securities quotation system) and will use reasonable efforts to obtain approval of such listing as promptly as practicable.

11. LOSS OR MUTILATION. Upon receipt by Issuer of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Agreement, and (in the case of loss, theft or destruction) of reasonably satisfactory indemnification, and upon surrender and cancelation of this Agreement, if mutilated, Issuer will execute and deliver a new Agreement of like tenor and date. Any such new Agreement executed and delivered will constitute an additional contractual obligation on the part of Issuer, whether or not the Agreement so lost, stolen, destroyed, or mutilated shall at any time be enforceable by anyone.

12. MISCELLANEOUS. (a) EXPENSES. Each of the parties hereto will bear and pay all costs and expenses incurred by it or on its behalf in connection with the transactions contemplated hereunder, including fees and expenses of its own financial consultants, investment bankers, accountants, and counsel.

(b) AMENDMENT. This Agreement may not be amended, except by an instrument in writing signed on behalf of each of the parties.

(c) EXTENSION; WAIVER. Any agreement on the part of a party to waive any provision of this Agreement, or to extend the time for performance, will be valid only if set forth in an instrument in writing signed on behalf of such party. The failure of any party to this Agreement to assert any of its rights under this Agreement or otherwise will not constitute a waiver of such rights.

(d) ENTIRE AGREEMENT; NO THIRD-PARTY BENEFICIARIES. This Agreement, the Merger Agreement (including the documents and instruments attached thereto as exhibits or schedules or delivered in connection therewith), the Stockholders Agreement, the IXC Stock Option Agreement and the Confidentiality Agreement (i) constitute the entire agreement, and supersede all prior agreements and

understandings, both written and oral, between the parties with respect to the subject matter of this Agreement, and (ii) except as provided in Section 8.06 of the Merger Agreement, are not intended to confer upon any person other than the parties any rights or remedies.

(e) GOVERNING LAW. This Agreement will be governed by, and construed in accordance with, the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflict of laws thereof, except to the extent the laws of the State of Ohio are mandatorily applicable for the rights of CBI shareholders and directors and corporate governance matters.

(f) NOTICES. All notices, requests, claims, demands, and other communications under this Agreement shall be sent in the manner and to the addresses set forth in the Merger Agreement.

(g) ASSIGNMENT. Neither this Agreement, the Option nor any of the rights, interests, or obligations under this Agreement may be assigned or delegated, in whole or in part, by operation of law or otherwise, by Issuer or Grantee without the prior written consent of the other. Any assignment or delegation in violation of the preceding sentence will be void. Subject to the first and second sentences of this Section 12(g), this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns.

(h) FURTHER ASSURANCES. In the event of any exercise of the Option by Grantee, Issuer and Grantee will execute and deliver all other documents and instruments and take all other actions that may be reasonably necessary in order to consummate the transactions provided for by such exercise.

(i) ENFORCEMENT. The parties agree that irreparable damage would occur and that the parties would not have any adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties will be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any Federal court located in the State of Delaware or in Delaware state court, the foregoing being in addition to any other remedy to which they are entitled at law or in equity. In addition, each of the parties hereto (i) consents to submit itself to the personal jurisdiction of any Federal court located in the State of Delaware or any Delaware state court in the event any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement, (ii) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, and (iii) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than a Federal court sitting in the State of Delaware or a Delaware state court.

(j) SEVERABILITY. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public

policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by applicable law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

IN WITNESS WHEREOF, Issuer and Grantee have caused this Agreement to be signed by their respective officers thereunto duly authorized as of the day and year first written above.

IXC COMMUNICATIONS, INC.,

By: /s/ JOHN M. ZRNO

Name: John M. Zrno
Title: President and Chief Executive Officer

CINCINNATI BELL INC.,

By: /s/ RICHARD G. ELLENBERGER

Name: Richard G. Ellenberger
Title: President and Chief Executive Officer

ANNEX 5

STOCKHOLDER AGREEMENT dated as of July 20, 1999 (this "Agreement"), between CINCINNATI BELL INC., an Ohio corporation ("CBI"), and GENERAL ELECTRIC PENSION TRUST, a New York common law trust ("GE").

WHEREAS CBI, Ivory Merger Inc., a Delaware corporation and a wholly owned subsidiary of CBI ("Sub"), and IXC COMMUNICATIONS, INC., a Delaware corporation ("IXC"), propose to enter into an Agreement and Plan of Merger dated as of the date hereof (as the same may be amended or supplemented, the "Merger Agreement"; terms used but not defined herein shall have the meanings set forth in the Merger Agreement) providing for the merger of Sub with and into IXC (the "Merger") upon the terms and subject to the conditions set forth in the Merger Agreement;

WHEREAS GE owns the number of shares of common stock of IXC set forth on

Schedule A hereto (such shares of common stock of IXC, together with any other shares of common stock of IXC acquired by GE after the date hereof and during the term of this Agreement (including through the exercise of any stock options, warrants or similar instruments), being collectively referred to herein as the "Subject Shares");

WHEREAS as a condition to its willingness to enter into the Merger Agreement, CBI has requested that GE enter into this Agreement; and

WHEREAS as a condition to its willingness to enter into this Agreement, GE has requested that CBI agree to purchase from GE, and GE agrees to sell to CBI, a portion of the Subject Shares pursuant to a stock purchase agreement dated as of the date hereof (the "Stock Purchase Agreement").

NOW, THEREFORE, to induce CBI to enter into, and in consideration of its entering into, the Merger Agreement, and in consideration of the premises and the representations, warranties and agreements contained herein, the parties hereto agree as follows:

SECTION 1. REPRESENTATIONS AND WARRANTIES OF GE. GE hereby represents and warrants to CBI as follows:

(a) ORGANIZATION; AUTHORITY; EXECUTION AND DELIVERY; ENFORCEABILITY. GE has all requisite power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. GE is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization. The execution and delivery of this Agreement by GE and the consummation by GE of the transactions contemplated hereby have been duly authorized by all necessary action on the part of GE. This Agreement has been duly executed and delivered by GE and, assuming due authorization, execution and delivery by CBI, constitutes a legal, valid and binding obligation of GE, enforceable against GE in accordance with its terms. The execution and delivery by GE of this Agreement do not, and the consummation of the transactions contemplated hereby and compliance with the provisions hereof, will not, conflict with, or result in any violation of, or default (with or without notice or lapse of time or both) under, or give rise to a right of termination, cancelation or acceleration of any obligation or loss of a benefit under, or result in the creation of any Lien on any properties or assets of GE under, (i) any provision of the certificate of incorporation or by-laws or partnership agreement or the comparable organizational documents applicable to GE, (ii) any loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, instrument, permit, concession, franchise, license or similar authorization (a "Contract") to which GE is a party or by which any of the properties or assets of GE are bound or (iii) subject to the filings and other matters referred to in the following sentence of this Section 1(a), any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to GE or its properties or assets, except in the case of each of clauses (ii) and (iii), as is not materially likely to (x) impair the ability of GE to perform its obligations under this Agreement or (y) prevent or

materially delay the consummation of the transactions contemplated by this Agreement. No consent, approval, order or authorization of, action by or in respect of, or registration, declaration or filing with, any Governmental Entity is required by or with respect to GE in connection with the execution and delivery of this Agreement by GE or the consummation by GE of the transactions contemplated hereby, except for (1) such filings under the Exchange Act as may be required in connection with this Agreement and the transactions contemplated hereby, (2) such filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") as may be required in connection with this Agreement and the transactions contemplated hereby and (3) those which are not materially likely to (x) impair the ability of GE to perform its obligations under this Agreement or (y) prevent or materially delay the consummation of the transactions contemplated by this Agreement. No trust of which GE is a trustee requires the consent of any beneficiary to the execution and delivery of this Agreement or to the consummation of the transactions contemplated hereby.

(b) THE SUBJECT SHARES. GE is the record and beneficial owner of (or is the trustee of a trust that is the record holder of, and whose beneficiaries are the beneficial owners of), and has good and marketable title to, the Subject Shares set forth on Schedule A hereto, free and clear of any Liens. GE does not own of record any shares of common stock of IXC other than the Subject Shares set forth on Schedule A hereto, and does not beneficially own any shares of common stock of IXC other than Subject Shares and any shares of common stock of IXC into which its shares of IXC 7 1/4% convertible preferred stock are convertible. GE has the sole right to vote and Transfer (as defined below) the Subject Shares set forth opposite its name on Schedule A hereto, and none of such Subject Shares is subject to any voting trust or other agreement, arrangement or restriction with respect to the voting or the Transfer of such Subject Shares, except as set forth in Section 3 of this Agreement.

SECTION 2. REPRESENTATIONS AND WARRANTIES OF CBI. CBI hereby represents and warrants to GE as follows: CBI has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by CBI and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of CBI. This Agreement has been duly executed and delivered by CBI and, assuming due authorization, execution and delivery by GE, constitutes a legal, valid and binding obligation of CBI, enforceable against CBI in accordance with its terms. The execution and delivery by CBI of this Agreement do not, and the consummation of the transactions contemplated hereby and compliance with the provisions hereof, will not, conflict with, or result in any violation of, or default (with or without notice or lapse of time or both) under, or give rise to a right of termination, cancelation or acceleration of any obligation or loss of a benefit under, or result in the creation of any Lien on any properties or assets of CBI under, (i) any provision of the Amended Articles of Incorporation or Amended Regulations of CBI, (ii) any Contract to which CBI is a party or by which any of its properties or assets are bound or (iii) subject to the filings and other matters referred

to in the last sentence of this Section 2, any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to CBI or any of its properties or assets, except in the case of each of clauses (ii) and (iii), as is not materially likely to (x) have a Material Adverse Effect on CBI, (y) impair the ability of CBI to perform its obligations under this Agreement or (z) prevent or materially delay the consummation of the transactions contemplated by this Agreement. No consent, approval, order or authorization of, action by or in respect of, or registration, declaration or filing with, any Governmental Entity is required by or with respect to CBI in connection with the execution and delivery of this Agreement by CBI or the consummation by CBI of the transactions contemplated hereby except for (1) such filings under the Exchange Act as may be required in connection with this Agreement and the transactions contemplated hereby, (2) such filings under the HSR Act as may be required in connection with this Agreement and the transactions contemplated hereby and (3) those which are not materially likely to (x) have a Material Adverse Effect on CBI, (y) impair the ability of CBI to perform its obligations under this Agreement or (z) prevent or materially delay the consummation of the transactions contemplated by this Agreement.

SECTION 3. COVENANTS OF GE. GE covenants and agrees during the term of this Agreement as follows:

(a) At any meeting of the stockholders of IXC called to vote upon the Merger or the Merger Agreement or at any adjournment thereof or in any other circumstances upon which a vote, consent or other approval (including by written consent) with respect to the Merger or the Merger Agreement is sought, GE shall, including by executing a written consent solicitation if requested by CBI, vote (or cause to be voted) the Subject Shares (other than the Subject Shares which shall have been purchased by CBI) in favor of the adoption by IXC of the Merger Agreement and the approval of the terms thereof and of the Merger and each of the other transactions contemplated by the Merger Agreement. GE hereby agrees not to take any action by written consent in any circumstance other than in accordance with this paragraph.

(b) Other than in accordance with the terms of this Agreement and the Stock Purchase Agreement, GE shall not (i) sell, transfer, pledge, assign or otherwise dispose of (including by gift) (collectively, "Transfer"), or consent to any Transfer of, any Subject Shares or any interest therein or enter into any Contract, option or other arrangement (including any profit sharing or other derivative arrangement) with respect to the Transfer of, any Subject Shares or any interest therein to any person other than pursuant to the Merger Agreement or (ii) enter into any voting arrangement, whether by proxy, voting agreement or otherwise, in connection with, directly or indirectly, any IXC Takeover Proposal or otherwise with respect to the Subject Shares. GE shall not commit or agree to take any action inconsistent with the foregoing. Notwithstanding the foregoing, GE may Transfer all or a portion of the Subject Shares to any other person if such person expressly agrees in writing to be bound by all of the provisions of this Agreement.

(c) From and after the date of this Agreement, GE shall not, and shall not authorize or permit any of its Subsidiaries or affiliates (other than IXC) or any of its or their directors, officers, employees, investment bankers, financial advisors, attorneys, accountants or other representatives to, directly or indirectly, (i) solicit, initiate, encourage (including by way of furnishing information), or take any other action designed to facilitate, any inquiries or the making of any proposal that constitutes, an IXC Takeover Proposal, (ii) enter into any agreement with respect to any IXC Takeover Proposal or (iii) participate in any discussions or negotiations regarding an IXC Takeover Proposal.

(d) GE shall not issue any press release or make any other public statement, and shall not authorize or permit any of its Subsidiaries or affiliates (other than IXC) or any of its or their directors, officers, employees, partners, investment bankers, attorneys or other advisors or representatives to issue any press release or make any other public statement, with respect to the Merger Agreement, this Agreement, the Merger or any of the other transactions contemplated by the Merger Agreement or this Agreement without the prior written consent of CBI, except as may be required by applicable law, including any filings required under the Exchange Act.

SECTION 4. FURTHER ASSURANCES. GE will, from time to time, execute and deliver, or cause to be executed and delivered, such additional or further consents, documents and other instruments as CBI may reasonably request for the purpose of effectuating the matters covered by this Agreement.

SECTION 5. CERTAIN EVENTS. GE agrees that this Agreement and the obligations hereunder shall attach to GE's Subject Shares and shall be binding upon any person or entity to which legal or beneficial ownership of such Subject Shares shall pass, whether by operation of law or otherwise, including GE's administrators or successors. In the event of any stock split, stock dividend, merger, reorganization, recapitalization or other change in the capital structure of IXC affecting the IXC Common Stock, or the acquisition of additional shares of IXC Common Stock or other voting securities of IXC by any Stockholder, the number of Subject Shares listed on Schedule A hereto shall be adjusted appropriately and this Agreement and the obligations hereunder shall attach to any additional shares of IXC Common Stock or other voting securities of IXC issued to or acquired by GE.

SECTION 6. ASSIGNMENT. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of law or otherwise, by any of the parties hereto without the prior written consent of the other parties hereto, except that CBI may assign, in its sole discretion, any of or all its rights, interests and obligations under this Agreement to any direct or indirect wholly owned subsidiary of CBI, but no such assignment shall relieve CBI of its obligations under this Agreement. Any purported assignment in violation of this Section 6 shall be

void. Subject to the preceding sentences of this Section 6, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the parties hereto and their respective successors and assigns.

SECTION 7. TERMINATION. This Agreement shall terminate upon the earlier of (a) the Effective Time and (b) 10 Business Days after the termination of the Merger Agreement in accordance with its terms. No such termination of this Agreement shall relieve any party hereto from any liability for any breach of this Agreement prior to termination.

SECTION 8. GENERAL PROVISIONS. (a) AMENDMENTS. This Agreement may not be amended except by an instrument in writing signed by each of the parties hereto.

(b) NOTICES. All notices, requests, clauses, demands and other communications under this Agreement shall be in writing and shall be deemed given if delivered personally, telecopied (with confirmation) or sent by overnight or same-day courier (providing proof of delivery) to CBI in accordance with Section 8.02 of the Merger Agreement and to the Stockholders at their respective addresses set forth on Schedule A hereto (or at such other address for a party as shall be specified by like notice).

(c) INTERPRETATION. When a reference is made in this Agreement to Sections or Schedules, such reference shall be to a Section or Schedule to this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Wherever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The term "or" is not exclusive. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms. Any agreement or instrument defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement or instrument as from time to time amended, modified or supplemented. References to a person are also to its permitted successors and assigns.

(d) COUNTERPARTS; EFFECTIVENESS. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other party. The effectiveness of this Agreement shall be conditioned upon the execution and delivery of the Merger Agreement by each of the parties thereto.

(e) ENTIRE AGREEMENT; NO THIRD-PARTY BENEFICIARIES. This Agreement (including the documents and instruments referred to herein) (i) constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties hereto with respect to the subject matter of this Agreement and (ii) is not intended to confer upon any person other than the

parties hereto any rights or remedies hereunder.

(f) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO ANY PRINCIPLES OF CONFLICTS OF LAWS OF SUCH STATE.

SECTION 9. ENFORCEMENT. Each of the parties hereto agrees that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties hereto shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any Delaware state court or any Federal court located in the State of Delaware, this being in addition to any other remedy to which they are entitled at law or in equity. In addition, each of the parties hereto (a) consents to submit itself to the personal jurisdiction of any Delaware state court or any Federal court located in the State of Delaware in the event any dispute arises out of or under or relates to this Agreement or any of the transactions contemplated hereby, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, (c) agrees that it will not bring any action, suit or proceeding arising out of or under or relating to this Agreement or any of the transactions contemplated hereby in any court other than any Delaware state court or any Federal court located in the State of Delaware and (iv) waives any right to trial by jury with respect to any action, suit or proceeding arising out of or under or relating to this Agreement or any of the transactions contemplated hereby in any Delaware state court or any Federal court located in the State of Delaware, and hereby further and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

IN WITNESS WHEREOF, CBI has caused this Agreement to be signed by its officer thereunto duly authorized and GE has signed this Agreement, all as of the date first written above.

CINCINNATI BELL INC.,

By: /s/ RICHARD G. ELLENBERGER

Name: Richard G. Ellenberger
Title: President and Chief Executive Officer

GENERAL ELECTRIC PENSION TRUST,
by GENERAL ELECTRIC INVESTMENT
CORPORATION, its investment manager,

By: /s/ DONALD W. TOREY

Name: Donald W. Torey
Title: Executive Vice President

SCHEDULE A

NUMBER OF OUTSTANDING SHARES OF STOCKHOLDER IXC COMMON STOCK -
GE..... 8,624,517

ANNEX 6

STOCKHOLDERS AGREEMENT dated as of July 20, 1999 (this "Agreement"), among CINCINNATI BELL INC., an Ohio corporation ("CBI"), and the individuals and other parties listed on Schedule A attached hereto (each, a "Stockholder" and, collectively, the "Stockholders").

WHEREAS CBI, Ivory Merger Inc., a Delaware corporation and a wholly owned subsidiary of CBI ("Sub"), and IXC Communications, Inc., a Delaware corporation ("IXC"), propose to enter into an Agreement and Plan of Merger dated as of the date hereof (as the same may be amended or supplemented, the "Merger Agreement"; terms used but not defined herein shall have the meanings set forth in the Merger Agreement) providing for the merger of Sub with and into IXC (the "Merger") upon the terms and subject to the conditions set forth in the Merger Agreement;

WHEREAS each Stockholder owns the number of shares of common stock of IXC set forth opposite such Stockholder's name on Schedule A hereto (such shares of common stock of IXC, together with any other shares of common stock of IXC acquired by such Stockholder after the date hereof and during the term of this Agreement (including through the exercise of any stock options, warrants or similar instruments), being collectively referred to herein as the "Subject Shares"); and

WHEREAS as a condition to its willingness to enter into the Merger Agreement, CBI has requested that each Stockholder enter into this Agreement.

NOW, THEREFORE, to induce CBI to enter into, and in consideration of its entering into, the Merger Agreement, and in consideration of the premises and the representations, warranties and agreements contained herein, the parties hereto agree as follows:

SECTION 1. REPRESENTATIONS AND WARRANTIES OF EACH STOCKHOLDER. Except as specifically set forth in the disclosure schedule delivered to CBI by such Stockholder on the date hereof, each Stockholder hereby, severally and not jointly, represents and warrants to CBI as follows:

(a) ORGANIZATION; AUTHORITY; EXECUTION AND DELIVERY; ENFORCEABILITY. Such Stockholder has all requisite power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. To the extent that such Stockholder is an entity other than an individual, such Stockholder is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization. The execution and delivery of this Agreement by such Stockholder and the consummation by such Stockholder of the transactions contemplated hereby have been duly authorized by all necessary action on the part of such Stockholder. This Agreement has been duly executed and delivered by such Stockholder and, assuming due authorization, execution and delivery by CBI, constitutes a legal, valid and binding obligation of such Stockholder, enforceable against such Stockholder in accordance with its terms. The execution and delivery by such Stockholder of this Agreement do not, and the consummation of the transactions contemplated hereby and compliance with the provisions hereof, will not, conflict with, or result in any violation of, or default (with or without notice or lapse of time or both) under, or give rise to a right of termination, cancelation or acceleration of any obligation or loss of a benefit under, or result in the creation of any Lien on any properties or assets of such Stockholder under, (i) any provision of any certificate of incorporation or by-laws or partnership agreement or the comparable organizational documents applicable to such Stockholder, (ii) any loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, instrument, permit, concession, franchise, license or similar authorization (a "Contract") to which such Stockholder is a party or by which any of the properties or assets of such Stockholder are bound or (iii) subject to the filings and other matters referred to in the following sentence of this Section 1(a), any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to such Stockholder or its properties or assets, except in the case of each of clauses (ii) and (iii), as is not materially likely to (x) impair the ability of such Stockholder to perform its obligations under this

Agreement or (y) prevent or materially delay the consummation of the transactions contemplated by this Agreement. No consent, approval, order or authorization of, action by or in respect of, or registration, declaration or filing with, any Governmental Entity is required by or with respect to such Stockholder in connection with the execution and delivery of this Agreement by such Stockholder or the consummation by such Stockholder of the transactions contemplated hereby, except for such filings under the Exchange Act as may be required in connection with this Agreement and the transactions contemplated hereby and except those which are not materially likely to (x) impair the ability of such Stockholder to perform its obligations under this Agreement or (y) prevent or materially delay the consummation of the transactions

contemplated by this Agreement. No trust of which such Stockholder is a trustee requires the consent of any beneficiary to the execution and delivery of this Agreement or to the consummation of the transactions contemplated hereby, except for such consents which have been obtained prior to the date hereof.

(b) THE SUBJECT SHARES. Such Stockholder is the record and beneficial owner of (or is the trustee of a trust that is the record holder of, and whose beneficiaries are the beneficial owners of), and has good and marketable title to, the Subject Shares set forth opposite its name on Schedule A hereto, free and clear of any Liens. Such Stockholder does not own of record any shares of common stock of IXC other than the Subject Shares set forth opposite its name on Schedule A hereto, and does not beneficially own any shares of common stock of IXC other than Subject Shares. Such Stockholder has the sole right to vote and Transfer (as defined below) the Subject Shares set forth opposite its name on Schedule A hereto, and none of such Subject Shares is subject to any voting trust or other agreement, arrangement or restriction with respect to the voting or the Transfer of such Subject Shares, except as set forth in Section 3 of this Agreement.

SECTION 2. REPRESENTATIONS AND WARRANTIES OF CBI. CBI hereby represents and warrants to each Stockholder as follows: CBI has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by CBI and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of CBI. This Agreement has been duly executed and delivered by CBI and, assuming due authorization, execution and delivery by each Stockholder, constitutes a legal, valid and binding obligation of CBI, enforceable against CBI in accordance with its terms. The execution and delivery by CBI of this Agreement do not, and the consummation of the transactions contemplated hereby and compliance with the provisions hereof, will not, conflict with, or result in any violation of, or default (with or without notice or lapse of time or both) under, or give rise to a right of termination, cancelation or acceleration of any obligation or loss of a benefit under, or result in the creation of any Lien on any properties or assets of CBI under, (i) any provision of the Amended Articles of Incorporation or Amended Regulations of CBI, (ii) any Contract to which CBI is a party or by which any of its properties or assets are bound or (iii) subject to the filings and other matters referred to in the last sentence of this Section 2, any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to CBI or any of its properties or assets, except in the case of each of clauses (ii) and (iii), as is not materially likely to (x) have a Material Adverse Effect on CBI, (y) impair the ability of CBI to perform its obligations under this Agreement or (z) prevent or materially delay the consummation of the transactions contemplated by this Agreement. No consent, approval, order or authorization of, action by or in respect of, or registration, declaration or filing with, any Governmental Entity is required by or with respect to CBI in connection with the execution and delivery of this Agreement by CBI or the consummation by CBI of the transactions contemplated hereby except for such filings under the Exchange Act as may be required in connection with this Agreement and the transactions contemplated hereby and except those which are

not materially likely to (x) have a Material Adverse Effect on CBI, (y) impair the ability of CBI to perform its obligations under this Agreement or (z) prevent or materially delay the consummation of the transactions contemplated by this Agreement.

SECTION 3. COVENANTS OF EACH STOCKHOLDER. Each Stockholder, severally and not jointly, covenants and agrees during the term of this Agreement as follows:

(a) At any meeting of the stockholders of IXC called to vote upon the Merger or the Merger Agreement or at any adjournment thereof or in any other circumstances upon which a vote, consent or other approval (including by written consent) with respect to the Merger or the Merger Agreement is sought, such Stockholder shall, including by executing a written consent solicitation if requested by CBI, vote (or cause to be voted) the Subject Shares in favor of the adoption by IXC of the Merger Agreement and the approval of the terms thereof and of the Merger and each of the other transactions contemplated by the Merger Agreement. Such Stockholder hereby agrees not to take any action by written consent in any circumstance other than in accordance with this paragraph.

(b) Other than in accordance with the terms of this Agreement, such Stockholder shall not (i) sell, transfer, pledge, assign or otherwise dispose of (including by gift) (collectively, "Transfer"), or consent to any Transfer of, any Subject Shares or any interest therein or enter into any Contract, option or other arrangement (including any profit sharing or other derivative arrangement) with respect to the Transfer of, any Subject Shares or any interest therein to any person other than pursuant to the Merger Agreement or (ii) enter into any voting arrangement, whether by proxy, voting agreement or otherwise, in connection with, directly or indirectly, any IXC Takeover Proposal or otherwise with respect to the Subject Shares. Such Stockholder shall not commit or agree to take any action inconsistent with the foregoing. Notwithstanding any other provision of this Agreement, (i) each Stockholder may, in the aggregate, Transfer up to 200,000 of such Stockholder's Subject Shares and (ii) each Stockholder may Transfer all or a portion of such Stockholder's Subject Shares to any other person if such person expressly agrees in writing to be bound by all of the provisions of this Agreement.

(c) From and after the date of this Agreement, such Stockholder shall not, and shall not authorize or permit any of its Subsidiaries or affiliates (other than IXC) or any of its or their directors, officers, employees, investment bankers, financial advisors, attorneys, accountants or other representatives to, directly or indirectly, (i) solicit, initiate, encourage (including by way of furnishing information), or take any other action designed to facilitate, any inquiries or the making of any proposal that constitutes, an IXC Takeover Proposal, (ii) enter into any agreement with respect to any IXC Takeover Proposal or (iii) participate in any discussions or negotiations regarding an IXC Takeover Proposal.

(d) Such Stockholder shall not issue any press release or make any other

public statement, and shall not authorize or permit any of its Subsidiaries or affiliates (other than IXC) or any of its or their directors, officers, employees, partners, investment bankers, attorneys or other advisors or representatives to issue any press release or make any other public statement, with respect to the Merger Agreement, this Agreement, the Merger or any of the other transactions contemplated by the Merger Agreement or this Agreement without the prior written consent of CBI, except as may be required by applicable law, including any filings required under the Exchange Act.

SECTION 4. FURTHER ASSURANCES. Each Stockholder will, from time to time, execute and deliver, or cause to be executed and delivered, such additional or further consents, documents and other instruments as CBI may reasonably request for the purpose of effectuating the matters covered by this Agreement.

SECTION 5. CERTAIN EVENTS. Each Stockholder agrees that this Agreement and the obligations hereunder shall attach to such Stockholder's Subject Shares and shall be binding upon any person or entity to which legal or beneficial ownership of such Subject Shares shall pass, whether by operation of law or otherwise, including such Stockholder's heirs, guardians, administrators or successors. In the event of any stock split, stock dividend, merger, reorganization, recapitalization or other change in the capital structure of IXC affecting the IXC Common Stock, or the acquisition of additional shares of IXC Common Stock or other voting securities of IXC by any Stockholder, the number of Subject Shares listed on Schedule A hereto beside the name of such Stockholder shall be adjusted

appropriately and this Agreement and the obligations hereunder shall attach to any additional shares of IXC Common Stock or other voting securities of IXC issued to or acquired by such Stockholder.

SECTION 6. ASSIGNMENT. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of law or otherwise, by any of the parties hereto without the prior written consent of the other parties hereto, except that CBI may assign, in its sole discretion, any of or all its rights, interests and obligations under this Agreement to any direct or indirect wholly owned subsidiary of CBI, but no such assignment shall relieve CBI of its obligations under this Agreement. Any purported assignment in violation of this Section 6 shall be void. Subject to the preceding sentences of this Section 6, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the parties hereto and their respective successors and assigns.

SECTION 7. TERMINATION. This Agreement shall terminate upon the earlier of (a) the Effective Time and (b) 10 Business Days after the termination of the Merger Agreement in accordance with its terms. No such termination of this Agreement shall relieve any party hereto from any liability for any breach of this Agreement prior to termination.

SECTION 8. GENERAL PROVISIONS. (a) AMENDMENTS. This Agreement may not be amended except by an instrument in writing signed by each of the parties hereto.

(b) NOTICES. All notices, requests, clauses, demands and other communications under this Agreement shall be in writing and shall be deemed given if delivered personally, telecopied (with confirmation) or sent by overnight or same-day courier (providing proof of delivery) to CBI in accordance with Section 8.02 of the Merger Agreement and to the Stockholders at their respective addresses set forth on Schedule A hereto (or at such other address for a party as shall be specified by like notice).

(c) INTERPRETATION. When a reference is made in this Agreement to Sections or Schedules, such reference shall be to a Section or Schedule to this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Wherever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The term "or" is not exclusive. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms. Any agreement or instrument defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement or instrument as from time to time amended, modified or supplemented. References to a person are also to its permitted successors and assigns.

(d) COUNTERPARTS; EFFECTIVENESS. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other party. The effectiveness of this Agreement shall be conditioned upon the execution and delivery of the Merger Agreement by each of the parties thereto.

(e) ENTIRE AGREEMENT; NO THIRD-PARTY BENEFICIARIES. This Agreement (including the documents and instruments referred to herein) (i) constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties hereto with respect to the subject matter of this Agreement and (ii) is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder.

(f) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO ANY PRINCIPLES OF CONFLICTS OF LAWS OF SUCH STATE.

SECTION 9. STOCKHOLDER CAPACITY. No person executing this Agreement who is or becomes during the term hereof a director or officer of IXC makes any

agreement or understanding herein in his or her capacity as such director or officer. Each Stockholder signs solely in his or her capacity as the record holder and beneficial owner of, or the trustee of a trust whose beneficiaries are the beneficial owners of, such Stockholder's Subject Shares and nothing herein shall limit or affect any actions taken by a Stockholder in its capacity as an officer or director of IXC.

SECTION 10. ENFORCEMENT. Each of the parties hereto agrees that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties hereto shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any Delaware state court or any Federal court located in the State of Delaware, this being in addition to any other remedy to which they are entitled at law or in equity. In addition, each of the parties hereto (a) consents to submit itself to the personal jurisdiction of any Delaware state court or any Federal court located in the State of Delaware in the event any dispute arises out of or under or relates to this Agreement or any of the transactions contemplated hereby, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, (c) agrees that it will not bring any action, suit or proceeding arising out of or under or relating to this Agreement or any of the transactions contemplated hereby in any court other than any Delaware state court or any Federal court located in the State of Delaware and (iv) waives any right to trial by jury with respect to any action, suit or proceeding arising out of or under or relating to this Agreement or any of the transactions contemplated hereby in any Delaware state court or any Federal court located in the State of Delaware, and hereby further and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

IN WITNESS WHEREOF, CBI has caused this Agreement to be signed by its officer thereunto duly authorized and each Stockholder has signed this Agreement, all as of the date first written above.

CINCINNATI BELL INC.,

By: /s/ RICHARD G. ELLENBERGER

Name: Richard G. Ellenberger
Title: President and Chief Executive Officer

STOCKHOLDERS:

/s/ RICHARD D. IRWIN

Richard D. Irwin

/s/ RALPH J. SWETT

Ralph J. Swett

SCHEDULE A

NUMBER OF OUTSTANDING SHARES OF IXC COMMON STOCK POWER OF IXC	PERCENTAGE OF VOTING POWER OF IXC	STOCKHOLDER
1,760,105	7.3%	Ralph J. Swett
409*		Ralph J. Swett, Trustee of the RJS 1994 Trust
472,480		Ralph J. Swett, Trustee of the MBS 1994 Trust
472,480		Ralph and Eileen Swett
35,242		
Total 2,740,716		

Mr. Swett's address is 2305 Barton Creek Boulevard, #23, The Fairways, Austin, Texas 78735.

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* To be issued as of the date hereof.

SCHEDULE B

NUMBER OF OUTSTANDING SHARES OF IXC COMMON STOCK POWER OF IXC	PERCENTAGE OF VOTING POWER OF IXC	STOCKHOLDER
190,905+		Richard D. Irwin (individually or in the Richard Irwin Revocable Living Trust)
636,990		Grumman Hill Investments, L.P., a Delaware limited partnership
1,628,216		The Irwin Family Limited Partnership, dated January 4, 1995
341,341		The Irwin Family Limited Partnership #2
350,444		The Irwin Family Limited Partnership #3
107,094		Grumman Hill Associates, Inc.

Total.....	3,254,990	8.7%	----------	----------

Mr. Irwin's address is 23 Wild Duck Road, Wilton, Connecticut 06897.

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+ Subject to a reduction of 35,512 shares which have not been located in Mr. Irwin's Merrill Lynch account.

ANNEX 7

[LOGO]

July 20, 1999

Board of Directors
Cincinnati Bell Inc.
201 E. Fourth Street
Cincinnati, OH 45202

Members of the Board:

You have requested our opinion as to the fairness, from a financial point of view, to Cincinnati Bell Inc. ("Cincinnati Bell"), of the consideration to be provided by Cincinnati Bell in connection with the proposed merger (the "Merger") of Ivory Merger Inc. ("Sub"), a wholly owned subsidiary of Cincinnati Bell, with and into IXC Communications, Inc. ("IXC Communications"), pursuant to an Agreement and Plan of Merger, dated as of July 20, 1999 (the "Merger Agreement"), among Cincinnati Bell, IXC Communications and Sub. Upon the effectiveness of the Merger, each issued and outstanding share of common stock, par value $.01 per share, of IXC Communications ("IXC Communications Common Stock") (other than shares owned or held directly by Cincinnati Bell, IXC Communications or Sub) will be converted into the right to receive 2.0976 (the "Exchange Ratio") shares of common stock, par value $.01 per share, of Cincinnati Bell ("Cincinnati Bell Common Stock"). We understand that the Merger is expected to qualify, for U.S. Federal income tax purposes, as a reorganization under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended.

In connection with rendering our opinion, we have reviewed certain publicly available information concerning Cincinnati Bell and IXC Communications and certain other financial information concerning Cincinnati Bell and IXC Communications, including financial forecasts provided to us by Cincinnati Bell and IXC Communications. We have discussed the past and current business operations, financial condition and prospects of Cincinnati Bell and IXC Communications with certain officers and employees of Cincinnati Bell and IXC

Communications, respectively. We have also considered such other information, financial studies, analyses, investigations and financial, economic and market criteria that we deemed relevant.

In our review and analysis and in arriving at our opinion, we have assumed and relied upon the accuracy and completeness of the information reviewed by us for the purpose of this opinion and we have not assumed any responsibility for independent verification of such information. With respect to the financial forecasts of Cincinnati Bell and IXC Communications, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the managements of Cincinnati Bell and IXC Communications, respectively. We express no opinion with respect to such forecasts or the assumptions on which they are based. We also have assumed that the Merger will be consummated in accordance with the terms of the Merger Agreement. We have not made or obtained or assumed any responsibility for making or obtaining any independent evaluation or appraisal of any of the assets (including properties and facilities) or liabilities of Cincinnati Bell or IXC Communications.

Our opinion is necessarily based upon conditions as they exist and can be evaluated on the date hereof. Our opinion as expressed below does not imply any conclusion as to the likely trading range for Cincinnati Bell Common Stock following the consummation of the Merger, which may vary depending upon, among other factors, changes in interest rates, dividend rates, market conditions, general economic conditions and other factors that generally influence the price of securities. Our opinion does not address Cincinnati Bell's underlying business decision to effect the Merger, and we express no view on the effect on Cincinnati Bell of the Merger and related transactions. Our opinion is directed only to the fairness, from a financial point of view, of the Exchange Ratio to Cincinnati Bell and does not constitute a recommendation concerning how holders of Cincinnati Bell Common Stock should vote regarding the proposed issuance of Cincinnati Bell Common Stock pursuant to the Merger or any related matter.

We have acted as financial advisor to the Board of Directors of Cincinnati Bell in connection with the Merger and will receive a fee for our services, a significant portion of which is contingent upon consummation of the Merger. In the ordinary course of business, we and our affiliates may actively trade the securities of Cincinnati Bell and IXC Communications and their affiliates for our own account and for the accounts of customers and, accordingly, may at any time hold a long or short position in such securities. Also, we and our affiliates have previously rendered investment banking and financial advisory services to Cincinnati Bell and certain of its affiliates for which we have received customary compensation. We and our affiliates may have other business relationships with Cincinnati Bell, IXC Communications and their respective affiliates.

Based upon and subject to the foregoing, it is our opinion that, as of the date hereof, the Exchange Ratio is fair, from a financial point of view, to

Cincinnati Bell.

Very truly yours,

/s/ Salomon Smith Barney Inc.

SALOMON SMITH BARNEY INC.

ANNEX 8

[MORGANSTANLEYDEANWITTER LETTERHEAD]

1585

BROADWAY

NEW

YORK, NEW YORK 10036

(212)

761-4000

July 20, 1999

Board of Directors
IXC Communications, Inc.
1122 Capital of Texas Hwy. South
Austin, TX 78746-6426

Members of the Board:

IXC Communications, Inc. (the "Company"), Cincinnati Bell Inc. (the "Acquiror") and Ivory Merger Inc., a wholly owned subsidiary of the Acquiror (the "Acquisition Sub"), propose to enter into an Agreement and Plan of Merger substantially in the form of the draft dated July 19, 1999 (the "Merger Agreement") pursuant to which Acquisition Sub will be merged (the "Merger") with and into the Company in a transaction in which each outstanding share of the common stock, par value $0.01 per share (the "Company Shares"), of the Company is to be converted into the right to receive 2.0976 shares (the "Exchange Ratio") of the common stock, par value $0.01 per share, of the Acquiror (the "Acquiror Shares"). It is also proposed that, concurrently with entry into the Merger Agreement, the Acquiror will enter into an Investment Agreement providing for the Investment of $400 million in cash in the Acquiror, to be represented as convertible subordinated notes of the Acquiror. The terms and conditions of the Merger are more fully set forth in the Merger Agreement.

You have asked for our opinion as to whether, as of the date hereof, the Exchange Ratio is fair from a financial point of view to holders of Company Shares (other than the Acquiror and its affiliates).

For purposes of the opinion set forth herein, we have:

(i) reviewed certain publicly available financial statements and other information of the Company and the Acquiror;

(ii) reviewed certain internal financial statements and other financial and operating data concerning the Company and the Acquiror prepared by the respective managements of such companies;

(iii) analyzed financial projections for the Company and the Acquiror contained in certain securities analysts' research reports that were recommended for review by the respective managements of such companies;

(iv) discussed the past and current operations and financial conditions and the prospects of the Company and the Acquiror, including information relating to certain strategic, financial and operational benefits anticipated from the Merger, with the respective managements of such companies;

(v) analyzed the estimated pro forma impact of the Merger on the Acquiror's cash flow, consolidated capitalization and financial ratios;

(vi) reviewed the reported prices and trading activity for the Company Shares and the Acquiror Shares;

(vii) discussed with senior executives of each of the Company and the Acquiror the strategic rationale for, and certain regulatory issues associated with, the Merger;

(viii) compared the financial performance of the Company and the Acquiror and the prices and trading activity of the Company Shares and the Acquiror Shares with those of certain other comparable publicly traded companies and their securities;

(ix) reviewed the financial terms, to the extent publicly available, of certain comparable transactions;

(x) participated in discussions and negotiations among representatives of the Company and the Acquiror and their respective financial, accounting and legal advisors;

(xi) reviewed drafts of the Merger Agreement, the Investment Agreement and certain related documents; and

(xii) performed such other analyses and considered such other factors as we have deemed appropriate.

We have assumed and relied upon without independent verification the accuracy and completeness of the information reviewed by us for the purposes of this opinion. With respect to the internal financial statements and other financial

and operating data and discussions relating to the strategic, financial and operational benefits anticipated from the Merger, we have assumed that such financial statements and other financial and operating data have been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the future competitive, operating and regulatory environments and financial performance of the Company and the Acquiror. We have not made any independent valuation or appraisal of the assets or liabilities of the Company or the Acquiror, nor have we been furnished with any such appraisals. Our opinion is necessarily based on economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof.

We have further assumed, with your consent, that the Merger will be consummated in accordance with the terms set forth in the Merger Agreement (without waiver of any condition contained therein) and will be treated as a tax-free reorganization and/or exchange, for purposes of the Internal Revenue Code of 1986. In addition, we have assumed that obtaining all necessary regulatory approvals for the Merger will not have an adverse effect on the Acquiror or the contemplated benefits expected to be derived in the Merger.

We were not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition of the Company or any of its assets, or any other strategic alternative, other than the Merger.

We have acted as financial advisor to the Board of Directors of the Company in connection with this transaction and will receive a fee for our services. In the past, Morgan Stanley & Co. Incorporated and its affiliates have provided financial advisory and/or financing services for the Company, the Acquiror and one or more other parties to the Transaction, and certain of their affiliates, and have received fees for the rendering of those services.

It is understood that this letter is for the information of the Board of Directors of the Company and may not be used for any other purpose without our prior written consent, except that this opinion may be included in its entirety in any filing made by the Company in respect of the Merger with the Securities and Exchange Commission. In addition, this opinion does not in any manner address the prices at which the Acquiror Shares will trade following announcement or consummation of the Merger, and we express no opinion or recommendation as to how the holders of Company Shares should vote at the stockholders' meeting held in connection with the Merger.

Based on and subject to the foregoing, we are of the opinion on the date hereof that the Exchange Ratio is fair from a financial point of view to the holders of Company Shares (other than the Acquiror and its affiliates).

Very truly yours,

MORGAN STANLEY & CO. INCORPORATED

By: /s/ Scott W. Matlock
- ----------
Scott W. Matlock
Principal

EX-4.2
2
EXHIBIT 4.2

FORM OF CERTIFICATE OF AMENDMENT
BY THE BOARD OF DIRECTORS
TO THE
AMENDED ARTICLES OF INCORPORATION OF
CINCINNATI BELL INC.

_____, who is the [officer] of Cincinnati Bell Inc., an Ohio corporation, hereby certifies that at a meeting of the board of directors of Cincinnati Bell Inc., duly called and held on _____, the following resolution was unanimously adopted pursuant to Section 1701.70(B) of the Ohio Revised Code:

RESOLVED, that, pursuant to the authority vested in the Board of Directors of the corporation in accordance with the provisions of the Ohio General Corporation Law, as amended, and by Article Fourth of the corporation's Amended Articles of Incorporation, such Article Fourth is amended to add a new Paragraph 11 and a new Paragraph 12 providing for a series of 7 1/4% Junior Convertible Preferred Shares Due 2007 and a series of 6 3/4% Cumulative Convertible Preferred Shares, respectively, and that the designations and the authorized number of shares of, and the relative rights, preferences and limitations of, each such series are as set forth on Annexes 1 and 2, respectively, hereto.

IN WITNESS WHEREOF, the above named officer, acting for and on behalf of the corporation, has hereunto subscribed his name on _____.

By:_____

Title:_____

11. Of the 4,000,000 Voting Preferred Shares of the corporation, 1,400,000 shall constitute a series of Voting Preferred Shares designated as 7 1/4% Junior Convertible Preferred Shares Due 2007 (the "7 1/4% Preferred Shares") with a Liquidation Preference of $100 per share (the "Liquidation Preference"), and have, subject and in addition to the other provisions of this Article Fourth, the following relative rights, preferences and limitations:

(1) RANK. The 7 1/4% Preferred Shares will, with respect to dividend rights and rights on liquidation, winding-up and dissolution, rank (i) senior to all classes of Common Shares and to each other class or series of Preferred Shares established hereafter by the Board of Directors, the terms of which do not expressly provide that it ranks senior to, or on a parity with, the 7 1/4% Preferred Shares as to dividend rights and rights on liquidation, winding-up and dissolution of the corporation (collectively referred to, together with all classes of Common Shares of the corporation, as "Junior Shares"); (ii) on a parity with each other class or series of Preferred Shares established hereafter by the Board of Directors, the terms of which expressly provide that such class or series will rank on a parity with the 7 1/4% Preferred Shares as to dividend rights and rights on liquidation, winding-up and dissolution (collectively referred to as "Parity Shares"); and (iii) junior to each class or series of Preferred Shares established hereafter by the Board of Directors, the terms of which hereafter established classes or series expressly provide that such class or series will rank senior to the 7 1/4% Preferred Shares as to dividend rights or rights on liquidation, winding-up and dissolution of the corporation (collectively referred to as "Senior Shares"). The corporation may not authorize, create or increase the authorized amount of any class or series of Senior Shares without the approval of the holders of at least two-thirds of the shares of 7 1/4% Preferred Shares then outstanding, voting or consenting, as the case may be, as one class. All claims of the holders of the 7 1/4% Preferred Shares, including claims with respect to dividend payments, redemption payments, mandatory repurchase payments or rights upon liquidation, winding-up or dissolution, shall rank junior to the claims of the holders of any debt of the corporation and all other creditors of the corporation.

(2) DIVIDENDS. (i) Holders of the outstanding shares of 7 1/4% Preferred Shares will be entitled to receive, when, as and if declared by the Board of Directors, out of funds legally available therefor, dividends on each share of the 7 1/4% Preferred Shares at a rate per annum equal to 7 1/4% of the Liquidation Preference of such share payable quarterly (each such quarterly period being herein called a "Dividend Period").

All dividends on the 7 1/4% Preferred Shares, to the extent accrued, shall be cumulative, whether or not earned or declared, on a daily basis from the Issue Date or, in the case of additional shares of 7 1/4% Preferred Shares issued in payment of a dividend, from the date of issuance of such additional shares of 7 1/4% Preferred Shares, and shall be payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year (each a "Dividend Payment Date"), to holders of record on the March 15, June 15, September 15 and December 15 immediately preceding the relevant Dividend Payment Date. All dividends shall be payable in cash; PROVIDED, HOWEVER, that to the extent and for so long as the corporation is prohibited by the terms of any of its indebtedness then outstanding of the corporation or any agreement or instrument to which the corporation is then subject, from paying cash dividends on the 7 1/4% Preferred Shares, such dividends will accrue on each share at the rate per annum equal to 8 3/4% of the Liquidation Preference per share (instead of the 7 1/4% rate set forth in the first paragraph of this paragraph (2)(i)) payable through the issuance of a number of additional shares (rounded to the nearest whole share) of 7 1/4% Preferred Shares (the "Additional Shares") equal to the dividend amount on such share divided by the Liquidation Preference of such Additional Shares on the relevant Dividend Payment Date. Except as provided herein, accrued and unpaid dividends, if any, will not bear interest or bear dividends thereon.

(ii) All dividends paid with respect to shares of the 7 1/4% Preferred Shares pursuant to paragraph (2)(i) shall be paid pro rata to the holders entitled thereto.

(iii) No full dividends may be declared or paid or set apart for the payment of dividends by the corporation on any Parity Shares for any period unless full cumulative dividends in respect of each Dividend Period ending on or before such period shall have been or contemporaneously are declared and paid (or are deemed declared and paid) in full or declared and, if payable in cash, a sum in cash sufficient for such payment set apart for such payment on the 7 1/4% Preferred Shares. If full dividends are not so paid, the 7 1/4% Preferred Shares will share dividends pro rata with the Parity Shares.

(iv) The corporation will not (A) declare, pay or set apart funds for the payment of any dividend or other distribution with respect to any Junior Shares or (B) redeem, purchase or otherwise acquire for consideration any Junior Shares through a sinking fund or otherwise, unless (1) all accrued and unpaid dividends with respect to the 7 1/4% Preferred Shares and any Parity Shares at the time such dividends are payable have been paid or funds have been set apart for payment of such dividends and (2) sufficient funds have been paid or set apart for the payment of the dividend for the current dividend period with respect to the 7 1/4% Preferred Shares and any Parity Shares. As used herein, the term "dividend" does not include dividends payable solely in shares of Junior Shares

on Junior Shares or in options, warrants or rights to holders of Junior Shares to subscribe or purchase any Junior Shares.

(v) Dividends on account of arrears for any past Dividend Period and dividends in connection with any optional redemption may be declared and paid at any time, without reference to any regular Dividend Payment Date, to holders of record on such date, not more than 45 days prior to the payment thereof, as may be fixed by the Board of Directors of the corporation.

(vi) Dividends payable on the 7 1/4% Preferred Shares for any period other than a Dividend Period shall be computed on the basis of a 360-day consisting year of twelve 30-day months and the actual number of days elapsed in the period for which payable. Dividends payable on the 7 1/4% Preferred Shares for a full Dividend Period will be computed by dividing the per annum dividend rate by four.

(vii) Certificates of Common Shares relating to 7 1/4% Preferred Shares surrendered for conversion by a registered Holder during the period from the close of business on any regular record date next preceding any Dividend Payment Date to the opening of business on such Dividend Payment Date (except 7 1/4% Preferred Shares called for redemption on a Redemption Date within such period) must be accompanied by payment in cash of an amount equal to the accrued but unpaid dividends thereon which such registered Holder is to receive on such Dividend Payment Date with respect to the 7 1/4% Preferred Shares so surrendered.

(3) LIQUIDATION PREFERENCE. (i) Upon any voluntary or involuntary liquidation, dissolution or winding-up of the corporation, holders of 7 1/4% Preferred Shares will be entitled to be paid, out of the assets of the corporation available for distribution to its shareholders, the Liquidation Preference of the outstanding shares of 7 1/4% Preferred Shares, plus, without duplication, an amount in cash equal to all accumulated and unpaid dividends thereon to the date fixed for liquidation, dissolution or winding-up (including an amount equal to a prorated dividend for the period from the last Dividend Payment Date to the date fixed for liquidation, dissolution or winding-up that would have been payable had the 7 1/4% Preferred Shares been the subject of an Optional Redemption on such date) before any distribution is made on any Junior Shares. If, upon any voluntary or involuntary liquidation, dissolution or winding up of the corporation, the amounts payable with respect to the 7 1/4% Preferred Shares and all Parity Shares are not paid in full, the 7 1/4% Preferred Shares and the Parity Shares will share equally and ratably (in proportion to the respective amounts that would be payable on such shares of 7 1/4% Preferred Shares and the Parity Shares, respectively, if all amounts payable thereon had been paid in full) in any distribution of assets of the corporation to which each is entitled. After payment of the full amount of the Liquidation Preference of the outstanding shares of 7 1/4% Preferred Shares (and, if applicable, an amount equal to a prorated dividend), the holders of shares of 7 1/4% Preferred Shares will not be entitled to any further

participation in any distribution of assets of the corporation.

(ii) For the purposes of this paragraph (3), neither the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property or assets of the corporation nor the consolidation or merger of the corporation with or into one or more other entities shall be deemed to be a liquidation, dissolution or winding-up of the corporation.

(4) REDEMPTION. (i) OPTIONAL REDEMPTION. (A) The 7 1/4% Preferred Shares shall not be redeemable prior to April 3, 2000. On or after April 3, 2000, each share of the 7 1/4% Preferred Shares may be redeemed (subject to the legal availability of funds therefor) at any time, in whole or in part, at the option of the corporation, at the redemption prices (expressed as a percentage of the Liquidation Preference of such share) set forth below, plus, without duplication, an amount in cash equal to all accrued and unpaid dividends to the date fixed for redemption (the "Optional Redemption Date") (including an amount in cash equal to a prorated dividend for the period from the Dividend Payment Date immediately prior to the Optional Redemption Date) (the "Optional Redemption Price"). Notwithstanding the foregoing, prior to April 1, 2002, the corporation shall only have the option to redeem shares of 7 1/4% Preferred Shares if, during the period of 30 consecutive Trading Days ending on the Trading Day immediately preceding the date that the Redemption Notice is mailed to holders, the Closing Bid Price for the Common Shares exceeded 150% of the Conversion Price effective on the date of such Redemption Notice for at least 20 of such Trading Days. If redeemed during the 12-month period beginning April 1 of each of the years set forth below (or in the case of the year 2000, April 3), the Optional Redemption Price per share shall be the applicable percentage of the Liquidation Preference of such share set forth below plus, without duplication, in each case, an amount in cash equal to all accrued and unpaid dividends (including an amount equal to a prorated dividend from the immediately preceding Dividend Payment Date to the Optional Redemption Date), if any, to the Optional Redemption Date:

YEAR IN WHICH REDEMPTION OCCURS	PERCENTAGE
2000	104.83%
2001	104.03%
2002	103.22%
2003	102.42%
2004	

101.61% 2005
.....
100.81% 2006
.....
100.00%

(B) In the event of a redemption of only a portion of the then outstanding shares of 7 1/4% Preferred Shares, the corporation shall effect such redemption on a pro rata basis, except that the corporation may redeem all of the shares held by holders of fewer than 100 shares (or all of the shares held by holders who would hold less than 100 shares as a result of such redemption), as may be determined by the corporation.

(ii) MANDATORY REDEMPTION. Each share of the 7 1/4% Preferred Shares (if not earlier redeemed or converted) shall be subject to mandatory redemption in whole (to the extent of lawfully available funds therefor) on March 31, 2007 (the "Mandatory Redemption Date") at a price equal to 100% of the Liquidation Preference of such share, plus, without duplication, all accrued and unpaid dividends thereon (including an amount equal to a prorated dividend thereon from the immediately preceding Dividend Payment Date to the Mandatory Redemption Date), if any, to the Mandatory Redemption Date (the "Mandatory Redemption Price").

(iii) PROCEDURE FOR REDEMPTION. (A) On and after the Optional Redemption Date or the Mandatory Redemption Date, as the case may be (the "Redemption Date"), unless the corporation defaults in the payment of the applicable redemption price, dividends will cease to accumulate on shares of 7 1/4% Preferred Shares called for redemption and all rights of holders of such shares will terminate except for the right to receive the Optional Redemption Price or the Mandatory Redemption Price, as the case may be, without interest; PROVIDED, HOWEVER, that if a notice of redemption shall have been given as provided in paragraph (iii)(B) and the funds necessary for redemption (including an amount in respect of all dividends that will accrue to the Redemption Date) shall have been segregated and irrevocably set apart by the corporation, in trust for the benefit of the holders of the shares called for redemption, then dividends shall cease to accumulate on the Redemption Date on the shares to be redeemed and, at the close of business on the day on which such funds are segregated and set apart, the holders of the shares to be redeemed shall, with respect to the shares to be redeemed, cease to be stockholders of the corporation and shall be entitled only to receive the Optional Redemption Price or the Mandatory Redemption Price, as the case may be, for such shares without interest from the Redemption Date.

(B) With respect to a redemption pursuant to paragraph (4)(i) or

(4)(ii), the corporation will send a written notice of redemption by first class mail to each holder of record of shares of 7 1/4% Preferred Shares, not fewer than 15 days nor more than 60 days prior to the Redemption Date at its registered address (the "Redemption Notice"); PROVIDED, HOWEVER, that no failure to give such notice nor any deficiency therein shall affect the validity of the procedure for the redemption of any shares of 7 1/4% Preferred Shares to be redeemed except as to the holder or holders to whom the corporation has failed to give said notice or except as to the holder or holders whose notice was defective. The Redemption Notice shall state:

(1) whether the redemption is pursuant to paragraph (4)(i) or (4)(ii) hereof;

(2) the Optional Redemption Price or the Mandatory Redemption Price, as the case may be;

(3) whether all or less than all the outstanding shares of the 7 1/4% Preferred Shares are to be redeemed and the total number of shares of the 7 1/4% Preferred Shares being redeemed;

(4) the Redemption Date;

(5) that the holder is to surrender to the corporation, in the manner, at the place or places and at the price designated, his certificate or certificates representing the shares of 7 1/4% Preferred Shares to be redeemed; and

(6) that dividends on the shares of the 7 1/4% Preferred Shares to be redeemed shall cease to accumulate on such Redemption Date unless the corporation defaults in the payment of the Optional Redemption Price or the Mandatory Redemption Price, as the case may be.

(C) Each holder of 7 1/4% Preferred Shares shall surrender the certificate or certificates representing such shares of 7 1/4% Preferred Shares to the corporation, duly endorsed (or otherwise in proper form for transfer, as determined by the corporation), in the manner and at the place designated in the Redemption Notice, and on the Redemption Date the full Optional Redemption Price or Mandatory Redemption Price, as the case may be, for such shares shall be payable in cash to the person whose name appears on such certificate or certificates as the owner thereof, and each surrendered certificate shall be canceled and retired. In the event that less than all of the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares.

(5) VOTING RIGHTS. (i) Each holder of 7 1/4% Preferred Shares,

except as required under Ohio law or as set forth in paragraphs (ii) and (iii) below, shall be entitled to one vote for each share of 7 1/4% Preferred Shares held by such holder on any matter required or permitted to be voted upon by the shareholders of the corporation.

(ii) (A) If (1) dividends on the 7 1/4% Preferred Shares are in arrears and unpaid for six or more Dividend Periods (whether or not consecutive) (a "Dividend Default"); or (2) the corporation fails to redeem the 7 1/4% Preferred Shares on March 31, 2007, or fails to otherwise discharge any redemption obligation with respect to the 7 1/4% Preferred Shares, then the number of directors constituting the Board of Directors will be increased by two and the Holders of the then outstanding shares of 7 1/4% Preferred Shares (together with the holders of Parity Shares upon which like rights have been conferred and are exercisable), voting separately and as a class, shall have the right and power to elect such two additional directors. Each such event described in clause (1) or (2) above is a "Voting Rights Triggering Event". A Voting Rights Triggering Event shall not be deemed to have occurred if at the time of such event there are less than 200,000 shares of 7 1/4% Preferred Shares then outstanding.

(B) The voting rights set forth in subparagraph (4)(ii)(A) above will continue until such time as (x) in the case of a Dividend Default, all dividends in arrears on the 7 1/4% Preferred Shares are paid in full in cash, (y) in all other cases, any failure, breach or default giving rise to such Voting Rights Triggering Event is remedied or waived by the Holders of at least two-thirds of the shares of 7 1/4% Preferred Shares then outstanding or (z) at any time there are less than 200,000 shares of 7 1/4% Preferred Shares outstanding, at which time the term of any directors elected pursuant to the provisions of subparagraph (5)(ii)(A) above shall terminate and the number of directors constituting the

Board of Directors shall be decreased by two (until the occurrence of any subsequent Voting Rights Triggering Event). At any time after voting power to elect directors shall have become vested and be continuing in the holders of 7 1/4% Preferred Shares (together with the holders of Parity Shares upon which like rights have been conferred and are exercisable) pursuant to subparagraph (5)(ii)(A) hereof, or if vacancies shall exist in the offices of directors elected by such holders, a proper officer of the corporation may, and upon the written request of the holders of record of at least 25% of the shares of 7 1/4% Preferred Shares then outstanding or the holders of 25% of the shares of Parity Shares then outstanding upon which like rights have been confirmed and are exercisable addressed to the secretary of the corporation shall, call a special meeting of the Holders of 7 1/4% Preferred Shares and the holders of such Parity Shares for the purpose of electing the directors which such holders are entitled to elect pursuant to the terms hereof; PROVIDED, HOWEVER, that no such special

meeting shall be called if the next annual meeting of shareholders of the corporation is to be held within 60 days after the voting power to elect directors shall have become vested, in which case such meeting shall be deemed to have been called for such next annual meeting. If such meeting shall not be called by a proper officer of the corporation within 20 days after personal service to the secretary of the corporation at its principal executive offices, then the Holders of record of at least 25% of the outstanding shares of 7 1/4% Preferred Shares or the holders of 25% of the shares of Parity Shares upon which like rights have been confirmed and are exercisable may designate in writing one of their members to call such meeting at the expense of the corporation, and such meeting may be called by the person so designated upon the notice required for the annual meetings of shareholders of the corporation and shall be held at the place for holding the annual meetings of shareholders. Any holder of 7 1/4% Preferred Shares or such Parity Shares so designated shall have, and the corporation shall provide, access to the lists of holders of 7 1/4% Preferred Shares and the holders of such Parity Shares to be called pursuant to the provisions hereof. If no special meeting of the Holders of 7 1/4% Preferred Shares and the holders of such Parity Shares is called as provided in this paragraph (5)(ii), then such meeting shall be deemed to have been called for the next annual meeting of shareholders of the corporation or special meeting of the holders of any other capital shares of the corporation.

(C) At any meeting held for the purposes of electing directors at which the Holders of 7 1/4% Preferred Shares (together with the holders of Parity Shares upon which like rights have been conferred and are exercisable) shall have the right, voting together as a separate class, to elect directors as aforesaid, the presence in person or by proxy of the holders of at least a majority in voting power of the outstanding shares of 7 1/4% Preferred Shares (and such Parity Shares) shall be required to constitute a quorum thereof.

(D) Any vacancy occurring in the office of a director elected by the Holders of 7 1/4% Preferred Shares (and such Parity Shares) may be filled by the remaining director elected by the Holders of 7 1/4% Preferred Shares (and such Parity Shares) unless and until such vacancy shall be filled by the Holders of 7 1/4% Preferred Shares (and such Parity Shares).

(iii) (A) So long as any shares of the 7 1/4% Preferred Shares are outstanding, the corporation will not authorize, create or increase the authorized amount of any class

or series of Senior Shares without the affirmative vote or consent of holders of at least two-thirds of the shares of 7 1/4% Preferred Shares then outstanding, voting or consenting, as the case may be, as one class, given in person or by proxy, either in writing or by resolution adopted at an annual or special meeting.

(B) So long as any shares of the 7 1/4% Preferred Shares are outstanding, the corporation will not amend this Article Fourth so as to affect adversely the specified rights, preferences, privileges or voting rights of Holders of shares of 7 1/4% Preferred Shares or to authorize the issuance of any additional shares of 7 1/4% Preferred Shares (except to authorize the issuance of additional shares of 7 1/4% Preferred Shares to be paid as dividends on the 7 1/4% Preferred Shares, for which no consent shall be necessary) without the affirmative vote or consent of Holders of at least two-thirds of the issued and outstanding shares of 7 1/4% Preferred Shares, voting or consenting, as the case may be, as one class, given in person or by proxy, either in writing or by resolution adopted at an annual or special meeting.

(C) Except as set forth in paragraph (5)(iii)(A) or (B) above, (x) the creation, authorization or issuance of any shares of any Junior Shares, Parity Shares or Senior Shares, including the designation of a series of 7 1/4% Preferred Shares, or (y) the increase or decrease in the amount of authorized capital shares of any class, including Preferred Shares, shall not require the consent of Holders of 7 1/4% Preferred Shares and shall not be deemed to affect adversely the rights, preferences, privileges or voting rights of shares of 7 1/4% Preferred Shares.

(iv) In any case in which the Holders of 7 1/4% Preferred Shares shall be entitled to vote pursuant to this paragraph (5) or pursuant to Ohio law, each Holder of 7 1/4% Preferred Shares entitled to vote with respect to such matters shall be entitled to one vote for each share of 7 1/4% Preferred Shares held.

(6) CONVERSION. (i) At any time after 60 days from the Issue Date, at the option of the Holder thereof, any share of 7 1/4% Preferred Shares may be converted at the Liquidation Preference thereof into fully paid and nonassessable Common Shares (calculated as to each conversion to the nearest 1/100 of a share), at the Conversion Price, determined as hereinafter provided, in effect at the time of conversion. Such conversion right shall expire at the close of business on the Mandatory Redemption Date. In case a share of 7 1/4% Preferred Shares is called for optional redemption, such conversion right in respect of the share of 7 1/4% Preferred Shares so called shall expire at the close of business on the applicable Optional Redemption Date, unless the corporation defaults in making the payment due upon redemption.

The price at which Common Shares shall be delivered upon conversion (herein called the "Conversion Price") shall be initially $11.18 per share of Common Shares. The Conversion Price shall be adjusted in certain instances as provided in paragraph (6)(iv) and paragraph (6)(v).

(ii) In order to exercise the conversion privilege, the Holder of any share of

7 1/4% Preferred Shares to be converted shall surrender the certificate for such share of 7 1/4% Preferred Shares, duly endorsed or assigned to the corporation or in blank, at the office of the Transfer Agent or at any office or agency of the corporation maintained for that purpose, accompanied by written notice to the corporation in the form of Exhibit B that the Holder elects to convert such share of 7 1/4% Preferred Shares or, if fewer than all of the shares of 7 1/4% Preferred Shares represented by a single share certificate are to be converted, the number of shares represented thereby to be converted. Except as provided in paragraph (2)(viii), no payment or adjustment shall be made upon any conversion on account of any dividends accrued on the shares of 7 1/4% Preferred Shares surrendered for conversion or on account of any dividends on the Common Shares issued upon conversion. Such notice shall also contain the office or the address to which the corporation should deliver shares of Common Shares issuable upon conversion (and any other payments or certificates related thereto). Except as provided in paragraph (2)(viii), in no event shall the corporation be obligated to pay any converting Holder any unpaid dividend, whether or not in arrears, on converted shares or any dividends on the shares of Common Shares issued upon such conversion.

Shares of 7 1/4% Preferred Shares shall be deemed to have been converted immediately prior to the close of business on the day of surrender of such shares of 7 1/4% Preferred Shares for conversion in accordance with the foregoing provisions, and at such time the rights of the Holders of such shares of 7 1/4% Preferred Shares as Holders shall cease, and the person or persons entitled to receive the Common Shares issuable upon conversion shall be treated for all purposes as the record holder or holders of such Common Shares at such time. As promptly as practicable on or after the conversion date, the corporation shall issue and shall deliver to such office or agency as the converting Holder shall have designated in its written notice to the corporation a certificate or certificates for the number of full Common Shares issuable upon conversion, together with payment in lieu of any fraction of a share, as provided in paragraph (6)(iii) hereof.

In the case of any conversion of fewer than all the shares of 7 1/4% Preferred Shares evidenced by a certificate, upon such conversion the corporation shall execute and the Transfer Agent shall authenticate and deliver to the Holder thereof (at the address designated by such Holder), at the expense of the corporation, a new certificate or certificates representing the number of unconverted shares of 7 1/4% Preferred Shares.

(iii) No fractional Common Shares shall be issued upon the conversion of a share of 7 1/4% Preferred Shares. If more than one share of 7 1/4% Preferred Shares shall be surrendered for conversion at one time by the same holder, the number of full shares of Common Shares which shall be issuable upon conversion thereof shall be computed on the basis of the aggregate shares of 7 1/4% Preferred Shares so surrendered. Instead of any fractional share of Common Shares which would otherwise be issuable upon conversion of any share of 7 1/4% Preferred Shares, the corporation shall pay a cash adjustment in respect

of such fraction in an amount equal to the same fraction of the closing price (as defined in paragraph (6)(iv)(7)) per share of Common Shares at the close of business on the Business Day prior to the day of conversion.

(iv) The Conversion Price shall be adjusted from time to time by the corporation as follows:

(1) If the corporation shall hereafter pay a dividend or make a distribution in Common Shares to all holders of any outstanding class or series of Common Shares of the corporation, the Conversion Price in effect at the opening of business on the date following the date fixed for the determination of shareholders entitled to receive such dividend or other distribution shall be reduced by multiplying such Conversion Price by a fraction of which the numerator shall be the number of shares of Common Shares outstanding at the close of business on the Record Date (as defined in paragraph (6)(iv)(7)) fixed for such determination and the denominator shall be the sum of such number of outstanding shares and the total number of shares constituting such dividend or other distribution, such reduction to become effective immediately after the opening of business on the day following the Record Date. If any dividend or distribution of the type described in this paragraph (6)(iv)(i) is declared but not so paid or made, the Conversion Price shall again be adjusted to the Conversion Price which would then be in effect if such dividend or distribution had not been declared.

(2) If the corporation shall offer or issue rights or warrants to all holders of its outstanding Common Shares entitling them to subscribe for or purchase Common Shares at a price per share less than the Current Market Price (as defined in paragraph (6)(iv)(7)) on the Record Date fixed for the determination of shareholders entitled to receive such rights or warrants, the Conversion Price shall be adjusted so that the same shall equal the price determined by multiplying the Conversion Price in effect at the opening of business on the date after such Record Date by a fraction of which the numerator shall be the number of shares of Common Shares outstanding at the close of business on the Record Date plus the number of shares of Common Shares which the aggregate offering price of the total number of shares of Common Shares subject to such rights or warrants would purchase at such Current Market Price and of which the denominator shall be the number of shares of Common Shares outstanding at the close of business on the Record Date plus the total number of additional shares of Common Shares subject to such rights or warrants for subscription or purchase. Such adjustment shall become effective immediately after the opening of business on the day following the Record Date fixed for determination of shareholders entitled to purchase or receive such rights or warrants. To the extent that shares of Common Shares are not delivered pursuant to such

rights or warrants, upon the expiration or termination of such rights or warrants the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect had the adjustments made upon the issuance of such rights or warrants been made on the basis of delivery of only the number of shares of Common Shares actually delivered. If such rights or warrants are not so issued, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such date fixed for the determination of shareholders entitled to receive such rights or warrants had not been fixed. In determining whether any rights or warrants entitle the holders to subscribe for or purchase Common Shares at less than such Current

Market Price, and in determining the aggregate offering price of such shares of Common Shares, there shall be taken into account any consideration received for such rights or warrants, with the value of such consideration, if other than cash, to be determined by the Board of Directors.

(3) If the outstanding shares of Common Shares shall be subdivided into a greater number of shares of Common Shares, the Conversion Price in effect at the opening of business on the day following the day upon which such subdivision becomes effective shall be proportionately reduced, and, conversely, if the outstanding shares of Common Shares shall be combined into a smaller number of shares of Common Shares, the Conversion Price in effect at the opening of business on the day following the day upon which such combination becomes effective shall be proportionately increased, such reduction or increase, as the case may be, to become effective immediately after the opening of business on the day following the day upon which such subdivision or combination becomes effective.

(4) If the corporation shall, by dividend or otherwise, distribute to all holders of its shares of Common Shares shares of any class of capital stock of the corporation (other than any dividends or distributions to which paragraph (6)(iv)(1) applies) or evidences of its indebtedness, cash or other assets (including securities, but excluding any rights or warrants of a type referred to in paragraph (6)(iv)(2) and excluding dividends and distributions paid exclusively in cash and excluding any capital stock, evidences of indebtedness, cash or assets distributed upon a merger or consolidation to which paragraph (6)(v) applies) (the foregoing hereinafter in this paragraph (6)(iv)(4) called the "Distributed Securities"), then, in each such case, the Conversion Price shall be reduced so that the same shall be equal to the price determined by multiplying the Conversion Price in effect immediately prior to the close of business on the Record Date (as defined in paragraph (6)(iv)(7)) with respect to such distribution by a fraction of which the numerator shall be the Current Market Price

(determined as provided in paragraph (6)(iv)(7)) of the Common Shares on such date less the fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a resolution of the Board of Directors) on such date of the portion of the Distributed Securities so distributed applicable to one share of Common Shares and the denominator shall be such Current Market Price, such reduction to become effective immediately prior to the opening of business on the day following the Record Date; PROVIDED, HOWEVER, that, in the event the then fair market value (as so determined) of the portion of the Distributed Securities so distributed applicable to one share of Common Shares is equal to or greater than the Current Market Price on the Record Date, in lieu of the foregoing adjustment, adequate provision shall be made so that each holder of 7 1/4% Preferred Shares shall have the right to receive upon conversion of a share of 7 1/4% Preferred Shares (or any portion thereof) the amount of Distributed Securities such holder would have received had such holder converted such share of 7 1/4% Preferred Shares (or portion thereof) immediately prior to such Record Date. If such dividend or distribution is not so paid or made, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such

dividend or distribution had not been declared. If the Board of Directors determines the fair market value of any distribution for purposes of this paragraph (6)(iv)(4) by reference to the actual or when issued trading market for any securities comprising all or part of such distribution, it must in doing so consider the prices in such market over the same period used in computing the Current Market Price pursuant to paragraph (6)(iv)(7) to the extent possible.

Rights or warrants distributed by the corporation to all holders of Common Shares entitling the holders thereof to subscribe for or purchase shares of the corporation's capital shares (either initially or under certain circumstances), which rights or warrants, until the occurrence of a specified event or events ("Dilution Trigger Event"): (i) are deemed to be transferred with such Common Shares; (ii) are not exercisable; and (iii) are also issued in respect of future issuances of Common Shares, shall be deemed not to have been distributed for purposes of this paragraph (6)(iv)(4) (and no adjustment to the Conversion Price under this paragraph (6)(iv)(4) shall be required) until the occurrence of the earliest Dilution Trigger Event, whereupon such rights and warrants shall be deemed to have been distributed and an appropriate adjustment to the Conversion Price under this paragraph (6)(iv)(4) shall be made. If any such rights or warrants, including any such existing rights or warrants distributed prior to the date hereof, are subject to subsequent events, upon the occurrence of each of which such rights or warrants shall become exercisable to

purchase different securities, evidences of indebtedness or other assets, then the occurrence of each such event shall be deemed to be such date of issuance and record date with respect to new rights or warrants (and a termination or expiration of the existing rights or warrants without exercise by the holder thereof). In addition, in the event of any distribution (or deemed distribution) of rights or warrants, or any Dilution Trigger Event with respect thereto, that was counted for purposes of calculating a distribution amount for which an adjustment to the Conversion Price under this paragraph (6)(iv)(4) was made, (1) in the case of any such rights or warrants which shall all have been redeemed or repurchased without exercise by any holders thereof, the Conversion Price shall be readjusted upon such final redemption or repurchase to give effect to such distribution or Dilution Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share redemption or repurchase price received by a holder or holders of Common Shares with respect to such rights or warrants (assuming such holder had retained such rights or warrants), made to all holders of Common Shares as of the date of such redemption or repurchase, and (2) in the case of such rights or warrants which shall have expired or been terminated without exercise by any holders thereof, the Conversion Price shall be readjusted as if such rights and warrants had not been issued.

Notwithstanding any other provision of this paragraph (6)(iv)(4) to the contrary, capital stock, rights, warrants, evidences of indebtedness, other securities, cash or other assets (including, without limitation, any rights distributed pursuant to any shareholder rights plan) shall be deemed not to have been distributed for purposes of this paragraph (6)(iv)(4) if the corporation makes proper provision so that each holder of shares of 7 1/4% Preferred Shares who converts a share of 7 1/4% Preferred

Shares (or any portion thereof) after the date fixed for determination of shareholders entitled to receive such distribution shall be entitled to receive upon such conversion, in addition to the Common Shares issuable upon such conversion, the amount and kind of such distributions that such holder would have been entitled to receive if such holder had, immediately prior to such determination date, converted such share of 7 1/4% Preferred Shares into Common Shares.

For purposes of this paragraph (6)(iv)(4) and paragraphs (6)(iv)(1) and (2), any dividend or distribution to which this paragraph (6)(iv)(4) is applicable that also includes Common Shares, or rights or warrants to subscribe for or purchase Common Shares to which paragraph (6)(iv)(2) applies (or both), shall be deemed instead to be (1) a dividend or distribution of the evidences of indebtedness, cash, assets, shares of capital stock, rights or warrants other than (A) such shares of Common

Shares or (B) rights or warrants to which paragraph (6)(iv)(2) applies (and any Conversion Price reduction required by this paragraph (6)(iv)(4) with respect to such dividend or distribution shall then be made) immediately followed by (2) a dividend or distribution of such Common Shares or such rights or warrants (and any further Conversion Price reduction required by paragraph (6)(iv)(1) and (2) with respect to such dividend or distribution shall then be made), except that (1) the Record Date of such dividend or distribution shall be substituted as "the Record Date fixed for the determination of stockholders entitled to receive such dividend or other distribution", "Record Date fixed for such determination" and "Record Date" within the meaning of paragraph (6)(iv)(1) and as "the Record Date fixed for the determination of shareholders entitled to receive such rights or warrants", "the date fixed for the determination of the shareholders entitled to receive such rights or warrants" and "such Record Date" within the meaning of paragraph (6)(iv)(2), and (2) any share of Common Shares included in such dividend or distribution shall not be deemed "outstanding at the close of business on the date fixed for such determination" within the meaning of paragraph (6)(iv)(1).

(5) If the corporation shall, by dividend or otherwise, distribute to all holders of its Common Shares cash (excluding any cash that is distributed upon a merger or consolidation to which paragraph (6)(v) applies or as part of a distribution referred to in paragraph (6)(iv)) in an aggregate amount that, combined together with (1) the aggregate amount of any other such distributions to all holders of its Common Shares made exclusively in cash within the 12 months preceding the date of payment of such distribution, and in respect of which no adjustment pursuant to this paragraph (6)(iv)(5) has been made, and (2) the aggregate of any cash plus the fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a resolution of the Board of Directors) of consideration payable in respect of any tender offer by the corporation or a Subsidiary of the corporation for all or any portion of the Common Shares concluded within the 12 months preceding the date of payment of such distribution, and in respect of which no adjustment pursuant to paragraph (6)(iv)(4) has been made, exceeds 12.5% of the product of the Current

Market Price (determined as provided in paragraph (6)(iv)(7)) on the Record Date with respect to such distribution times the number of shares of Common Shares outstanding on such date, then, and in each such case, immediately after the close of business on such date, the Conversion Price shall be reduced so that the same shall equal the price determined by multiplying the Conversion Price in effect immediately prior to the close of business on such Record Date by a fraction (i) the numerator of which shall be equal to the Current Market Price on the Record Date less an amount equal to the

quotient of (x) the excess of such combined amount over such 12.5% amount divided by (y) the number of shares of Common Shares outstanding on the Record Date and (ii) the denominator of which shall be equal to the Current Market Price on such Record Date; PROVIDED, HOWEVER, that, if the portion of the cash so distributed applicable to one share of Common Shares is equal to or greater than the Current Market Price of the Common Shares on the Record Date, in lieu of the foregoing adjustment, adequate provision shall be made so that each holder of 7 1/4% Preferred Shares shall have the right to receive upon conversion of a share of 7 1/4% Preferred Shares (or any portion thereof) the amount of cash such holder would have received had such holder converted such share of 7 1/4% Preferred Shares (or portion thereof) immediately prior to such Record Date. If such dividend or distribution is not so paid or made, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such dividend or distribution had not been declared.

(6) If a tender or exchange offer made by the corporation or any of its Subsidiaries for all or any portion of the Common Shares expires and such tender or exchange offer (as amended upon the expiration thereof) requires the payment to shareholders (based on the acceptance (up to any maximum specified in the terms of the tender offer) of Purchased Shares (as defined below)) of an aggregate consideration having a fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a resolution of the Board of Directors) that, combined together with (1) the aggregate of the cash plus the fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a resolution of the Board of Directors), as of the expiration of such tender offer, of consideration payable in respect of any other tender offers, by the corporation or any of its Subsidiaries for all or any portion of the Common Shares expiring within the 12 months preceding the expiration of such tender offer and in respect of which no adjustment pursuant to this paragraph (6)(iv)(6) has been made and (2) the aggregate amount of any distributions to all holders of the Common Shares made exclusively in cash within 12 months preceding the expiration of such tender offer and in respect of which no adjustment pursuant to paragraph (6)(iv)(5) has been made, exceeds 12.5% of the product of the Current Market Price (determined as provided in paragraph (6)(iv)(7)) as of the last time (the "Expiration Time") tenders could have been made pursuant to such tender offer (as it may be amended) times the number of shares of Common Shares outstanding (including any tendered shares) at the Expiration Time, then, and in each such case, immediately prior to the opening of business on the day after the date of the Expiration Time, the

Conversion Price shall be adjusted so that the same shall equal the price determined by multiplying the Conversion Price in effect immediately prior

to the close of business on the date of the Expiration Time by a fraction of which the numerator shall be the number of shares of Common Shares outstanding (including any tendered shares) at the Expiration Time multiplied by the Current Market Price of the Common Shares on the Trading Day next succeeding the Expiration Time and the denominator shall be the sum of (x) the fair market value (determined as aforesaid) of the aggregate consideration payable to shareholders based on the acceptance (up to any maximum specified in the terms of the tender offer) of all shares validly tendered and not withdrawn as of the Expiration Time (the shares deemed so accepted, up to any such maximum, being referred to as the "Purchased Shares") and (y) the product of the number of shares of Common Shares outstanding (less any Purchased Shares) at the Expiration Time and the Current Market Price of the Common Shares on the Trading Day next succeeding the Expiration Time, such reduction (if any) to become effective immediately prior to the opening of business on the day following the Expiration Time. If the corporation is obligated to purchase shares pursuant to any such tender offer, but the corporation is permanently prevented by applicable law from effecting any such purchases or all such purchases are rescinded, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such tender offer had not been made. If the application of this paragraph (6)(iv)(6) to any tender offer would result in an increase in the Conversion Price, no adjustment shall be made for such tender offer under this paragraph (6)(iv)(6).

(7) For purposes of this paragraph (6)(iv), the following terms shall have the meaning indicated:

"closing price" with respect to any securities on any day means the closing price on such day or, if no such sale takes place on such day, the average of the reported high and low prices on such day, in each case on The Nasdaq National Market or the New York Stock Exchange, as applicable, or, if such security is not listed or admitted to trading on such national market or exchange, on the principal national securities exchange or quotation system on which such security is quoted or listed or admitted to trading, or, if not quoted or listed or admitted to trading on any national securities exchange or quotation system, the average of the high and low prices of such security on the over-the-counter market on the day in question as reported by the National Quotation Bureau Incorporated or a similar generally accepted reporting service, or, if not so available, in such manner as furnished by any New York Stock Exchange member firm selected from time to time by the Board of Directors for that purpose, or a price determined in good faith by the Board of Directors, whose determination shall be conclusive and described in a resolution of the Board of Directors.

"Current Market Price" means the average of the daily closing prices per share of Common Shares for the 10 consecutive trading days immediately prior to the date in question; PROVIDED, HOWEVER, that (A) if the "ex" date (as hereinafter defined) for any event (other than the issuance or

distribution requiring such computation)

that requires an adjustment to the Conversion Price pursuant to paragraphs (6)(iv)(1), (2), (3), (4), (5) or (6) occurs during such 10 consecutive trading days, the closing price for each trading day prior to the "ex" date for such other event shall be adjusted by multiplying such closing price by the same fraction by which the Conversion Price is so required to be adjusted as a result of such other event, (B) if the "ex" date for any event (other than the issuance or distribution requiring such computation) that requires an adjustment to the Conversion Price pursuant to paragraphs (6)(iv)(1), (2), (3), (4), (5) or (6) occurs on or after the "ex" date for the issuance or distribution requiring such computation and prior to the day in question, the closing price for each trading day on and after the "ex" date for such other event shall be adjusted by multiplying such closing price by the reciprocal of the fraction by which the Conversion Price is so required to be adjusted as a result of such other event and (C) if the "ex" date for the issuance or distribution requiring such computation is prior to the day in question, after taking into account any adjustment required pursuant to clause (A) or (B) of this proviso, the closing price for each trading day on or after such "ex" date shall be adjusted by adding thereto the amount of any cash and the fair market value (as determined by the Board of Directors in a manner consistent with any determination of such value for purposes of paragraphs (6)(iv)(4) or (5), whose determination shall be conclusive and described in a resolution of the Board of Directors) of the evidence of indebtedness, shares of capital stock or assets being distributed applicable to one Common Share as of the close of business on the day before such "ex" date. For purposes of any computation under paragraph (6)(vi), the Current Market Price on any date shall be deemed to be the average of the daily closing prices per share of Common Shares for such day and the next two succeeding trading days; PROVIDED, HOWEVER, that, if the "ex" date for any event (other than the tender offer requiring such computation) that requires an adjustment to the Conversion Price pursuant to paragraph (6)(iv)(1), (2), (3), (4), (5) or (6) occurs on or after the Expiration Time for the tender or exchange offer requiring such computation and prior to the day in question, the closing price for each trading day on and after the "ex" date for such other event shall be adjusted by multiplying such closing price by the reciprocal of the fraction by which the Conversion Price is so required to be adjusted as a result of such other event. For purposes of this paragraph, the term "ex" date (I) when used with respect to any issuance or distribution, means the first date on which the Common Shares trade regular way on the relevant exchange or in the relevant market from which the closing price was obtained without the right to receive such issuance or distribution, (II) when used with respect to any subdivision or combination of Common Shares, means the first date on which the Common Shares trade regular way on such

exchange or in such market after the time at which such subdivision or combination becomes effective and (III) when used with respect to any tender or exchange offer means the first date on which the Common Shares trade regular way on such exchange or in such market after the Expiration Time of such offer. Notwithstanding the foregoing, whenever successive adjustments to the Conversion Price are called for pursuant to this paragraph (6)(iv), such adjustments shall be made to the Current Market Price as may be necessary or appropriate to effectuate the intent of this paragraph (6)(iv)

and to avoid unjust or inequitable results, as determined in good faith by the Board of Directors.

"fair market value" shall mean the amount which a willing buyer would pay a willing seller in an arm's-length transaction.

"Record Date" shall mean, with respect to any dividend, distribution or other transaction or event in which the holders of Common Shares have the right to receive any cash, securities or other property or in which the Common Shares (or other applicable security) are exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of shareholders entitled to receive such cash, securities or other property (whether such date is fixed by the Board of Directors or by statute, contract or otherwise).

(8) No adjustment in the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1% in such price; PROVIDED, HOWEVER, that any adjustments which by reason of this paragraph (6)(iv)(8) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this paragraph (6)(iv)(8) shall be made by the corporation and shall be made to the nearest cent or to the nearest one-hundredth of a share, as the case may be. No adjustment need be made for a change in the par value or no par value of the Common Shares.

(9) Whenever the Conversion Price is adjusted as herein provided, the corporation shall promptly file with the Transfer Agent an Officers' Certificate setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment. Promptly after delivery of such certificate, the corporation shall prepare a notice of such adjustment of the Conversion Price setting forth the adjusted Conversion Price and the date on which each adjustment becomes effective and shall mail such notice of such adjustment of the Conversion Price to each holder of 7 1/4% Preferred Shares at such holder's last address appearing on the register of holders maintained for that purpose

within 20 days of the effective date of such adjustment. Failure to deliver such notice shall not affect the legality or validity of any such adjustment.

(10) In any case in which this paragraph (6)(iv) provides that an adjustment shall become effective immediately after a Record Date for an event, the corporation may defer until the occurrence of such event issuing to the holder of any share of 7 1/4% Preferred Shares converted after such Record Date and before the occurrence of such event the additional Common Shares issuable upon such conversion by reason of the adjustment required by such event over and above the Common Shares issuable upon such conversion before giving effect to such adjustment.

(11) For purposes of this paragraph (6)(iv), the number of shares of Common Shares at any time outstanding shall not include shares held in the treasury of the corporation but shall include shares issuable in respect of scrip

certificates issued in lieu of fractions of Common Shares. The corporation shall not pay any dividend or make any distribution on Common Shares held in the treasury of the corporation.

(v) In case of any consolidation of the corporation with, or merger of the corporation into, any other corporation, or in case of any merger of another corporation into the corporation (other than a merger which does not result in any reclassification, conversion, exchange or cancelation of outstanding shares of Common Shares of the corporation), or in case of any conveyance or transfer of the properties and assets of the corporation substantially as an entirety, the holder of each share of 7 1/4% Preferred Shares then outstanding shall have the right thereafter, during the period such 7 1/4% Preferred Shares shall be convertible as specified in paragraph (6)(i), to convert such share of 7 1/4% Preferred Shares only into the kind and amount of securities, cash and other property receivable upon such consolidation, merger, conveyance or transfer by a holder of the number of shares of Common Shares of the corporation into which such share of 7 1/4% Preferred Shares might have been converted immediately prior to such consolidation, merger, conveyance or transfer, assuming such holder of Common Shares of the corporation failed to exercise his rights of election, if any, as to the kind or amount of securities, cash and other property receivable upon such consolidation, merger, conveyance or transfer (provided that, if the kind or amount of securities, cash and other property receivable upon such consolidation, merger, conveyance or transfer is not the same for each share of Common Shares of the corporation in respect of which such rights of election shall not have been exercised ("nonelecting share"), then for the purpose of this paragraph (6)(v) the

kind and amount of securities, cash and other property receivable upon such consolidation, merger, conveyance or transfer by each nonelecting share shall be deemed to be the kind and amount so receivable per share by a plurality of the nonelecting shares). Such securities shall provide for adjustments which, for events subsequent to the effective date of the triggering event, shall be as nearly equivalent as may be practicable to the adjustments provided for in this paragraph (6)(v). The above provisions of this Section shall similarly apply to successive consolidations, mergers, conveyances or transfers.

(vi) In case:

(1) the corporation shall declare a dividend (or any other distribution) on its Common Shares payable otherwise than in cash out of its earned surplus; or

(2) the corporation shall authorize the granting to all holders of its Common Shares of rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any other rights; or

(3) of any reclassification of the Common Shares of the corporation (other than a subdivision or combination of its outstanding Common Shares), or of any consolidation or merger to which the corporation is a party and for which approval of any

shareholders of the corporation is required, or the sale or transfer of all or substantially all the assets of the corporation; or

(4) of the voluntary or involuntary dissolution, liquidation or winding up of the corporation;

then the corporation shall cause to be filed with the Transfer Agent and at each office or agency maintained for the purpose of conversion of the 7 1/4% Preferred Shares, and shall cause to be mailed to all holders at their last addresses as they shall appear in the 7 1/4% Preferred Shares Register, at least 20 days (or 10 days in any case specified in clause (1) or (2) above) prior to the applicable date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, rights or warrants, or, if a record is not to be taken, the date as of which the holders of Common Shares of record to be entitled to such dividend, distribution, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up is expected to become effective, and the date as of which it is expected that holders of Common Shares of record shall be entitled to exchange their Common Shares for securities, cash or other property

deliverable upon such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up. Failure to give the notice requested by this Section or any defect therein shall not affect the legality or validity of any dividend, distribution, right, warrant, reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up, or the vote upon any such action.

(vii) The corporation shall at all times reserve and keep available, free from preemptive rights, out of its authorized but unissued shares of Common Shares (or out of its authorized shares of Common Shares held in the treasury of the corporation), for the purpose of effecting the conversion of the 7 1/4% Preferred Shares, the full number of Common Shares then issuable upon the conversion of all outstanding shares of 7 1/4% Preferred Shares.

(viii) The corporation will pay any and all document, stamp or similar issue or transfer taxes that may be payable in respect of the issue or delivery of Common Shares on conversion of the 7 1/4% Preferred Shares pursuant hereto. The corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares of Common Shares in a name other than that of the holder of the share of 7 1/4% Preferred Shares or the shares of 7 1/4% Preferred Shares to be converted, and no such issue or delivery shall be made unless and until the Person requesting such issue has paid to the corporation the amount of any such tax, or has established to the satisfaction of the corporation that such tax has been paid.

(ix) (1) Notwithstanding any other provision in the preceding paragraphs to the contrary, if any Change in Control occurs then, if the corporation does not elect to make a Change in Control Offer, the Conversion Price in effect shall be adjusted immediately after such Change in Control as described below. In addition, in the event of a Common Shares Change in Control (as defined in this paragraph (6)(ix)), each share of the 7 1/4% Preferred Shares shall be convertible solely into common stock of the kind

received by holders of Common Shares as the result of such Common Shares Change in Control. For purposes of calculating any adjustment to be made pursuant to this paragraph in the event of a Change in Control, immediately after such Change in Control:

(A) in the case of a Non-Stock Change in Control (as defined in this paragraph (6)(ix)), the Conversion Price shall thereupon become the lower of (x) the Conversion Price in effect immediately prior to such Non-Stock Change in Control, but after giving effect to any other prior adjustments, and (y) the result obtained by multiplying the greater of the Applicable Price (as defined in this paragraph (6)(ix)) or the then applicable Reference Market Price (as defined in this paragraph (6)(ix)) by a fraction

of which the numerator shall be $100.00 and the denominator shall be the then current Optional Redemption Price per share; and

(B) in the case of a Common Shares Change in Control, the Conversion Price in effect immediately prior to such Common Shares Change in Control, but after giving effect to any prior adjustments, shall thereupon be adjusted by multiplying such Conversion Price by a fraction, of which the numerator shall be the Purchaser Shares Price (as defined in this paragraph (6)(ix)) and the denominator shall be the Applicable Price; PROVIDED, HOWEVER, that in the event of a Common Shares Change in Control in which (x) 100% of the value of the consideration received by a holder of Common Shares is common stock of the successor, acquiror, or other third party (and cash, if any, is paid with respect to any fractional interests in such common stock resulting from such Common Shares Change in Control) and (y) all of the Common Shares will have been exchanged for, converted into, or acquired for, common stock (and cash with respect to fractional interests) of the successor, acquiror or other third party, the Conversion Price in effect immediately prior to such Common Shares Change in Control shall thereupon be adjusted by multiplying such Conversion Price by a fraction, of which the numerator shall be one (1) and the denominator shall be the number of shares of common stock of the successor, acquiror, or other third party received by a holder of one share of Common Shares as a result of such Common Shares Change in Control.

(2) For purposes of this paragraph (ix), the following terms shall have the meanings indicated:

"Applicable Price" means (i) in the event of a Non-Stock Change in Control in which the holders of the Common Shares receive only cash, the amount of cash received by the holder of one share of Common Shares and (ii) in the event of any other Non-Stock Change in Control or any Common Shares Change in Control, the average of the Closing Bid Prices for the Common Shares during the ten Trading Days prior to and including the record date for the determination of the holders of Common Shares entitled to receive cash, securities, property or other assets in connection with such Non-Stock Change in Control or Common Shares Change in Control or, if there is no such record date, the date upon which the holders of the Common Shares shall have the right to receive such cash, securities, property or other assets, in each case, as adjusted in good faith by the Board of Directors to appropriately reflect any of the events referred to in paragraph (6)(iv)(1) through (6).

"Common Shares Change in Control" means any Change in Control in which more than 50% of the value (as determined in good faith by the Board of Directors of the corporation) of the consideration received by holders of

Common Shares consists of common stock that for each of the ten consecutive Trading Days referred to in the preceding paragraph has been admitted for listing or admitted for listing subject to notice of issuance on a national securities exchange or quoted on The Nasdaq National Market; PROVIDED, HOWEVER, that a Change in Control shall not be a Common Shares Change in Control unless either (i) the corporation continues to exist after the occurrence of such Change in Control and the outstanding shares of 7 1/4% Preferred Shares continue to exist as outstanding shares of 7 1/4% Preferred Shares, or (ii) not later than the occurrence of such Change in Control, the outstanding shares of 7 1/4% Preferred Shares are converted into or exchanged for shares of convertible preferred stock of a corporation succeeding to the business of the corporation (which shall include a corporation that is the direct or indirect owner of all the equity interests of the surviving corporation in the merger) (hereinafter, a "successor"), which convertible preferred stock has powers, preferences and relative, participating, optional or other rights, and qualifications, limitations and restrictions, substantially similar to those of the 7 1/4% Preferred Shares.

"Non-Stock Change in Control" means any Change in Control other than a Common Shares Change in Control.

"Purchaser Shares Price" means, with respect to any Common Shares Change in Control, the product of (i) the number of shares of common stock received in such Common Shares Change of Control for each share of Common Shares, and (ii) the average of the per share Closing Prices for the common stock received in such Common Shares Change in Control for the ten consecutive Trading Days prior to and including the record date for the determination of the holders of Common Shares entitled to receive such common stock, or if there is no such record date, the date upon which the holders of the Common Shares shall have the right to receive such common stock, in each case, as adjusted in good

faith by the Board of Directors to appropriately reflect any of the events referred to in paragraph (6)(iv)(1) through (6); PROVIDED, HOWEVER, that if no such Closing Prices exist, then the Purchaser Shares Price shall be set at a price determined in good faith by the Board of Directors of the corporation.

"Reference Market Price" shall initially mean $_____ (which is an amount equal to 66 2/3% of the reported last sale price for the Common Shares on the New York Stock Exchange on _____, 1999), and in the event of any adjustment to the conversion prices other than as a result of a Change in Control, the Reference Market Price shall also be adjusted so that the ratio of the Reference Market Price to the

Conversion Price after giving effect to any such adjustment shall always be the same as the ratio of $_____ to the initial Conversion Price set forth in paragraph (6)(i).

(7) CHANGE IN CONTROL. (i) Upon the occurrence of a Change of Control (the date of such occurrence being the "Change in Control Date"), the corporation shall be obligated to (1) purchase all or a portion of each holder's 7 1/4% Preferred Shares in cash pursuant to the offer described in paragraph (7)(iii) (the "Change of Control Offer") at a purchase price equal to 100% of the Liquidation Preference, plus, without duplication, all accrued and unpaid dividends, if any, to the Change of Control Payment Date, including an amount in cash equal to a prorated dividend for the period from the Dividend Payment Date immediately prior to the Change of Control Payment Date to the Change of Control Payment Date or (2) adjust the conversion price as provided under paragraph (6)(ix).

(ii) Prior to the mailing of the notice referred to in paragraph (7)(iii), but in any event within 15 days following the date on which the corporation knows or reasonably should have known that a Change in Control has occurred, the corporation covenants that it shall promptly determine if the purchase of the 7 1/4% Preferred Shares would violate or constitute a default under any indebtedness of the corporation.

(iii) Within 15 days following the date on which the corporation knows or reasonably should have known that a Change in Control has occurred, the corporation must send, by first-class mail, postage prepaid, a notice to each holder of 7 1/4% Preferred Shares. Such notice shall state whether the Change of Control Offer would be permitted under the Indenture or other indebtedness of the corporation, and if permitted, such notice shall contain all instructions and materials necessary to enable such holders to tender 7 1/4% Preferred Shares pursuant to the Change of Control Offer. If the Change of Control Offer would be permitted under any indebtedness of the corporation, such notice shall state:

(A) that a Change of Control has occurred, that the Change of Control Offer is being made pursuant to this paragraph (7) and that all 7 1/4% Preferred Shares validly tendered and not withdrawn will be accepted for payment;

(B) the purchase price (including the amount of accrued dividends, if any) and the purchase date (which must be no earlier than 30 days nor later than

75 days from the date such notice is mailed, other than as may be required by law) (the "Change of Control Payment Date");

(C) that any shares of 7 1/4% Preferred Shares not tendered will continue to accrue dividends;

(D) that, unless the corporation defaults in making payment therefor, any share of 7 1/4% Preferred Shares accepted for payment pursuant to the Change of Control Offer shall cease to accrue dividends after the Change of Control Payment Date;

(E) that holders electing to have any shares of 7 1/4% Preferred Shares purchased pursuant to a Change of Control Offer will be required to surrender such shares of 7 1/4% Preferred Shares, properly endorsed for transfer, together with such other customary documents as the corporation and the Transfer Agent may reasonably request to the Transfer Agent and registrar for the 7 1/4% Preferred Shares at the address specified in the notice prior to the close of business on the Business Day prior to the Change of Control Payment Date;

(F) that holders will be entitled to withdraw their election if the corporation receives, not later than five Business Days prior to the Change of Control Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of the holder, the number of shares of 7 1/4% Preferred Shares the holder delivered for purchase and a statement that such holder is withdrawing his election to have such shares of 7 1/4% Preferred Shares purchased;

(G) that holders whose shares of 7 1/4% Preferred Shares are purchased only in part will be issued a new certificate representing the unpurchased shares of 7 1/4% Preferred Shares; and

(H) the circumstances and relevant facts regarding such Change of Control.

If the Change of Control Offer would not be permitted under any indebtedness of the corporation, such notice shall state the Conversion Price as adjusted pursuant to paragraph (6)(ix).

(iv) The corporation will comply with any tender offer rules under the Exchange Act which then may be applicable, including Rules 13e-4 and 14e-1, in connection with any offer required to be made by the corporation to repurchase the shares of 7 1/4% Preferred Shares as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with provisions of this Article Fourth, the corporation shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this Article Fourth by virtue thereof.

(v) On the Change of Control Payment Date the corporation shall (A) accept for payment the shares of 7 1/4% Preferred Shares validly tendered pursuant to the Change of Control Offer, (B) pay to the holders of shares so accepted the purchase price therefor in cash and (C) cancel and retire each surrendered certificate. Unless the corporation defaults in the payment for the shares of 7 1/4% Preferred Shares tendered pursuant to the Change of Control Offer, dividends will cease to accrue with respect to the shares of 7 1/4% Preferred Shares tendered and all rights of holders of such tendered shares will terminate, except for the right to receive payment therefor, on the Change of Control Payment Date.

(vi) To accept the Change of Control Offer, the holder of a share of 7 1/4% Preferred Shares shall deliver, on or before the 10th day prior to the Change of Control Payment Date, written notice to the corporation (or an agent designated by the corporation for such purpose) of such holder's acceptance, together with certificates evidencing the shares of 7 1/4% Preferred Shares with respect to which the Change of Control Offer is being accepted, duly endorsed for transfer.

(8) REISSUANCE OF 7 1/4% PREFERRED SHARES. Shares of 7 1/4% Preferred Shares that have been issued and reacquired in any manner, including shares purchased or redeemed or exchanged, shall not be reissued as shares of 7 1/4% Preferred Shares and shall (upon compliance with any applicable provisions of the laws of Ohio) have the status of authorized and unissued shares of Preferred Shares undesignated as to series and may be redesignated and reissued as part of any series of Preferred Shares; PROVIDED, HOWEVER, that so long as any shares of 7 1/4% Preferred Shares are outstanding, any issuance of such shares must be in compliance with the terms hereof.

(9) BUSINESS DAY. If any payment, redemption or exchange shall be required by the terms hereof to be made on a day that is not a Business Day, such payment, redemption or exchange shall be made on the immediately succeeding Business Day.

(10) LIMITATION ON MERGERS AND ASSET SALES. The corporation may not consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any person unless: (1) the successor, transferee or lessee (if not the corporation) is organized and existing under the laws of the United States of America or any State thereof or the District of Columbia and the 7 1/4% Preferred Shares shall be converted into or exchanged for and shall become shares of such successor, transferee or lessee, having in respect of such successor, transferee or lessee substantially the same powers, preference and relative participating, optional or other special rights and the qualifications, limitations or restrictions thereon, that the 7 1/4% Preferred Shares had immediately prior to such transaction; and (2) the corporation delivers to the Transfer Agent an Officers' Certificate and an Opinion of Counsel stating that such consolidation, merger or transfer complies with this Article Fourth. The successor, transferee or lessee will be the successor company.

(11) CERTIFICATES. (i) FORM AND DATING. The 7 1/4% Preferred Shares and the Transfer Agent's certificate of authentication shall be substantially in the form of

Exhibit A, which is hereby incorporated in and expressly made a part of this Article Fourth. The 7 1/4% Preferred Shares certificate may have notations, legends or endorsements required by law, stock exchange rule, agreements to which the corporation is subject, if any, or usage (provided that any such notation, legend or endorsement is in a form acceptable to the corporation). Each 7 1/4% Preferred Shares certificate shall be dated the date of its authentication. The terms of the 7 1/4% Preferred Shares certificate set forth in Exhibit A are part of the terms of this Article Fourth.

(ii) EXECUTION AND AUTHENTICATION. Two Officers shall sign the 7 1/4% Preferred Shares for the corporation by manual or facsimile signature. The corporation's seal shall be impressed, affixed, imprinted or reproduced on the 7 1/4% Preferred Shares and may be in facsimile form.

If an Officer whose signature is on 7 1/4% Preferred Shares no longer holds that office at the time the Transfer Agent authenticates the 7 1/4% Preferred Shares, the 7 1/4% Preferred Shares shall be valid nevertheless.

A 7 1/4% Preferred Share shall not be valid until an authorized signatory of the Transfer Agent manually signs the certificate of authentication on the 7 1/4% Preferred Shares. The signature shall be conclusive evidence that the 7 1/4% Preferred Shares have been authenticated under this Article Fourth.

The Transfer Agent shall authenticate and deliver _____ shares of 7 1/4% Preferred Shares for original issue upon a written order of the corporation signed by two Officers or by an Officer and either an Assistant Treasurer or an Assistant Secretary of the corporation. In addition, the Transfer Agent shall authenticate and deliver, from time to time, Additional Shares for original issue upon order of the corporation signed by two Officers or by an Officer or either an Assistant Treasurer or Assistant Secretary of the corporation. Such orders shall specify the number of shares of 7 1/4% Preferred Shares to be authenticated and the date on which the original issue of 7 1/4% Preferred Shares is to be authenticated.

The Transfer Agent may appoint an authenticating agent reasonably acceptable to the corporation to authenticate the 7 1/4% Preferred Shares.

Unless limited by the terms of such appointment, an authenticating agent may authenticate 7 1/4% Preferred Shares whenever the Transfer Agent may do so. Each reference in this Article Fourth to authentication by the Transfer Agent includes authentication by such agent. An authenticating agent has the same rights as the Transfer Agent or agent for service of notices and demands.

(iii) TRANSFER AND EXCHANGE. (A) TRANSFER AND EXCHANGE OF 7 1/4% PREFERRED SHARES. When 7 1/4% Preferred Shares certificates are presented to the Transfer Agent with a request to register the transfer of such 7 1/4% Preferred Shares certificates or to exchange such 7 1/4% Preferred Shares certificates for an equal number of shares of 7 1/4% Preferred Shares certificates of other authorized denominations, the Transfer Agent shall register the transfer or make the exchange as requested if its reasonable requirements for such transaction are met; PROVIDED, HOWEVER, that the 7 1/4% Preferred Shares certificates surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form reasonably satisfactory to the corporation and the Transfer Agent, duly executed by the Holder thereof or its attorney duly authorized in writing.

(B) OBLIGATIONS WITH RESPECT TO TRANSFERS AND EXCHANGES OF 7 1/4% PREFERRED SHARES. (1) To permit registrations of transfers and exchanges, the corporation shall execute and the Transfer Agent shall authenticate 7 1/4% Preferred Shares certificates as required pursuant to the provisions of this paragraph (iii).

(2) All 7 1/4% Preferred Shares certificates issued upon any registration of transfer or exchange of 7 1/4% Preferred Shares certificates shall be the valid obligations of the corporation, entitled to the same benefits under this Article Fourth as the 7 1/4% Preferred Shares certificates surrendered upon such registration of transfer or exchange.

(3) Prior to due presentment for registration of transfer of any shares of 7 1/4% Preferred Shares, the Transfer Agent and the corporation may deem and treat the person in whose name such shares of 7 1/4% Preferred Shares are registered as the absolute owner of such 7 1/4% Preferred Shares

and neither the Transfer Agent nor the corporation shall be affected by notice to the contrary.

(4) No service charge shall be made to a Holder for any registration of transfer or exchange upon surrender of any 7 1/4% Preferred Shares certificate at the office of the Transfer Agent maintained for that purpose. However, the corporation may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of 7 1/4% Preferred Shares certificates.

(iv) REPLACEMENT CERTIFICATES. If a mutilated 7 1/4% Preferred Shares certificate is surrendered to the Transfer Agent or if the Holder of a 7 1/4% Preferred Shares certificate claims that the 7 1/4% Preferred Shares certificate has been lost, destroyed or wrongfully taken, the corporation shall issue and the Transfer Agent shall countersign a replacement 7 1/4% Preferred Shares certificate if the reasonable requirements of the Transfer Agent and of Section 8-405 of the Uniform Commercial

Code as in effect in the State of New York are met. If required by the Transfer Agent or the corporation, such Holder shall furnish an indemnity bond sufficient in the judgment of the corporation and the Transfer Agent to protect the corporation and the Transfer Agent from any loss which either of them may suffer if a 7 1/4% Preferred Shares certificate is replaced. The corporation and the Transfer Agent may charge the Holder for their expenses in replacing a 7 1/4% Preferred Shares certificate.

(v) CANCELATION. (A) In the event the corporation shall purchase or otherwise acquire 7 1/4% Preferred Shares certificates, the same shall thereupon be delivered to the Transfer Agent for cancelation.

(B) The Transfer Agent and no one else shall cancel and destroy all 7 1/4% Preferred Shares certificates surrendered for transfer, exchange, replacement or cancelation and deliver a certificate of such destruction to the corporation unless the corporation directs the Transfer Agent to deliver canceled 7 1/4% Preferred Shares certificates to the corporation. The corporation may not issue new 7 1/4% Preferred Shares certificates to replace 7 1/4% Preferred Shares certificates to the extent they evidence 7 1/4% Preferred Shares which the corporation has purchased or otherwise acquired.

(12) CERTAIN DEFINITIONS. As used in this Article Fourth, the following terms shall have the following meanings (and (1) terms defined in the singular have comparable meanings when used in the plural and vice versa, (2) "including" means including without limitation, (3) "or" is not exclusive and (4) an accounting term not otherwise defined has the meaning assigned to it in accordance with United States generally accepted accounting principles as in effect on the Issue Date and all accounting calculations will be determined in accordance with such principles), unless the content otherwise requires:

"BUSINESS DAY" means each day which is not a Legal Holiday.

"CAPITAL SHARE" of any person means any and all shares, interests, rights to purchase, warrants, options, participation or other equivalents of or interests in (however designated) equity of such person, including any Preferred Shares, but excluding any debt securities convertible into or exchangeable for such equity.

"CHANGE IN CONTROL" or "CHANGE OF CONTROL" means: (i) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the corporation and its Subsidiaries taken as a whole to any "person" (as such term is used in Section 13(d)(3) of the Exchange Act), (ii) the adoption of a plan relating to the liquidation or dissolution of the corporation, (iii) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as defined above), (other than officers, directors and stockholders of the corporation and their affiliates on the date of this Certificate of Amendment by the Board of Directors), becomes the beneficial owner (as determined in accordance with Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the voting stock of the corporation or (iv) the first day on which a majority of the members of the board of directors (excluding the directors elected pursuant to paragraph (f) are not Continuing Directors.

"CLOSING BID PRICE" means on any day the last reported bid price on such day, or in case no bid takes place on such day, the average of the reported closing bid and asked prices, in each case on the New York Stock Exchange or, if the Common Shares are not quoted on such exchange, on The Nasdaq National Market or the principal national securities exchange on which such stock is listed or admitted to trading, or if not listed or admitted to trading on The Nasdaq National Market or any national securities exchange, the average of the closing bid and asked prices as furnished by any independent registered broker-dealer firm, selected by the corporation for that purpose.

"CONTINUING DIRECTORS" means, as of any date of determination, any member of the Board of Directors who (i) was a member of such Board of Directors on the date of this Certificate of Amendment by the Board of Directors or (ii) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who

were members of such Board of Directors at the time of such nomination or election.

"DEFAULT" means any event which is, or after notice or passage of time or both would be, a Voting Rights Triggering Event.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended.

"HOLDERS" means the registered holders from time to time of the 7 1/4% Preferred Shares.

"ISSUE DATE" means the date on which the 7 1/4% Preferred Shares are initially issued.

"LEGAL HOLIDAY" means a Saturday, a Sunday or a day on which banking institutions are not required to be open in the State of New York.

"OFFICER" means the Chairman of the Board of Directors, the President, any Vice President, the Treasurer, the Secretary or any Assistant Secretary of the corporation.

"OFFICERS' CERTIFICATE" means a certificate signed by two Officers.

"OPINION OF COUNSEL" means a written opinion from legal counsel who is acceptable to the Transfer Agent. The counsel may be an employee of or counsel to the corporation or the Transfer Agent.

"PERSON" means any individual, corporation, partnership, joint venture, limited liability company, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"SUBSIDIARY" means any corporation, association, partnership, limited liability company or other business entity of which more than 50% of the total voting power of shares of capital stock or other interests entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by the corporation, the corporation and one or more Subsidiaries or one or more Subsidiaries and any partnership the sole general partner or the managing partner of which the corporation or any Subsidiary or

the only general partners of which are the corporation and one or more Subsidiaries or one or more Subsidiaries.

"TRADING DAY" means, in respect of any securities exchange or securities market, each Monday, Tuesday, Wednesday, Thursday and Friday, other than any day on which securities are not traded on the applicable securities exchange or in the applicable securities market.

"TRANSFER AGENT" means the transfer agent for the 7 1/4% Preferred Shares appointed by the corporation.

"VOTING SHARES" of a corporation means all classes of Capital Shares of such corporation then outstanding and normally entitled to vote in the election of directors.

are transferable on the books and records of the Registrar, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer. The designation, rights, privileges, restrictions, preferences and other terms and provisions of the 7 1/4% Preferred Shares represented hereby are issued and shall in all respects be subject to the provisions of the Cincinnati Bell Amended Articles of Incorporation dated [ ], as the same may be amended from time to time (the "Articles"). Capitalized terms used herein but not defined shall have the meaning given them in the Articles. The corporation will provide a copy of the Articles to a Holder without charge upon written request to the corporation at its principal place of business.

Reference is hereby made to select provisions of the 7 1/4% Preferred Shares set forth on the reverse hereof, and to the Articles, which select provisions and the Articles shall for all purposes have the same effect as if set forth at this place.

Upon receipt of this certificate, the Holder is bound by the Articles and is entitled to the benefits thereunder.

Unless the Transfer Agent's Certificate of Authentication hereon has been properly executed, these shares of 7 1/4% Preferred Shares shall not be entitled to any benefit under the Articles or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the corporation has executed this certificate this [ ] day of [ ], [ ].

CINCINNATI BELL INC.,

By:_____
Name:
Title:

[Seal]

By:_____
Name:
Title:

ANNEX 2

12. Of the 4,000,000 Voting Preferred Shares of the corporation, 155,250 shall constitute a series of Voting Preferred Shares designated as 6 3/4% Cumulative Convertible Preferred Shares (the "6 3/4% Preferred Shares") with a Liquidation Preference of $1,000 per share (the "Liquidation Preference"), and have, subject and in addition to the other provisions of this Article Fourth, the following relative rights, preferences and limitations:

(1) ISSUE DATE. The date the 6 3/4% Preferred Shares is first issued is referred to as the "Issue Date".

(2) RANK. The 6 3/4% Preferred Shares will, rank (i) PARI PASSU in right of payment with the corporation's 7 1/4% Junior Convertible Preferred Shares Due 2007 (the "7 1/4% Preferred Shares") and each other class of Capital Shares or series of Preferred Shares established hereafter by the Board of Directors, the terms of which expressly provide that such class or series ranks on a parity with the 6 3/4% Preferred Shares as to dividend rights and rights on liquidation, dissolution and winding up of the corporation (collectively referred to, as "Parity Securities"); (ii) junior in right of payment to any Senior Securities (as defined) as to dividends and upon liquidation, dissolution or winding up of the corporation and (iii) senior in right of payment as to dividend rights and upon liquidation, dissolution or winding up of the corporation to the Common Shares or any Capital Shares of the corporation that expressly provide that they will rank junior to the 6 3/4% Preferred Shares as to dividend rights or rights on liquidation, winding up and dissolution of the corporation (collectively referred to as "Junior Securities"). The corporation may not authorize, create (by way of reclassification or otherwise) or issue any class or series of Capital Shares of the corporation ranking senior in right of payment as to dividend rights or upon liquidation, dissolution or winding up of the corporation to the 6 3/4% Preferred Shares ("Senior Securities") or any obligation or security convertible or exchangeable into, or evidencing a

right to purchase, shares of any class or series of Senior Securities without the affirmative vote or consent of the Holders of at least 66 2/3% of the outstanding shares of the 6 3/4% Preferred Shares.

(3) DIVIDENDS. The Holders of shares of the 6 3/4% Preferred Shares will be entitled to receive, when, as and if dividends are declared by the Board of Directors out of funds of the corporation legally available therefor, cumulative preferential dividends from the Issue Date of the 6 3/4% Preferred Shares accruing at the rate of $67.50 per share of the 6 3/4% Preferred Shares per annum, or $16.875 per share of the 6 3/4% Preferred Shares per quarter, payable quarterly in arrears on January 1, April 1, July 1, and October 1 of each year or, if any such date is not a Business Day, on the next succeeding business day (each, a "Dividend Payment Date"), to the Holders of record as of the next preceding December 15, March 15, June 15, and September 15 (each, a "Record Date"). Accrued but unpaid dividends, if any, may be paid on such dates as

determined by the Board of Directors. Dividends will be payable in cash except as set forth below. Dividends payable on the 6 3/4% Preferred Shares will be computed on the basis of a 360-day year of twelve 30-day months and will be deemed to accrue on a daily basis. Dividends may, at the option of the corporation, be paid in Common Shares if, and only if, the documents governing the corporation's indebtedness that exist on the Issue Date then prohibit the payment of such dividends in cash. If the corporation elects to pay dividends in shares of Common Shares, the number of shares of Common Shares to be distributed will be calculated by dividing the amount of such dividend otherwise payable in cash by 95% of the arithmetic average of the Closing Price (as defined) for the five Trading Days (as defined) preceding the Dividend Payment Date. The 6 3/4% Preferred Shares will not be redeemable unless all dividends accrued through such redemption date shall have been paid in full. Notwithstanding anything to the contrary herein contained, the corporation shall not be required to declare or pay a dividend if another person (including, without limitation, any of its subsidiaries) pays an amount to the Holders equal to the amount of such dividend on behalf of the corporation and, in such event, the dividend will be deemed paid for all purposes.

Dividends on the 6 3/4% Preferred Shares will accrue whether or not the corporation has earnings or profits, whether or not there are funds legally available for the payment of such dividends and whether or not dividends are declared. Dividends will accumulate to the extent they are not paid on the Dividend Payment Date for the quarter to which they relate. Accumulated unpaid dividends will accrue and cumulate at a rate of 6.75% per annum. The corporation will take all reasonable actions required or permitted under Ohio law to permit the payment of dividends on the 6 3/4% Preferred Shares.

No dividend whatsoever shall be declared or paid upon, or any sum

set apart for the payment of dividends upon, any outstanding share of the 6 3/4% Preferred Shares with respect to any dividend period unless all dividends for all preceding dividend periods have been declared and paid upon, or declared and a sufficient sum set apart for the payment of such dividend upon, all outstanding shares of the 6 3/4% Preferred Shares. Unless full cumulative dividends on all outstanding shares of the 6 3/4% Preferred Shares due for all past dividend periods shall have been declared and paid, or declared and a sufficient sum for the payment thereof set apart, then: (i) no dividend (other than a dividend payable solely in shares of Junior Securities or options, warrants or rights to purchase Junior Securities) shall be declared or paid upon, or any sum set apart for the payment of dividends upon, any shares of Junior Securities; (ii) no other distribution shall be declared or made upon, or any sum set apart for the payment of any distribution upon, any shares of Junior Securities; (iii) no shares of Junior Securities shall be purchased, redeemed or otherwise acquired or retired for value (excluding an exchange for shares of other Junior Securities or a purchase, redemption or other acquisition from the proceeds of a substantially concurrent sale of Junior Securities) by the corporation or any of its subsidiaries; and (iv) no monies shall be paid into or set apart or made available for a

sinking or other like fund for the purchase, redemption or other acquisition or retirement for value of any shares of Junior Securities by the corporation or any of its subsidiaries. Holders of the 6 3/4% Preferred Shares will not be entitled to any dividends, whether payable in cash, property or stock, in excess of the full cumulative dividends as herein described.

(4) LIQUIDATION PREFERENCE. Upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the corporation after payment in full of the liquidation preference (and any accrued and unpaid dividends) on any Senior Securities, each Holder of shares of the 6 3/4% Preferred Shares shall be entitled, on an equal basis with the holders of the 7 1/4% Preferred Shares and any other outstanding Parity Securities, to payment out of the assets of the corporation available for distribution of the Liquidation Preference per share of the 6 3/4% Preferred Shares held by such Holder, plus an amount equal to the accrued and unpaid dividends (if any) on the 6 3/4% Preferred Shares to the date fixed for liquidation, dissolution, or winding up before any distribution is made on any Junior Securities, including, without limitation, Common Shares of the corporation. After payment in full of the Liquidation Preference and an amount equal to the accrued and unpaid dividends (if any), to which Holders of the 6 3/4% Preferred Shares are entitled, such Holders will not be entitled to any further participation in any distribution of assets of the corporation. However, neither the voluntary sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property or assets of the corporation nor the consolidation or merger of the corporation with or into one or more

corporations will be deemed to be a voluntary or involuntary liquidation, dissolution or winding up of the corporation, unless such sale, conveyance, exchange, transfer, consolidation or merger shall be in connection with a liquidation, dissolution or winding up of the affairs of the corporation or reduction or decrease in capital stock.

(5) REDEMPTION. The 6 3/4% Preferred Shares may not be redeemed at the option of the corporation on or prior to April 5, 2000. After April 5, 2000 the corporation may redeem the 6 3/4% Preferred Shares. Notwithstanding the foregoing, prior to April 1, 2002, the corporation shall only have the option to redeem shares of the 6 3/4% Preferred Shares if, during the period of 30 consecutive Trading Days ending on the Trading Day immediately preceding the date that the notice of redemption is mailed to Holders, the Closing Price for the Common Shares exceeded $75 divided by the Conversion Rate effective on the date of such notice for at least 20 of such Trading Days. Subject to the immediately preceding sentence, the 6 3/4% Preferred Shares may be redeemed, in whole or in part, at the option of the corporation after April 5, 2000, at the redemption prices specified below (expressed as percentages of the Liquidation Preference thereof), in each case, together with an amount equal to accrued and unpaid dividends on the 6 3/4% Preferred Shares (excluding any declared dividends for which the

Record Date has passed), to the date of redemption, upon not less than 15 nor more than 60 days' prior written notice, if redeemed during the period commencing on April 5, 2000 to March 31, 2001 at 105.40%, and thereafter during the 12-month period commencing on April 1 of each of the years set forth below:

YEAR	REDEMPTION RATE
20001	104.73%
20002	104.05%
20003	103.38%
20004	102.70%
20005	102.03%
20006	101.35%
20007	100.68%
2008 and thereafter	100.00%

Except as provided in the preceding sentence, no payment or allowance will be made for accrued dividends on any shares of the 6 3/4% Preferred Shares called for redemption.

On and after any date fixed for redemption (the "Redemption Date"), provided that the corporation has made available at the office of the Transfer Agent a sufficient amount of cash to effect the redemption, dividends will cease to accrue on the 6 3/4% Preferred Shares called for redemption (except that, in the case of a Redemption Date after a dividend payment Record Date and prior to the related Dividend Payment Date, Holders of the 6 3/4% Preferred Shares on the dividend payment Record Date will be entitled on such Dividend Payment Date to receive the dividend payable on such shares), such shares shall no longer be deemed to be outstanding and all rights of the holders of such shares as Holders of the 6 3/4% Preferred Shares shall cease except the right to receive the cash deliverable upon such redemption, without interest from the Redemption Date.

In the event of a redemption of only a portion of the then outstanding shares of the 6 3/4% Preferred Shares, the corporation shall effect such redemption on a pro rata basis, except that the corporation may redeem all of the shares held by Holders of fewer than 100 shares (or all of the shares held by Holders who would hold less than 100 shares as a result of such redemption), as may be determined by the corporation.

With respect to a redemption pursuant hereto, the corporation will send a written notice of redemption by first class mail to each holder of record of shares of the

6 3/4% Preferred Shares, not fewer than 15 days nor more than 60 days prior to the Redemption Date at its registered address (the "Redemption Notice"); PROVIDED, HOWEVER, that no failure to give such notice nor any deficiency therein shall affect the validity of the procedure for the redemption of any shares of the 6 3/4% Preferred Shares to be redeemed except as to the holder or holders to whom the corporation has failed to give said notice or except as to the holder or holders whose notice was defective. The Redemption Notice shall state:

a. the redemption price;

b. whether all or less than all the outstanding shares of the 6 3/4% Preferred Shares are to be redeemed and the total number of shares of the 6 3/4% Preferred Shares being redeemed;

c. the Redemption Date;

d. that the Holder is to surrender to the corporation, in the manner, at the place or places and at the price designated, his certificate or

certificates representing shares of the 6 3/4% Preferred Shares to be redeemed; and

e. that dividends on shares of the 6 3/4% Preferred Shares to be redeemed shall cease to accumulate on such Redemption Date unless the corporation defaults in the payment of the redemption price.

Each Holder of the 6 3/4% Preferred Shares shall surrender the certificate or certificates representing such shares of the 6 3/4% Preferred Shares to the corporation, duly endorsed (or otherwise in proper form for transfer, as determined by the corporation), in the manner and at the place designated in the Redemption Notice, and on the Redemption Date the full redemption price for such shares shall be payable in cash to the person whose name appears on such certificate or certificates as the owner thereof, and each surrendered certificate shall be canceled and retired. In the event that less than all of the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares.

(6) VOTING RIGHTS. Each Holder of record of shares of the 6 3/4% Preferred Shares, except as required under Ohio law or as provided in paragraph (6) and in paragraphs (2), (8) and (13) hereof, will be entitled to one vote for each share of the 6 3/4% Preferred Shares held by such Holder on any matter required or permitted to be voted upon by the shareholders of the corporation.

Upon the accumulation of accrued and unpaid dividends on the outstanding 6 3/4% Preferred Shares in an amount equal to six full quarterly dividends

(whether or not consecutive) (together with any event with a similar effect pursuant to the terms of any other series of Preferred Shares upon which like rights have been conferred, a "Voting Rights Triggering Event"), the number of members of the corporation's Board of Directors will be immediately and automatically increased by two (unless previously increased pursuant to the terms of any other series of Preferred Shares upon which like rights have been conferred), and the Holders of a majority of the outstanding shares of the 6 3/4% Preferred Shares, voting together as a class (pro rata, based on liquidation preference) with the holders of any other series of Preferred Shares upon which like rights have been conferred and are exercisable, will be entitled to elect two members to the Board of Directors of the corporation. Voting rights arising as a result of a Voting Rights Triggering Event will continue until such time as all dividends in arrears on the 6 3/4% Preferred Shares are paid in full. Notwithstanding the foregoing, however, such voting rights to elect directors will expire when the number of shares of the 6 3/4% Preferred Shares outstanding is reduced to 13,500 or less.

In the event such voting rights expire or are no longer exercisable because dividends in arrears have been paid in full, the term of any directors elected pursuant to the provisions of this paragraph 6 above shall terminate forthwith and the number of directors constituting the Board of Directors shall be immediately and automatically decreased by two (until the occurrence of any subsequent Voting Rights Triggering Event). At any time after voting power to elect directors shall have become vested and be continuing in Holders of the 6 3/4% Preferred Shares (together with the holders of anY other series of Preferred Shares upon which like rights have been conferred and are exercisable) pursuant to this paragraph 6, or if vacancies shall exist in the offices of directors elected by such Holders, a proper officer of the corporation may, and upon the written request of Holders of record of at least 25% of shares of the 6 3/4% Preferred Shares then outstanding or Holders of 25% of shares of any other series of Preferred Shares then outstanding upon which like rights have been conferred and are exercisable addressed to the Secretary of the corporation shall, call a special meeting of Holders of the 6 3/4% Preferred Shares and the holders of such other series of Preferred Shares for the purpose of electing the directors which such holders are entitled to elect pursuant to the terms hereof; PROVIDED, HOWEVER, that no such special meeting shall be called if the next annual meeting of shareholders of the corporation is to be held within 60 days after the voting power to elect directors shall have become vested (or such vacancies arise, as the case may be), in which case such meeting shall be deemed to have been called for such next annual meeting. If such meeting shall not be called, pursuant to the provision of the immediately preceding sentence, by a proper officer of the corporation within 20 days after personal service to the secretary of the corporation at its principal executive offices, then Holders of record of at least 25% of the outstanding shares of the 6 3/4% Preferred Shares or holders of 25% of shares of any other series of Preferred Shares upon which like rights have been conferred and are exercisable may designate in writing one of their members to

call such meeting at the expense of the corporation, and such meeting may be called by the person so designated upon the notice required for the annual meetings of shareholders of the corporation and shall be held at the place for holding the annual meetings of shareholders. Any Holder of the 6 3/4% Preferred Shares or such other series of Preferred Shares so designated shall have, and the corporation shall provide, access to the lists of Holders of the 6 3/4% Preferred Shares and the holders of such other series of Preferred Shares for any such meeting of the holders thereof to be called pursuant to the provisions hereof. If no special meeting of Holders of the 6 3/4% Preferred Shares and the holders of such other series of Preferred Shares is called as provided in this paragraph 6, then such meeting shall be deemed to have been called for the next meeting of shareholders of the corporation.

At any meeting held for the purposes of electing directors at which Holders of the 6 3/4% Preferred Shares (together with the holders of any other

series of Preferred Shares upon which like rights have been conferred and are exercisable) shall have the right, voting together as a separate class, to elect directors as aforesaid, the presence in person or by proxy of Holders of at least a majority in voting power of the outstanding shares of the 6 3/4% Preferred Shares (and such other series of Preferred Shares) shall be required to constitute a quorum thereof.

Any vacancy occurring in the office of a director elected by Holders of the 6 3/4% Preferred Shares (and such other series of Preferred Shares) may be filled by the remaining director elected by Holders of the 6 3/4% Preferred Shares (and such other series of Preferred Shares) unless and until such vacancy shall be filled by Holders of the 6 3/4% Preferred Shares (and such other series of Preferred Shares).

So long as any shares of the 6 3/4% Preferred Shares are outstanding, the corporation will not amend this Article Fourth so as to affect adversely the specified rights, preferences, privileges or voting rights of Holders of shares of the 6 3/4% Preferred Shares or to authorize the issuance of any additional shares of the 6 3/4% Preferred Shares without the affirmative vote or consent of Holders of at least two-thirds of the issued and outstanding shares of the 6 3/4% Preferred Shares, voting or consenting, as the case may be, as one class, given in person or by proxy, either in writing or by resolution approved at an annual or special meeting.

Except as set forth above and otherwise required by applicable law, the creation, authorization or issuance of any shares of any Junior Securities, Parity Securities or Senior Securities, or the increase or decrease in the amount of authorized Capital Shares of any class, including Preferred Shares, shall not require the affirmative vote or consent of Holders of the 6 3/4% Preferred Shares and shall not be deemed to affect adversely the rights, preferences, privileges or voting rights of shares of the 6 3/4% Preferred Shares.

In any case in which the Holders of the 6 3/4% Preferred Shares shall be entitled to vote pursuant hereto or pursuant to Ohio law, each Holder of the 6 3/4% Preferred Shares entitled to vote with respect to such matters shall be entitled to one vote for each share of the 6 3/4% Preferred Shares held by such Holder.

(7) CONVERSION RIGHTS. The 6 3/4% Preferred Shares will be convertible at the option of the Holder, into shares of Common Shares at any time, unless previously redeemed or repurchased, at a conversion rate of 28.838 shares of Common Shares per share of the 6 3/4% Preferred Shares) (as adjusted pursuant to the provisions hereof, the "Conversion Rate") (subject to the adjustments described below). The right to convert a share of the 6 3/4% Preferred Shares called for redemption or delivered for repurchase will

terminate at the close of business on the Redemption Date for such 6 3/4% Preferred Shares or at the time of the repurchase, as the case may be.

The right of conversion attaching to any share of the 6 3/4% Preferred Shares may be exercised by the Holder thereof by delivering the share to be converted to the office of the Transfer Agent, or any agency or office of the corporation maintained for that purpose, accompanied by a duly signed and completed notice of conversion in form reasonably satisfactory to the Transfer Agent of the corporation, such as that which is set forth in Exhibit B hereto. The conversion date will be the date on which the share and the duly signed and completed notice of conversion are so delivered. As promptly as practicable on or after the conversion date, the corporation will issue and deliver to the Transfer Agent a certificate or certificates for the number of full shares of Common Shares issuable upon conversion, with any fractional shares rounded up to full shares or, at the corporation's option, payment in cash in lieu of any fraction of a share, based on the Closing Price of the Common Shares on the Trading Day preceding the conversion date. Such certificate or certificates will be delivered by the Transfer Agent to the appropriate Holder on a book-entry basis or by mailing certificates evidencing the additional shares to the Holders at their respective addresses set forth in the register of Holders maintained by the Transfer Agent. All shares of Common Shares issuable upon conversion of the 6 3/4% Preferred Shares will be fully paid and nonassessable and will rank PARI PASSU with the other shares of Common Shares outstanding from time to time. Any shares of the 6 3/4% Preferred Shares surrendered for conversion during the period from the close of business on any Record Date to the opening of business on the next succeeding Dividend Payment Date must be accompanied by payment of an amount equal to the dividends payable on such Dividend Payment Date on shares of the 6 3/4% Preferred Shares being surrendered for conversion. No other payment or adjustment for dividends, or for any dividends in respect of shares of Common Shares, will be made upon conversion. Holders of Common Shares issued upon conversion will not be entitled to receive any dividends payable to holders of Common Shares as of any record time before the close of business on the conversion date.

The Conversion Rate shall be adjusted from time to time by the corporation as follows:

a. If the corporation shall hereafter pay a dividend or make a distribution in Common Shares to all holders of any outstanding class or series of Common Shares of the corporation, the Conversion Rate in effect at the opening of business on the date following the date fixed for the determination of shareholders entitled to receive such dividend or other distribution shall be increased by multiplying such Conversion Rate by a fraction of which the denominator shall be the number of shares of Common Shares outstanding at the close of business on the Record Date (as defined below) fixed for such determination and the numerator shall be the sum of such number of outstanding

shares and the total number of shares constituting such dividend or other distribution, such increase to become effective immediately after the opening of business on the day following the Record Date. If any dividend or distribution of the type described in this provision (a) is declared but not so paid or made, the Conversion Rate shall again be adjusted to the Conversion Rate which would then be in effect if such dividend or distribution had not been declared.

b. If the outstanding shares of Common Shares shall be subdivided into a greater number of shares of Common Shares, the Conversion Rate in effect at the opening of business on the day following the day upon which such subdivision becomes effective shall be proportionately increased and, conversely, if the outstanding shares of Common Shares shall be combined into a smaller number of shares of Common Shares, the Conversion Rate in effect at the opening of business on the day following the day upon which such combination becomes effective shall be proportionately reduced, such increase or reduction, as the case may be, to become effective immediately after the opening of business on the day following the day upon which such subdivision or combination becomes effective.

c. If the corporation shall offer or issue rights, options or warrants to all holders of its outstanding Common Shares entitling them to subscribe for or purchase Common Shares at a price per share less than the Current Market Price (as defined below) on the Record Date fixed for the determination of shareholders entitled to receive such rights or warrants, the Conversion Rate shall be adjusted so that the same shall equal the rate determined by multiplying the Conversion Rate in effect at the opening of business on the date after such Record Date by a fraction of which the denominator shall be the number of shares of Common Shares outstanding at the close of business on the Record Date plus the number of shares of Common Shares which the aggregate offering price of the total number of shares of Common Shares subject to such rights, options or warrants would purchase at such Current Market Price and of which the numerator shall be the number of shares of Common Shares outstanding at the close of

business on the Record Date plus the total number of additional shares of Common Shares subject to such rights, options or warrants for subscription or purchase. Such adjustment shall become effective immediately after the opening of business on the day following the Record Date fixed for determination of shareholders entitled to purchase or receive such rights or warrants. To the extent that shares of Common Shares are not delivered pursuant to such rights, options or warrants, upon the expiration or termination of such rights or warrants the Conversion Rate shall again be adjusted to be the Conversion Rate which would then be in effect had the adjustments made upon the issuance of such rights or warrants been made on the basis of delivery of only the number of shares of Common Shares actually delivered. If such rights or warrants are not so issued, the Conversion Rate shall again be adjusted to be the Conversion Rate which would then be in

effect if such date fixed for the determination of shareholders entitled to receive such rights or warrants had not been fixed. In determining whether any rights or warrants entitle the holders to subscribe for or purchase Common Shares at less than such Current Market Price, and in determining the aggregate offering price of such shares of Common Shares, there shall be taken into account any consideration received for such rights or warrants, with the value of such consideration, if other than cash, to be determined by the Board of Directors.

d. If the corporation shall, by dividend or otherwise, distribute to all holders of its shares of Common Shares of any class of capital stock of the corporation (other than any dividends or distributions to which provision (a) of this paragraph applies) or evidences of its indebtedness, cash or other assets (including securities, but excluding any rights or warrants of a type referred to in paragraph (c) of this paragraph) (the foregoing hereinafter called the "Distributed Securities"), then, in each such case, the Conversion Rate shall be increased so that the same shall be equal to the rate determined by multiplying the Conversion Rate in effect immediately prior to the close of business on the Record Date (as defined below) with respect to such distribution by a fraction of which the denominator shall be the Current Market Price (determined as provided in provision g(ii) of this paragraph) of the Common Shares on such date less the Fair Market Value (as defined below) on such date of the portion of the Distributed Securities so distributed applicable to one share of Common Shares and the numerator shall be such Current Market Price, such increase to become effective immediately prior to the opening of business on the day following the Record Date; PROVIDED, HOWEVER, that, in the event the then Fair Market Value (as so determined) of the portion of the Distributed Securities so distributed applicable to one share of Common Shares is equal to or greater than the Current Market Price on the Record Date, in lieu of the foregoing adjustment, adequate provision shall be made so that each Holder of the 6 3/4% Preferred Shares shall have the right to receive upon conversion of a share of the 6 3/4% Preferred Shares (or any portion thereof) the amount of Distributed Securities such holder would have received had such holder converted such share of the 6 3/4% Preferred Shares (or portion thereof) immediately prior to such Record Date. If such dividend or distribution is

not so paid or made, the Conversion Rate shall again be adjusted to be the Conversion Rate which would then be in effect if such dividend or distribution had not been declared. If the Board of Directors determines the Fair Market Value of any distribution for purposes hereof by reference to the actual or when issued trading market for any securities comprising all or part of such distribution, it must in doing so consider the prices in such market over the same period used in computing the Current Market Price pursuant to provision g(ii) of this paragraph to the extent possible.

Rights or warrants distributed by the corporation to all holders of

Common Shares entitling the holders thereof to subscribe for or purchase shares of the corporation's Capital Shares (either initially or under certain circumstances), which rights or warrants, until the occurrence of a specified event or events ("Dilution Trigger Event"): (i) are deemed to be transferred with such Common Shares; (ii) are not exercisable; and (iii) are also issued in respect of future issuances of Common Shares, shall be deemed not to have been distributed for purposes of this provision (d) (and no adjustment to the Conversion Rate under this provision (d) shall be required) until the occurrence of the earliest Dilution Trigger Event, whereupon such rights and warrants shall be deemed to have been distributed and an appropriate adjustment to the Conversion Rate under this provision (d) shall be made. If any such rights or warrants, including any such existing rights or warrants distributed prior to the date hereof, are subject to subsequent events, upon the occurrence of each of which such rights or warrants shall become exercisable to purchase different securities, evidences of indebtedness or other assets, then the occurrence of each such event shall be deemed to be such date of issuance and record date with respect to new rights or warrants (and a termination or expiration of the existing rights or warrants without exercise by the holder thereof). In addition, in the event of any distribution (or deemed distribution) of rights or warrants, or any Dilution Trigger Event with respect thereto, that was counted for purposes of calculating a distribution amount for which an adjustment to the Conversion Rate under this provision (d) was made, (1) in the case of any such rights or warrants which shall all have been redeemed or repurchased without exercise by any holders thereof, the Conversion Rate shall be readjusted upon such final redemption or repurchase to give effect to such distribution or Dilution Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share redemption or repurchase price received by a holder or holders of Common Shares with respect to such rights or warrants (assuming such holder had retained such rights or warrants), made to all holders of Common Shares as of the date of such redemption or repurchase, and (2) in the case of such rights or warrants which shall have expired or been terminated without exercise by any holders thereof, the Conversion Rate shall be readjusted as if such rights and warrants had not been issued.

Notwithstanding any other provision of this provision (d) to the contrary, Capital Shares, rights, warrants, evidences of indebtedness, other securities, cash or other assets (including, without limitation, any rights distributed pursuant to any shareholder rights plan) shall be deemed not to have been distributed for purposes of this provision

(d) if the corporation makes proper provision so that each Holder of shares of the 6 3/4% Preferred Shares who converts a share of the 6 3/4% Preferred Shares (or any portion thereof) after the date fixed for determination of shareholders entitled to receive such distribution shall be entitled to receive upon such conversion, in addition to the Common Shares issuable upon such conversion, the amount and kind of such distributions that such holder would have been entitled

to receive if such holder had, immediately prior to such determination date, converted such share of the 6 3/4% Preferred Shares into Common Shares.

For purposes of this provision (d), provision (a) and provision (b), any dividend or distribution to which this provision (d) is applicable that also includes Common Shares, or rights or warrants to subscribe for or purchase Common Shares to which provision (b) applies (or both), shall be deemed instead to be (1) a dividend or distribution of the evidences of indebtedness, cash, assets, shares of capital stock, rights or warrants other than (A) such shares of Common Shares or (B) rights or warrants to which provision (b) applies (and any Conversion Rate increase required by this provision (d) with respect to such dividend or distribution shall then be made) immediately followed by (2) a dividend or distribution of such Common Shares or such rights or warrants (and any further Conversion Rate increase required by provisions (a) and (b) with respect to such dividend or distribution shall then be made), except that (1) the Record Date of such dividend or distribution shall be substituted as "the Record Date fixed for the determination of shareholders entitled to receive such dividend or other distribution", "Record Date fixed for such determination" and "Record Date" within the meaning of provision (a) and as "the Record Date fixed for the determination of shareholders entitled to receive such rights or warrants", "the date fixed for the determination of the shareholders entitled to receive such rights or warrants" and "such Record Date" within the meaning of provision (b), and (2) any share of Common Shares included in such dividend or distribution shall not be deemed "outstanding at the close of business on the date fixed for such determination" within the meaning of provision (a).

e. If the corporation shall, by dividend or otherwise, distribute to all holders of its Common Shares cash (excluding any cash that is part of a distribution referred to in provision (d)) in an aggregate amount that, combined together with (1) the aggregate amount of any other such distributions to all holders of its Common Shares made exclusively in cash within the 12 months preceding the date of payment of such distribution, and in respect of which no adjustment pursuant to this provision (e) has been made, and (2) the aggregate of any cash plus the Fair Market Value (as determined by the Board of Directors, whose determination shall be conclusive and described in a resolution of the Board of Directors) of consideration payable in respect of any tender offer by the corporation or a Subsidiary of the corporation for all or any portion of the Common Shares concluded within the 12 months preceding the date of payment of such distribution, and in respect of which no adjustment pursuant to provision (d) has been

made, exceeds 10% of the product of the Current Market Price (determined as provided below) on the Record Date with respect to such distribution times the number of shares of Common Shares outstanding on such date, then, and in each such case, immediately after the close of business on such date, the Conversion Rate shall be increased so that the same shall equal the price determined by

multiplying the Conversion Rate in effect immediately prior to the close of business on such Record Date by a fraction (i) the denominator of which shall be equal to the Current Market Price on the Record Date less an amount equal to the quotient of (x) the excess of such combined amount over such 10% amount divided by (y) the number of shares of Common Shares outstanding on the Record Date and (ii) the numerator of which shall be equal to the Current Market Price on such Record Date; PROVIDED, HOWEVER, that, if the portion of the cash so distributed applicable to one share of Common Shares is equal to or greater than the Current Market Price of the Common Shares on the Record Date, in lieu of the foregoing adjustment, adequate provision shall be made so that each Holder of the 6 3/4% Preferred Shares shall have the right to receive upon conversion of a share of the 6 3/4% Preferred Shares (or any portion thereof) the amount of cash such holder would have received had such Holder converted such share of the 6 3/4% Preferred Shares (or portion thereof) immediately prior to such Record Date. If such dividend or distribution is not so paid or made, the Conversion Rate shall again be adjusted to be the Conversion Rate which would then be in effect if such dividend or distribution had not been declared.

f. If a tender or-exchange offer made by the corporation or any of its subsidiaries for all or any portion of Common Shares expires and such tender or exchange offer (as amended upon the expiration thereof) requires the payment to shareholders (based on the acceptance (up to any maximum specified in the terms of the tender offer) of Purchased Shares (as defined below)) of an aggregate consideration having a Fair Market Value that, combined together with (1) the aggregate of the cash plus the Fair Market Value, as of the expiration of such tender offer, of consideration payable in respect of any other tender offers, by the corporation or any of its subsidiaries for all or any portion of the Common Shares expiring within the 12 months preceding the expiration of such tender offer and in respect of which no adjustment pursuant to this provision (f) has been made and (2) the aggregate amount of any distributions to all holders of the Common Shares made exclusively in cash within 12 months preceding the expiration of such tender offer and in respect of which no adjustment pursuant to provision (e) has been made, exceeds 10% of the product of the Current Market Price as of the last time (the "Expiration Time") tenders could have been made pursuant to such tender offer (as it may be amended) times the number of shares of Common Shares outstanding (including any tendered shares) at the Expiration Time, then, and in each such case, immediately prior to the opening of business on the day after the date of the Expiration Time, the Conversion Rate shall be adjusted so that the same shall equal the price determined by multiplying the Conversion Rate in effect immediately prior to the close of business on the date of the Expiration Time by a fraction of which the

denominator shall be the number of shares of Common Shares outstanding (including any tendered shares) at the Expiration Time multiplied by the Current Market Price of the Common Shares on the Trading Day next succeeding the Expiration Time and the numerator shall be the sum of (x) the Fair Market Value

of the aggregate consideration payable to shareholders based on the acceptance (up to any maximum specified in the terms of the tender offer) of all shares validly tendered and not withdrawn as of the Expiration Time (the shares deemed so accepted, up to any such maximum, being referred to as the "Purchased Shares") and (y) the product of the number of shares of Common Shares outstanding (less any Purchased Shares) at the Expiration Time and the Current Market Price of the Common Shares on the Trading Day next succeeding the Expiration Time, such reduction (if any) to become effective immediately prior to the opening of business on the day following the Expiration Time. If the corporation is obligated to purchase shares pursuant to any such tender offer, but the corporation is permanently prevented by applicable law from effecting any such purchases or all such purchases are rescinded, the Conversion Rate shall again be adjusted to be the Conversion Rate which would then be in effect if such tender offer had not been made. If the application of this provision (f) to any tender offer would result in a decrease in the Conversion Rate, no adjustment shall be made for such tender offer under this provision (f).

The corporation may make voluntary increases in the Conversion Rate in addition to those required in the foregoing provisions, provided that each such increase is in effect for at least 20 calendar days.

In addition, in the event that any other transaction or event occurs as to which the foregoing Conversion Rate adjustment provisions are not strictly applicable but the failure to make any adjustment would adversely affect the conversion rights represented by the 6 3/4% Preferred Shares in accordance with the essential intent and principles of such provisions, then, in each such case, either (i) the corporation will appoint an investment banking firm of recognized national standing, or any other financial expert that does not (or whose directors, officers, employees, affiliates or shareholders do not) have a direct or material indirect financial interest in the corporation or any of its subsidiaries, who has not been, and, at the time it is called upon to give independent financial advice to the corporation, is not (and none of its directors, officers, employees, affiliates or shareholders are) a promoter, director or officer of the corporation or any of its subsidiaries, which will give their opinion upon or (ii) the Board of Directors shall, in its sole discretion, determine consistent with the Board of Directors' fiduciary duties to the holders of the corporation's Common Shares, the adjustment, if any, on a basis consistent with the essential intent and principles established in the foregoing Conversion Rate adjustment provisions, necessary to preserve, without dilution, the conversion rights represented by the 6 3/4% Preferred Shares. Upon receipt of such opinion or determination, the corporation will promptly mail a copy thereof to the Holders of the

6 3/4% Preferred Shares and will, subject to the fiduciary duties of the Board of Directors, make the adjustments described therein.

The corporation will provide to Holders of the 6 3/4% Preferred Shares reasonable notice of any event that would result in an adjustment to the Conversion Rate pursuant to this section so as to permit the Holders to effect a conversion of the 6 3/4% Preferred Shares into shares of Common Shares prior to the occurrence of such event.

g. For purposes of this paragraph, the following terms shall have the meaning indicated:

i. "Current Market Price" means the average of the daily closing prices per share of Common Shares for the 10 consecutive trading days immediately prior to the date in question.

ii. "Fair Market Value" shall mean the amount which a willing buyer would pay a willing seller in an arm's-length transaction, under usual and ordinary circumstances and after consideration of all available uses and purposes without any compulsion upon the seller to sell or the buyer to buy, as determined by the Board of Directors, whose determination shall be made in good faith and shall be conclusive and described in a resolution of the Board of Directors.

iii. "Record Date" shall mean, with respect to any dividend, distribution or other transaction or event in which the holders of Common Shares have the right to receive any cash, securities or other property or in which the Common Shares (or other applicable security) is exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of shareholders entitled to receive such cash, securities or other property (whether such date is fixed by the Board of Directors or by statute, contract or otherwise).

h. No adjustment in the Conversion Rate shall be required unless such adjustment would require an increase or decrease of at least 1% in such rate; PROVIDED, HOWEVER, that any adjustments which by reason of this paragraph are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this paragraph shall be made by the corporation and shall be made to the nearest cent or to the nearest one hundredth of a share, as the case may be. No adjustment need be made for a change in the par value or no par value of the Common Shares.

i. Whenever the Conversion Rate is adjusted as herein provided, the corporation shall promptly file with the Transfer Agent an Officers'

Certificate setting forth the Conversion Rate after such adjustment and setting forth a brief statement of the facts requiring such adjustment. Promptly after delivery of such certificate, the corporation shall prepare a notice of such adjustment of the Conversion Rate setting forth the adjusted Conversion Rate and

the date on which each adjustment becomes effective and shall mail such notice of such adjustment of the Conversion Rate to each Holder of the 6 3/4% Preferred Shares at such holder's last address appearing on the register of holders maintained for that purpose within 20 days of the effective date of such adjustment. Failure to deliver such notice shall not affect the legality or validity of any such adjustment.

j. In any case in which this paragraph provides that an adjustment shall become effective immediately after a Record Date for an event, the corporation may defer until the occurrence of such event issuing to the Holder of any share of the 6 3/4% Preferred Shares converted after such Record Date and before the occurrence of such event the additional Common Shares issuable upon such conversion by reason of the adjustment required by such event over and above the Common Shares issuable upon such conversion before giving effect to such adjustment.

k. For purposes of this paragraph, the number of shares of Common Shares at any time outstanding shall not include shares held in the treasury of the corporation but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of Common Shares. The corporation shall not pay any dividend or make any distribution on Common Shares held in the treasury of the corporation.

(8) CERTAIN COVENANTS.

a. TRANSACTIONS WITH AFFILIATES

Without the affirmative vote or consent of the holders of a majority of the outstanding shares of the 6 3/4% Preferred Shares, the corporation will not, and will not permit any of its subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate (each of the foregoing, an "Affiliate Transaction"), unless (i) such Affiliate Transaction is on terms that are no less favorable to the corporation or the relevant subsidiary than those that would have been obtained in a comparable transaction by the corporation or such subsidiary with an unrelated Person and (ii) the corporation files in its minute books with respect to any Affiliate Transaction or series of related Affiliate Transaction involving aggregate consideration in excess of $1.0 million, a resolution of the Board of Directors set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with clause (i) above and that such Affiliate Transaction has been approved by a majority of the members of the Board of Directors that are disinterested as to such Affiliate Transaction.

As used herein, "Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; provided that beneficial ownership of 10% or more of the voting securities of a Person shall be deemed to be control.

The provisions of the foregoing paragraph shall not prohibit (i) any issuance of securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock options and stock ownership plans approved by the Board of Directors, (ii) the grant of stock options or similar rights to employees and directors of the corporation pursuant to plans approved by the Board of Directors, (iii) any employment or consulting arrangement or agreement entered into by the corporation or any of its subsidiaries in the ordinary course of business and consistent with the past practice of the corporation or such subsidiary, (iv) the payment of reasonable fees to directors of the corporation and its subsidiaries who are not employees of the corporation or its subsidiaries, (v) any Affiliate Transaction between the corporation and a subsidiary thereof or between such subsidiaries (for purposes of this paragraph, "subsidiary" includes any entity deemed to be an Affiliate because the corporation or any of its subsidiaries own securities in such entity or controls such entity), or (vi) transactions between the corporation or any subsidiary thereof specifically contemplated by the PSINet Agreement dated as of July 22, 1997 between a subsidiary of the corporation and PSINet, as amended as of the date hereof.

b. PAYMENTS FOR CONSENT

The corporation nor any of its subsidiaries will, directly or indirectly, pay or cause to be paid any consideration, whether by way of dividend or other distribution, fee or otherwise, to any Holder of shares of the 6 3/4% Preferred Shares for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Article Fourth or the 6 3/4% Preferred ShareS unless such consideration is offered to be paid and is paid to all Holders of the 6 3/4% Preferred Shares that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.

c. REPORTS

Whether or not required by the rules and regulations of the Commission, so long as any shares of the 6 3/4% Preferred Shares are

outstanding, the corporation will furnish to the Holders of the 6 3/4% Preferred Shares (i) all quarterly and annual financial information that would be required to be contained in a filing with the Commission on Forms 10-Q and 10-K if the corporation were required to file such Forms, including "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual information only, a report thereon by the corporation's certified independent accountants and (ii) all information that would be required to be contained in a current report on Form 8-K if the corporation were required to file such reports. In the event the corporation has filed any such report with the Commission, it will not be obligated to separately finish the report to any Holder unless and until such Holder requests a copy of the report. In addition, whether or not required by the rules and regulations of the Commission, the corporation will file a copy of all such information and reports with the Commission for public availability (unless the Commission will not accept such a filing) and make such information available to securities analysts and prospective investors upon request.

(9) MERGER, CONSOLIDATION OR SALE OF ASSETS OF THE CORPORATION

In the event that the corporation is party to any Fundamental Change or transaction (including, without limitation, a merger other than a merger that does not result in a reclassification, conversion, exchange or cancellation of Common Shares), consolidation, sale of all or substantially all of the assets of the corporation, recapitalization or reclassification of Common Shares (other than a change in par value, or from par value to no par value, or from no par value to par value or as a result of a subdivision or combination of Common Shares) or any compulsory share exchange (each of the foregoing, including any Fundamental Change, being referred to as a "Transaction"), the corporation will be obligated, subject to applicable provisions of state law and the restrictions of the Indenture, either to offer (a "Repurchase Offer") to purchase all of the shares of the 6 3/4% Preferred Shares on the date (the "Repurchase Date") that is 75 days after the date the corporation gives notice of the Transaction, at a price (the "Repurchase Price") equal to $1,000.00 per share of the 6 3/4% Preferred Shares, together with an amount equal to accrued and unpaid dividends on the 6 3/4% Preferred Shares through the Repurchase Date or to adjust the Conversion Rate as described below. If a Repurchase Offer is made, the corporation shall deposit, on or prior to the Repurchase Date, with a paying agent an amount of money sufficient to pay the aggregate Repurchase Price of the 6 3/4% Preferred Shares which is tO be paid on the Repurchase Date.

On or before the 15th day after the corporation knows or reasonably should know that a Transaction has occurred, the corporation will be required to mail to all Holders a notice of the occurrence of such Transaction and whether or not the documents governing the corporation's indebtedness permit at such time a Repurchase Offer, and, as applicable, either the new Conversion Rate (as adjusted at the option of the corporation) or the date by which the Repurchase

Offer must be accepted, the Repurchase Price for the 6 3/4% Preferred Shares and the procedures which the holder must follow to accept the Repurchase Offer. To accept the Repurchase Offer, the Holder of a share of the 6 3/4% Preferred Shares will be required to deliver, on or before the 10th day prior to the Repurchase Date, written notice to the corporation (or an agent designated by the corporation for such purpose) of the holder's acceptance, together with the certificates evidencing the 6 3/4% Preferred Shares with respect to which the offer is being accepted, duly endorsed for transfer.

In the event the corporation does not make a Repurchase Offer with respect to a Transaction and such Transaction results in shares of Common Shares being converted into the right to receive, or being exchanged for, (i) in the case of any Transaction other than a Transaction involving a Common Shares Fundamental Change (as defined below) (and subject to funds being legally available for such purpose under applicable law at the time of such conversion), securities, cash or other property, each share of the 6 3/4% Preferred Shares shall thereafter be convertible into the kind and, in the

case of a Transaction which does not involve a Fundamental Change (as defined below), amount of securities, cash and other property receivable upon the consummation of such Transaction by a holder of that number of shares of Common Shares into which a share of the 6 3/4% Preferred Shares was convertible immediately prior to such Transaction, or (ii) in the case of a Transaction involving a Common Shares Fundamental Change, common stock, each share of the 6 3/4% Preferred Shares shall thereafter be convertible (in the manner described therein) into common stock of the kind received by holders of Common Shares (but in each case after giving effect to any adjustment discussed below relating to a Fundamental Change if such Transaction constitutes a Fundamental Change), other than as required by Ohio law.

If any Fundamental Change occurs, then the Conversion Rate in effect will be adjusted immediately after such Fundamental Change as described below. In addition, in the event of a Common Shares Fundamental Change, each share of the 6 3/4% Preferred Shares shall be convertible solely into common stock of the kind received by holders of Common Shares as a result of such Common Shares Fundamental Change.

The Conversion Rate in the case of any Transaction involving a Fundamental Change will be adjusted immediately after such Fundamental Change:

(i) in the case of a Non-Stock Fundamental Change (as defined below), the Conversion Rate will thereupon become the higher of (A) the Conversion Rate in effect immediately prior to such Non-Stock Fundamental Change, but after giving effect to any other prior adjustments effected, and (B) a fraction, the numerator of which is (x) the redemption rate for one share of the 6 3/4% Preferred Shares if the redemption date were the date of

such Non-Stock Fundamental Change (or, for the twelve-month period commencing April 1, 1999, the product of 106.75% and 106.075%, respectively), multiplied by $1,000 plus (y) the amount of any then-accrued and unpaid dividends on one share of the 6 3/4% Preferred Shares, and the denominator of which is the greater of the Applicable Price or the then applicable Reference Market Price; and

(ii) in the case of a Common Shares Fundamental Change, the Conversion Rate in effect immediately prior to such Common Shares Fundamental Change, but after giving effect to any other prior adjustments effected, will thereupon be adjusted by multiplying such Conversion Rate by a fraction of which the denominator will be the Purchaser Stock Price (as defined below) and the numerator will be the Applicable Price; provided, however, that in the event of a Common Shares Fundamental Change in which (A) 100% of the value of the consideration received by a holder of Common Shares is common stock of the successor, acquiror, or other third party (and cash, if any, is paid only with respect to any fractional interests in such common stock

resulting from such Common Shares Fundamental Change) and (B) all Common Shares will have been exchanged for, converted into, or acquired for common stock (and cash with respect to fractional interests) of the successor, acquiror, or other third party, the Conversion Rate in effect immediately prior to such Common Shares Fundamental Change will thereupon be adjusted by multiplying such Conversion Rate by the number of shares of common stock of the successor, acquirer, or other third party received by a holder of one share of Common Shares as a result of such Common Shares Fundamental Change.

The term "Applicable Price" means (i) in the case of a Non-Stock Fundamental Change in which the holders of Common Shares receive only cash, the amount of cash received by the holder of one share of Common Shares and (ii) in the event of any other Non-Stock Fundamental Change or any Common Shares Fundamental Change, the average of the Closing Price (as defined below) for Common Shares during the ten Trading Days prior to the record date for the determination of the holders of Common Shares entitled to receive such securities, cash, or other property in connection with such Non-Stock Fundamental Change or Common Shares Fundamental Change or, if there is no such record date, the date upon which the holders of Common Shares shall have the right to receive such securities, cash, or other property (such record date or distribution date being hereinafter referred to as the "Entitlement Date") in each case as adjusted in good faith by the corporation to appropriately reflect any of the events referred to above.

The term "Common Shares Fundamental Change" means any Fundamental Change in which more than 50% of the value (as determined in good faith by the Board of Directors of the corporation) of the consideration received by holders of Common Shares consists of common stock that for each of the ten

consecutive Trading Days prior to the Entitlement Date has been admitted for listing or admitted for listing subject to notice of issuance on a national securities exchange or quoted on the Nasdaq National Market; provided, however, that a Fundamental Change shall not be a Common Shares Fundamental Change unless either (i) the corporation continues to exist after the occurrence of such Fundamental Change and the outstanding shares of the 6 3/4% Preferred Shares continue to exist as outstanding shares of the 6 3/4% Preferred Shares or (ii) not later than the occurrence of such Fundamental Change, the outstanding shares of the 6 3/4% Preferred Shares is converted into or exchanged for shares of convertible Preferred Shares of an entity succeeding to the business of the corporation or a subsidiary thereof, which convertible Preferred Shares has powers, preferences, and relative, participating, optional, or other rights and qualifications, limitations, and restrictions, substantially similar to those of the 6 3/4% Preferred Shares.

The term "Fundamental Change" means the occurrence of any Transaction or event in connection with a plan pursuant to which all or substantially all Common

Shares shall be exchanged for, converted into, acquired for, or constitute solely the right to receive securities, cash, or other property (whether by means of an exchange offer, liquidation, tender offer, consolidation, merger, combination, reclassification, recapitalization, or otherwise), provided, that, in the case of a plan involving more than one such Transaction or event, for purposes of adjustment of the Conversion Rate, such Fundamental Change shall be deemed to have occurred when substantially all Common Shares shall be exchanged for, converted into, or acquired for or constitute solely the right to receive securities, cash, or other property, but the adjustment shall be based upon the consideration that a holder of Common Shares received in such Transaction or event as a result of which more than 50% of Common Shares shall have been exchanged for, converted into, or acquired or constitute solely the right to receive securities, cash, or other property. The term "Non-Stock Fundamental Change" means any Fundamental Change other than a Common Shares Fundamental Change.

The term "Purchaser Stock Price" means, with respect to any Common Shares Fundamental Change, the average of the Closing Prices for the common stock received in such Common Shares Fundamental Change for the ten consecutive Trading Days prior to and including the Entitlement Date, as adjusted in good faith by the corporation to appropriately reflect any of the events referred to above.

The term "Reference Market Price" shall initially mean $_____ (which is an amount equal to 66 2/3% of the reported last sales price for Common Shares on the New York Stock Exchange on _____, 1999) and in the event of any adjustment of the Conversion Rate other than as a result of a

Non-Stock Fundamental Change, the Reference Market Price shall also be adjusted so that the ratio of the Reference Market Price to the Conversion Rate after giving effect to any such adjustment shall always be the same as the ratio of the initial Reference Market Price to the initial Conversion Rate.

In case (1) the corporation shall declare a dividend (or any other distribution) on its Common Shares payable otherwise than in cash out of its earned surplus; (2) the corporation shall authorize the granting to all holders of its Common Shares of rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any other rights; (3) of any reclassification of the Common Shares of the corporation (other than a subdivision or combination of its outstanding Common Shares); (4) of any consolidation or merger to which the corporation is a party and for which approval of any shareholders of the corporation is required; (5) the sale or transfer of all or substantially all the assets of the corporation; or (6) of the voluntary or involuntary dissolution, liquidation or winding up of the corporation; then the corporation shall cause to be filed with the Transfer Agent and at each office or agency maintained for the purpose of conversion of the 6 3/4% Preferred Shares, and shalL cause to be mailed to all holders at their last addresses as they shall appear in the 6 3/4% Preferred Shares Register, at least 20 days (or 10 days in any case specified in clause (1) or (2) above) prior to the

applicable date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, rights or warrants, or, if a record is not to be taken, the date as of which the holders of Common Shares of record to be entitled to such dividend, distribution, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up is expected to become effective, and the date as of which it is expected that holders of Common Shares of record shall be entitled to exchange their Common Shares for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up. Failure to give the notice requested by this paragraph or any defect therein shall not affect the legality or validity of any dividend, distribution, right, warrant, reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up, or the vote upon any such action.

The corporation shall at all times reserve and keep available, free from preemptive rights, out of its authorized but unissued shares of Common Shares (or out of its authorized shares of Common Shares held in the treasury of the corporation), for the purpose of effecting the conversion of the 6 3/4% Preferred Shares, the full number of shares of Common Shares then issuable upon the conversion of all outstanding shares of the 6 3/4% Preferred Shares.

The corporation will pay any and all document, stamp or similar issue or transfer taxes that may be payable in respect of the issue or delivery of Common Shares on conversion of the 6 3/4% Preferred Shares pursuant hereto. The corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares of Common Shares in a name other than that of the Holder of the share of the 6 3/4% Preferred Shares or shares of the 6 3/4% Preferred Shares to be converted, and no such issue or delivery shall be made unless and until the Person requesting such issue has paid to the corporation the amount of any such tax, or has established to the satisfaction of the corporation that such tax has been paid.

(10) Reissuance of the 6 3/4% Preferred Shares. Shares of the 6 3/4% Preferred Shares redeemed for or converted into Common Shares or that have been reacquired in any manner shall not be reissued as shares of the 6 3/4% Preferred Shares and shall (upon compliance with any applicable provisions of Ohio law) have the status of authorized and unissued shares of Preferred Shares undesignated as to series and may be redesignated and reissued as part of any series of Preferred Shares; PROVIDED, however, that so long as any shares of the 6 3/4% Preferred Shares are outstanding, any issuance of such shares must be in compliance with the terms hereof.

(11) BUSINESS DAY. If any payment, redemption or exchange shall be required by the terms hereof to be made on a day that is not a Business Day, such

payment, redemption or exchange shall be made on the immediately succeeding Business Day.

(12) AMENDMENT, SUPPLEMENT AND WAIVER. Except as set forth in paragraph (6), the corporation may amend this Article Fourth with the affirmative vote or consent of the holders of a majority of the shares of the 6 3/4% Preferred Shares then outstanding (including votes or consents obtained in connection with a tender offer or exchange offer for the 6 3/4% Preferred Shares) and, except as otherwise provided by applicable law, any past default or failure to comply with any provision of this Article Fourth may also be waived with the consent of such holders. Notwithstanding the foregoing and except as set forth in paragraph (6), however, without the consent of each Holder affected, an amendment or waiver may not (with respect to any shares of the 6 3/4% Preferred Shares held by a non-consenting Holder): (i) alter the voting rights with respect to the 6 3/4% Preferred Shares or reduce the number of shares of the 6 3/4% Preferred Shares whose Holders must consent to an amendment, supplement or waiver, (ii) reduce the Liquidation Preference of any share of the 6 3/4% Preferred Shares or adversely alter the provisions with respect to the redemption of the 6 3/4% Preferred Shares, (iii) reduce the rate of or change the time for payment of

dividends on any share of the 6 3/4% Preferred Shares, (iv) waive a default in the payment of dividends on the 6 3/4% Preferred Shares, (v) make any share of the 6 3/4% Preferred Shares payable in money other than United States dollars, (vi) make any change in the provisions of the Article Fourth relating to waivers of the rights of Holders of the 6 3/4% Preferred Shares to receive the Liquidation Preference, dividends on the 6 3/4% Preferred Shares, or (vii) make any change in the foregoing amendment and waiver provisions.

Notwithstanding the foregoing, without the consent of any Holder of the 6 3/4% Preferred Shares, the corporation may (to the extent permitted by, and subject to the requirements of, Ohio law) amend or supplement this Article Fourth to cure any ambiguity, defect or inconsistency, to provide for uncertificated shares of the 6 3/4% Preferred Shares in addition to or in place of certificated shares of the 6 3/4% Preferred Shares, to make any change that would provide any additional rights or benefits to the Holders of the 6 3/4% Preferred Shares or to make any change that the Board of Directors determines, in good faith, is not materially adverse to Holders of the 6 3/4% Preferred Shares.

(13) TRANSFER AND EXCHANGE. When a share of the 6 3/4% Preferred Shares is presented to the Transfer Agent with a request to register the transfer of such share of the 6 3/4% Preferred Shares or to exchange such share of the 6 3/4% Preferred Shares for an equal number of shares of the 6 3/4% Preferred Shares of other authorized denominations, the Transfer Agent shall register the transfer or make the exchange as requested if its reasonable requirements for such transaction are met and such transfer or exchange is in compliance with applicable laws or regulations.

(14) CERTAIN DEFINITIONS. As used in this paragraph 12 of Article Fourth, the following terms shall have the following meanings (and (1) terms defined in the singular have comparable meanings when used in the plural and vice versa, (2) "including" means including without limitation, (3) "or" is not exclusive and (4) an accounting term not otherwise defined has the meaning assigned to it in accordance with United States generally accepted accounting principles as in effect on the Issue Date and all accounting calculations will be determined in accordance with such principles), unless the content otherwise requires:

"BOARD OF DIRECTORS" mean the Board of Directors of the corporation or any committee thereof duly authorized to act on behalf of the Board.

"BUSINESS DAY" means each day which is not a legal holiday.

"CAPITAL SHARES" of any person means any and all shares, interests, rights to purchase, warrants, options, participation or other equivalents of or interests in (however designated) equity of such person, including any Preferred Shares, but excluding any debt securities convertible into or exchangeable for such equity.

"CLOSING PRICE" means on any day the reported last bid price on such day, or in case no sale takes place on such day, the average of the reported closing bid and asked prices on the principal national securities exchange on which such stock is listed or admitted to trading, or if not listed or admitted to trading on any national securities exchange, the average of the closing bid and asked prices as furnished by any independent registered broker-dealer firm, selected by the corporation for that purpose, in each case adjusted for any stock split during the relevant period.

"COMMISSION" means the Securities and Exchange Commission.

"DEFAULT" means any event which is, or after notice or passage of time or both would be, a Voting Rights Triggering Event.

"HOLDERS" means the registered holders from time to time of the 6 3/4% Preferred Shares.

"OFFICERS' CERTIFICATE" means a certificate signed by two officers of the corporation.

"PERSON" means any individual, corporation, partnership, joint venture, limited liability company, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

involuntary liquidation or dissolution of such corporation, over shares of Capital Shares of any other class of such corporation.

"SUBSIDIARY" means any corporation, association, partnership, limited liability company or other business entity of which more than 50% of the total voting power of shares of capital stock or other interests entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by the corporation, the corporation and one or more Subsidiaries or one or more Subsidiaries and any partnership the sole general partner or the managing partner of which the corporation or any Subsidiary or the only general partners of which are the corporation and one or more

Subsidiaries or one or more Subsidiaries.

"TRADING DAY" means, in respect of any securities exchange or securities market, each Monday, Tuesday, Wednesday, Thursday and Friday, other than any day on which securities are not traded on the applicable securities exchange or in the applicable securities market.

"TRANSFER AGENT" means the transfer agent for the 6 3/4% Preferred Shares appointed by the corporation.

EX-4.4
3
EXHIBIT 4.4

NUMBER SHARES

FTB 207000

COMMON COMMON

INCORPORATED UNDER THE LAWS OF THE STATE OF OHIO

CINCINNATI BELL INC. CUSIP 171870 10 8

THIS CERTIFICATE IS TRANSFERABLE IN THE CITY OF NEW YORK OR IN THE CITY OF CINCINNATI

This Certifies that:

SEE REVERSE AS TO
ABBREVIATIONS

is the owner of

FULLY PAID AND NONASSESSABLE COMMON SHARES OF CINCINNATI BELL INC.,

transferable on the books of the Company in person or by duly authorized attorney upon surrender of this certificate properly

endorsed. This certificate is not valid unless countersigned [SEAL] by a Transfer Agent and registered by a Registrar.
Witness the seal of the Company and the signatures of its duly authorized officers.

DATED /s/ Thomas E. Taylor
GENERAL COUNSEL AND SECRETARY

/s/ Richard G. Ellenberger
PRESIDENT AND CHIEF EXECUTIVE OFFICER

COUNTERSIGNED AND REGISTERED.
FIFTH THIRD BANK
(CINCINNATI, OHIO)
TRANSFER AGENT AND REGISTRAR

AUTHORIZED SIGNATURE.

CINCINNATI BELL INC.

WILL MAIL TO THE SHAREHOLDER, WITHOUT CHARGE, WITHIN FIVE DAYS AFTER RECEIPT OF WRITTEN REQUEST THEREFOR, ADDRESSED TO THE SECRETARY OF THE CORPORATION, 201 EAST FOURTH STREET, P.O. BOX 2301, CINCINNATI, OHIO 45201. A STATEMENT OF THE EXPRESS TERMS OF THE COMMON SHARES REPRESENTED BY THIS CERTIFICATE AND OF ANY OTHER CLASS OR CLASSES AND SERIES OF SHARES WHICH THE CORPORATION IS AUTHORIZED TO ISSUE.

The following abbreviations shall be construed as though the words set forth below opposite each abbreviation were written out in full where such abbreviation appears:

TEN COM	--as tenants in common	(Name) CUST (Name) UNIF GIFT MIN ACT (State)	--(Name) as Custodian for (Name) under the (State) Uniform Gifts to Minors Act
TEN ENT	--as tenants by the entireties		
JT TEN	--as joint tenants with right of survivorship and not as tenants in common		

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, _____ HEREBY SELL, ASSIGN AND TRANSFER UNTO
PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

- ---

- ---

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING POSTAL ZIP CODE OF ASSIGNEE.

- ----------

- ----------

SHARES

- ----------

REPRESENTED BY THE WITHIN CERTIFICATE, AND DO HEREBY IRREVOCABLY CONSTITUTE AND APPOINT

- ----------

ATTORNEY TO TRANSFER THE SAID SHARES ON THE BOOKS OF THE WITHIN-NAMED COMPANY WITH FULL POWER OF SUBSTITUTION IN THE PREMISES.

DATED,

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT, OR ANY CHANGE WHATEVER.

This certificate also evidences and entitles the holder hereof to certain Rights as set forth in a Rights Agreement between Cincinnati Bell Inc. and Fifth Third Bank, as Rights Agent, dated as of April 29, 1997 as the same may be amended from time to time (the "Rights Agreement"), the terms of which are hereby incorporated herein by reference and a copy of which is on file at the principal executive offices of Cincinnati Bell Inc. Under certain circumstances set forth in the Rights Agreement, such Rights will be evidenced by separate certificates and will no longer be evidenced by this certificate. Cincinnati Bell Inc. will mail to the holder of this certificate a copy of the Rights Agreement without charge within five days after receipt of a written request therefor. Under certain circumstances set forth in the Rights Agreement, Rights issued to, or held by any Person who is, was or becomes an Acquiring Person or any Affiliate or Associate thereof (as such terms are defined in the Rights Agreement) and any subsequent holder of such Rights may become null and void. In no event may the Rights be exercised after May 2, 2007.

EX-4.9
4
EXHIBIT 4.9

Exhibit 4.9

- ----------

INVESTMENT AGREEMENT

By and Among

OAK HILL CAPITAL PARTNERS, L.P.
OHCP OCEAN I, LLC,
OHCP OCEAN III, LLC,
OHCP OCEAN IV, LLC,
OHCP OCEAN V, LLC,
OAK HILL SECURITIES FUND, L.P.,
OAK HILL SECURITIES FUND II, L.P.

and

CINCINNATI BELL INC.

Dated as of July 21, 1999

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INVESTMENT AGREEMENT, dated as of July 21, 1999, by and among Cincinnati Bell Inc., an Ohio corporation (the "COMPANY"), and Oak Hill Capital Partners, L.P., a Delaware limited partnership ("OAK HILL CAPITAL"), OHCP Ocean I, LLC, a Delaware limited liability company ("OCEAN I"), OHCP Ocean III, LLC, a Delaware limited liability company ("OCEAN III"), OHCP Ocean IV, LLC, a Delaware limited liability company ("OCEAN IV"), OHCP Ocean V, LLC, a Delaware limited liability company ("OCEAN V"), Oak Hill Securities Fund, L.P., a Delaware limited partnership, and Oak Hill Securities Fund II, L.P., a Delaware limited partnership (collectively, the "PURCHASERS," and each a "PURCHASER"). OHCP AIV I, L.P., a Delaware limited partnership ("OHCP AIV"), joins this Agreement for purposes of Sections 8.10 and 8.11 hereof.

WHEREAS, the Purchasers desire to become long-term investors in the Company and wish to purchase from the Company, and the Company desires the Purchasers to become long-term investors in the Company and wishes to issue and sell to the Purchasers, Convertible Subordinated Notes with a final maturity of July 21, 2009 with an aggregate original issuance price of $400 million (together with all notes issued in connection with the substitution, replacement or transfer thereof, the "NOTES"), upon the terms and subject to the conditions set forth in this Agreement and in the Notes;

WHEREAS, concurrently with the execution of this Agreement, the Company and IXC Communications, Inc., a Delaware corporation ("IXC"), are entering into an Agreement and Plan of Merger (the "MERGER AGREEMENT") pursuant to which a wholly-owned subsidiary of the Company will merge with and into IXC (the "MERGER");

WHEREAS, the Board of Directors of the Company (the "COMPANY BOARD OF DIRECTORS") and the Board of Directors of IXC have approved the Merger Agreement and each of the Company Board of Directors and each Purchaser has approved this Agreement and the transactions contemplated hereby, upon the terms

and subject to the conditions set forth herein; and

WHEREAS, in connection with the Purchasers becoming long-term investors in the Company, the Company and the Purchasers desire to regulate certain aspects of their relationship.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

Article 1

DEFINITIONS

1.1 DEFINITIONS. As used in this Agreement, and unless the context requires a different meaning, the following terms have the meanings indicated:

"ACCELERATED AMOUNT" has the meaning assigned to that term in Section 8.18.

"ACCOUNTING RULES" means the applicable accounting requirements and the published rules and regulations of the SEC with respect thereto.

"ACCRETED VALUE" shall have the meaning specified in the Notes.

"AFFILIATE" has the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations under the Exchange Act; PROVIDED that none of the Purchasers shall be deemed to be an "Affiliate" of the Company.

"AGREEMENT" means this Agreement as the same may be amended, supplemented or modified in accordance with the terms hereof.

"ANTITRUST DIVISION" has the meaning assigned to that term in Section 8.23.

"BUSINESS DAY" means any day other than a Saturday, Sunday or other day on which commercial banks in the City of New York, New York or Cincinnati, Ohio are authorized or required by law or executive order to close.

"CASH PERCENTAGE" has the meaning assigned to that term

in Section 8.18.

"CHANGE OF CONTROL" is deemed to occur if:

(i) a tender offer shall be made and consumma ted for the ownership of 30% or more of the outstanding voting securities of the Company;

(ii) the Company shall be merged or consolidated with another corporation and as a result of such merger or consolidation less than 75% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the former shareholders of the Company, other than Affiliates (within the meaning of the Exchange Act) of any party to such merger or

consolidation as the same shall have existing immediately prior to such merger or consolidation;

(iii) the Company shall sell substantially all of its assets to another corporation which is not a wholly owned subsidiary;

(iv) a person within the meaning of Section 3(a)(9) or of Section 13(d)(3) (as in effect on December 5, 1988) of the Exchange Act shall acquire 20% or more of the outstanding voting securities of the Company (whether directly, indirectly, beneficially or of record), or a person within the meaning of Section 3(a)(9) or Section 13(d)(3) (as in effect on December 5, 1988) of the Exchange Act controls in any manner the election of a majority of the directors of the Company;

(v) within any period of two consecutive years commencing on or after December 5, 1988, individuals who at the beginning of such period constitute the Company Board of Directors cease for any reason to constitute a majority thereof, unless the election of each director who was not a director at the beginning of such period has been approved in advance by directors representing at least two-thirds of the directors then in office who were directors at the beginning of the period (for purposes hereof, ownership of voting securities shall take into account and shall include ownership as determined by applying the provisions of Rule 13(d)-3(d)(1)(i) pursuant to the Exchange Act); or

(vi) a merger, consolidation or similar transaction (regardless of whether the Company is a constituent corporation in such transaction and other than those transactions of the type referred to in clause (ii) above) with respect to which persons who were beneficial owners of Voting Securities immediately prior to such transaction own less than 50% of the

Voting Securities (including securities of any successor corporation of the Company having the ordinary power to vote in the election of directors of such successor corporation) upon the consummation of such transaction.

For the avoidance of doubt, (x) the terms being used in clauses (i), (ii), (iii), (iv) and (v) of this definition of "Change of Control" shall have the respective meanings for such terms as used in the Company's 1989 Stock Option Plan as of the date hereof and (y) the IXC Transaction shall not be deemed to be a Change of Control.

"CHANGE OF CONTROL OFFER" has the meaning assigned to that term in Section 8.18.

"CHANGE OF CONTROL PAYMENT" has the meaning assigned to that term in Section 8.18.

"CHANGE OF CONTROL PAYMENT DATE" has the meaning assigned to that term in Section 8.18.

"CITIBANK" has the meaning assigned to that term in Section 2.1.

"CITIBANK TRANSACTION" has the meaning assigned to that term in Section 2.1.

"CLOSING" has the meaning assigned to that term in Section 2.3.

"CLOSING DATE" means the date specified in Section 2.3.

"CODE" means the Internal Revenue Code of 1986, as amended.

"COMMON STOCK" means the common stock, par value $.01 per share, of the Company and any other class of capital stock of the Company into which such stock is reclassified or reconstituted.

"COMPANY" has the meaning set forth in the recitals to this Agreement.

"COMPANY BENEFIT PLANS" means and includes any bonus, pension, profit sharing, deferred compensation, incentive compensation, stock ownership, stock purchase, stock option, phantom stock, retirement, vacation, severance, disability, death benefit, hospitalization, medical, welfare benefit or other plan, arrangement or understanding providing compensation or benefits

to any current or former director, officer or employee of Company or any of its Subsidiaries.

"COMPANY BOARD OF DIRECTORS" has the meaning set forth in the recitals to this Agreement.

"COMPANY CONSOLIDATED GROUP" has the meaning assigned to that term in Section 5.7.

"COMPANY FILED SEC DOCUMENTS" has the meaning assigned to that term in the introduction to Article 5.

"COMPANY OPTION PERIOD" has the meaning assigned to that term in Section 8.13.

"COMPANY PERMITS" has the meaning assigned to that term in Section 5.6.

"COMPANY PREFERRED STOCK" has the meaning assigned to that term in Section 5.2.

"COMPANY RIGHTS AGREEMENT" means the Rights Agreement, dated as of April 29, 1997, between the Company and The Fifth Third Bank, as rights agent, as amended.

"COMPANY SEC DOCUMENTS" has the meaning assigned to that term in Section 5.4.

"COMPANY SERIES A PREFERRED STOCK" has the meaning assigned to that term in Section 5.2.

"COMPANY STOCK OPTIONS" means all outstanding stock options or other rights to purchase or receive the Common Stock granted under the Company Stock Plans.

"COMPANY STOCK PLANS" has the meaning assigned to that term in Section 5.2.

"COMPETING PROPOSAL" has the meaning assigned to that term in Section 8.14.

"CONSULTATION PERIOD" has the meaning assigned to that term in Section 8.10.

"CONVERSION PRICE" has the meaning assigned to that

term in Section 14.1.

"CONVERSION RATIO" has the meaning assigned to that term in Section 14.1.

"CONVERSION SHARES" means the shares of Common Stock issued or issuable upon conversion of the Notes.

"CREDIT AGREEMENT" means the Credit Agreement, dated as of March 13, 1998, between the Company and Chase Manhattan Bank as Administrative Agent.

"CURRENT MARKET PRICE" per share shall mean, on any date specified herein for the determination thereof, (a) the average daily Market Price of the Common Stock for those days during the period of 10 Trading Days ending on such date, and (b) if the Common Stock is not then listed or admitted to trading on any

national securities exchange or quoted in the over-the-counter market, the Market Price on such date, adjusted as the parties may mutually agree to take into account the "ex" date dividend.

"DATE" has the meaning assigned to that term in Section 14.3.

"DESIGNATED SENIOR DEBT" shall mean any Senior Debt in which the instrument creating or evidencing the same or the assumption or guarantee thereof (or related agreements or documents to which the Company is a party) expressly provides that such Senior Debt shall be "Designated Senior Debt" for purposes of this Agreement (provided that such instrument, agreement or other document may place limitations and conditions on the right of such Senior Debt to exercise the rights of Designated Senior Debt). If any payment made to any holder of any Designated Senior Debt or its representative with respect to such Designated Senior Debt is rescinded or must otherwise be returned by such holder or representative upon the insolvency, bankruptcy or reorganization of the Company or otherwise, the reinstated Senior Debt of the Company arising as a result of such rescission or return shall constitute Designated Senior Debt effective as of the date of such rescission or return.

"DESIGNATED VALUE" shall mean, for any Note to be converted (or assumed to be converted) into Common Stock, (i) if the conversion (or assumed conversion) occurs prior to the Full Accretion Date, (w) for purposes of Sections 8.20, 14.3(a) and 14.7, (x) under the circumstances described in the second sentence of Section 12.1, (y) in connection with a Change of Control or (z) on or after a record date and prior to an Interest

Payment Date, in each case, the Accreted Value for $1,000 of original issue price of such Note as of the date of determination, (ii) for all other conversions prior to the Full Accretion Date, the Accreted Value for $1,000 of original issue price of such Note as of the immediately preceding SemiAnnual Accrual Date, and (iii) at or after the Full Accretion Date, the Full Accreted Value for $1,000 of original issue price of such Note.

"ERISA" means the Employment Retirement Income Security Act of 1974.

"EVENT OF DEFAULT" shall have the meaning specified in Section 10.1.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC thereunder.

"EXPIRATION TIME" has the meaning assigned to that term in Section 14.3.

"FAIR MARKET VALUE" shall mean, with respect to any property, the amount which an informed and willing buyer under no compulsion to buy would pay an informed and willing seller, under no compulsion to sell in an arm's-length transaction.

"FCC" means the Federal Communications Commission.

"FEE LETTER" means the letter of even date herewith by and between the Company and Oak Hill Capital.

"FTC" has the meaning assigned to that term in Section 8.23.

"FULL ACCRETED VALUE" with respect to a Note shall have the meaning specified in such Note.

"FULL ACCRETION DATE" shall have the meaning specified in the Note.

"GAAP" means generally accepted accounting principles in the United States in effect from time to time.

"GOVERNMENTAL ENTITY" means any Federal, state, local or foreign government, any court, administrative, regulatory or other governmental agency, commission or authority or any non-governmental self-regulatory agency, commission or authority.

"HOLDER" means, with respect to the Notes, any holder

of the Notes and, with respect to the Conversion Shares, any holder of Conversion Shares and any subsequent direct or indirect transferee of such security permitted hereunder.

"HSR ACT" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations of the Federal Trade Commission thereunder.

"INDEMNIFIED PARTY" has the meaning assigned to that term in Section 7.1.

"INDENTURE" has the meaning assigned to that term in Section 8.16.

"INDENTURE NOTES" has the meaning assigned to that term in Section 8.16.

"INVESTMENT PROPOSAL" has the meaning assigned to that term in Section 8.14.

"ISSUANCE DATE" has the meaning assigned to that term in Section 14.3.

"IXC" has the meaning set forth in the recitals to this Agreement.

"IXC TRANSACTION" means any merger, consolidation, business combination or any similar transaction (by asset sale or otherwise) involving the Company and IXC or any of their respective Subsidiaries, including, without limitation, the Merger.

"KNOWLEDGE" of any person that is not an individual means, with respect to any specific matter, the knowledge of such person's executive officers and other officers having primary responsibility for such matter.

"LIABILITIES" has the meaning assigned to that term in Section 7.1.

"LIENS" mean all pledges, claims, liens, charges, encumbrances and security interests of any kind or nature whatsoever.

"MANDATORY REDEMPTION" has the meaning assigned to that term in Section 12.1.

"MANDATORY REDEMPTION DATE" has the meaning assigned to that term in Section 12.1.

"MANDATORY REDEMPTION NOTICE" has the meaning assigned to that term in Section 12.1.

"MANDATORY REDEMPTION PERIOD" has the meaning assigned to that term in Section 12.1.

"MANDATORY REDEMPTION PRICE" has the meaning assigned to that term in Section 12.1.

"MARKET PRICE" shall mean, per share of common stock or any other security on any date specified herein: (a) if the common stock or such other security is listed or admitted to trading on any national securities exchange, the closing price of the common stock or such other security on such date, or if the common stock or such other security is not then listed or admitted to trading on any national securities exchange but is designated as a national market system security, the last trading price

of the common stock or such other security on such date; or (b) if there shall have been no trading on such date or if the common stock or such other security is not so designated, the average of the reported closing bid and asked prices of the common stock or such other security on such date as shown by NASDAQ and reported by any member firm of the NYSE, selected by the Company. If neither (a) nor (b) above is applicable, Market Price shall mean the Fair Market Value per share determined in a manner consistent with the last sentence of Section 8.18(c).

"MATERIAL ADVERSE CHANGE" OR "MATERIAL ADVERSE EFFECT" means, when used in connection with the Company or any Purchaser, any change, effect, event, occurrence, condition, development or state of facts that is materially adverse to the business, assets, results of operations, condition (financial or otherwise) or prospects of such party and its subsidiaries, taken as a whole, other than any change, effect, event, occurrence, condition, development or state of facts (i) relating to the economy or securities markets in general or (ii) relating to the industries in which such party operates in general and not specifically relating to such party.

"MERGER" has the meaning set forth in the recitals to this Agreement.

"MERGER AGREEMENT" has the meaning set forth in the recitals to this Agreement.

"MINIMUM AMOUNT" has the meaning set forth in Section 8.10.

"NASDAQ" shall mean the National Market System of the NASDAQ Stock Market.

"NON-VOTING PREFERRED STOCK" has the meaning assigned to that term in Section 5.2.

"NOTE REGISTER" has the meaning assigned to that term in Section 8.19.

"NOTICE OF DEFAULT" has the meaning assigned to that term in Section 10.1.

"NYSE" means the New York Stock Exchange, Inc.

"OAK HILL AFFILIATED ENTITY" has the meaning assigned to that term in Section 8.10.

"OAK HILL CAPITAL" has the meaning set forth in the recitals.

"OAK HILL DESIGNEE" means (i) the person designated by the Oak Hill Affiliated Entity to be a member of the Company Board of Directors under Section 8.10(a) and (ii) the person appointed by Oak Hill Capital to attend meetings of the Company Board of Directors as the Visitor referred to in Section 8.10(c).

"OCEAN PURCHASERS" means, collectively, Ocean I, Ocean III, Ocean IV and Ocean V.

"OFFER PRICE" has the meaning assigned to that term in Section 8.13.

"OFFERED SECURITIES" has the meaning assigned to that term in Section 8.13.

"OFFERING NOTICE" has the meaning assigned to that term in Section 8.13.

"OHCP AIV" has the meaning set forth in the recitals to this Agreement.

"OPTIONAL REDEMPTION" has the meaning assigned to that term in Section 13.1.

"OPTIONAL REDEMPTION DATE" has the meaning assigned to that term in Section 13.1.

"OPTIONAL REDEMPTION NOTICE" has the meaning assigned to that term in Section 13.1.

"OPTIONAL REDEMPTION PRICE" has the meaning assigned to that term in Section 13.1.

"PAYMENT BLOCKAGE NOTICE" has the meaning assigned to that term in Section 11.4.

"PERCENTAGE LIMITATION" has the meaning set forth in Section 8.11.

"PERSON" means any individual, firm, corporation, partnership, limited liability company, trust, incorporated or unincorporated association, joint venture, joint stock company, Governmental Entity or other entity of any kind, and shall include any successor (by merger or otherwise) of such entity.

"PRE-OFFERING NOTICE" has the meaning assigned to that term in Section 8.13.

"PREPAYMENT EVENT" has the meaning assigned to that term in Section 12.1.

"PREPAYMENT EVENT NOTICE" has the meaning assigned to that term in Section 12.1.

"PURCHASERS" has the meaning set forth in the recitals to this Agreement and does not include any assignees of any Purchaser other than any Affiliate of the Purchasers.

"REGISTRATION RIGHTS AGREEMENT" means the Registration Rights Agreement between the Company and the Purchasers substantially in the form attached as EXHIBIT B hereto.

"REGULAR DIVIDEND" shall mean any nominal regular quarterly dividend declared by the Company Board of Directors on the shares of the Common Stock.

"RESPONSIBLE OFFICER" shall mean, when used with respect to any trustee, any officer within the Corporate Trust Office, including any Vice President, Managing Director, Assistant Vice President, Secretary, Assistant Secretary, Treasurer or Assistant Treasurer or any other officer of such trustee customarily performing functions similar to those performed by any of the above designated officers, and when used with respect to any Holder, an executive officer of such Holder or persons performing functions similar to those performed by an executive officer.

"SEC" means the Securities and Exchange Commission or any similar agency then having jurisdiction to enforce the Securities Act.

"SECURITIES ACT" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC thereunder.

"SEMI-ANNUAL ACCRUAL DATE" with respect to a Note shall have the meaning specified in such Note.

"SELLING PURCHASER" has the meaning assigned to that term in Section 8.13.

"SENIOR DEBT" means the principal of (and premium, if any) and interest (including all interest accruing subsequent to the commencement of any

bankruptcy or similar proceeding, whether or not a claim for post-petition interest is allowable as a claim in any such proceeding) on, and all fees and other amounts (including collection expenses, attorney's fees and late charges) owing with respect to, the following, whether direct or indirect, absolute or contingent, secured or unsecured, due or to become due, outstanding at the date of execution of this Agreement or thereafter incurred, created or assumed: (a) indebtedness of the Company for money borrowed or evidenced by bonds, debentures, notes, guarantees or similar instruments, (b) reimbursement, prepayment and other obligations of the Company with respect to letters of credit, bankers' acceptances and similar facilities issued for the account of the Company, (c) every obligation of the Company issued or assumed as the deferred purchase price of property or services purchased by the Company, (d) obligations of the Company as lessee under leases required to be capitalized on the balance sheet of the lessee under United States generally accepted accounting principles or which can be capitalized under the Code, (e) obligations of the Company under interest rate and currency swaps, caps, floors, collars or similar arrangements intended to protect the Company against fluctuations in interest or currency exchange rates, (f) all indebtedness for borrowed money of the Company secured by any Lien on any property or asset owned or held by the Company regardless of whether the indebtedness secured thereby shall have been assumed by the Company or shall be non-recourse to the credit of the Company, (g) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by the Company (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (h) indebtedness of others of the kinds described in the preceding clauses (a) through (g) and all dividends and distributions of others in each case that the Company has assumed, guaranteed or otherwise assured the payment

thereof, directly or indirectly (including guarantees of indebtedness for borrowed money of any of its Subsidiaries), and/or (i) deferrals, renewals, extensions and refundings of, or amendments, modifications or supplements to, any indebtedness or obligation described in the preceding clauses (a) through (h) whether or not there is any notice to or consent of the Holders; PROVIDED, HOWEVER, that the following shall not constitute Senior Debt: (i) any particular indebtedness or obligation that is owed by the Company to any of its direct and indirect Subsidiaries, (ii) any particular indebtedness, deferral, renewal, extension or refunding if it is expressly stated in the governing terms or in the assumption thereof that the indebtedness involved is pari passu in right of payment with or junior in right of payment to the Notes and (iii) any trade payables and other accrued current liabilities incurred in the ordinary course of business.

"SENIOR DEBT DOCUMENTS" means, collectively, any and all agreements relating to any Senior Debt, including, without limitation, the Credit Agreement.

"SIGNIFICANT SUBSIDIARIES" has the meaning ascribed to such term in Rule 1-02(w) of Regulation S-X under the Securities Act and the Exchange Act.

"SPECIFIED DATE" means the later of (i) the consummation of the IXC Transaction and (ii) the expiration or earlier termination of any applicable waiting period under the HSR Act with respect to the acquisition of the shares of Common Stock upon any conversion of the Notes.

"STATED MATURITY" when used with respect to the Notes or any installment of principal or Full Accreted Value thereof or interest thereon, means the date specified in the Note or this Agreement as the fixed date on which the principal or Full Accreted Value of such Note or such installment of interest is due and payable.

"SUBSIDIARY" of any Person means another Person, an amount of the voting stock, other voting ownership or voting partnership interests of which is sufficient to elect at least a majority of its board of directors or other governing body (or, if there are no voting interests, 50% or more of the equity interests of which) is owned directly or indirectly by such first Person.

"THIRD PARTY OFFER" has the meaning assigned to that term in Section 8.13.

"THIRD PARTY OFFEROR" has the meaning assigned to that term in Section 8.13.

"TRADING DAYS" means, with respect to a security

traded on a securities exchange, automated quotation system or market, a day on which such exchange, system or market is open for a full day of trading.

"TRANCHE A NOTES" has the meaning assigned to that term in Section 2.1.

"TRANCHE B NOTES" has the meaning assigned to that term in Section 8.17.

"TRANSACTION" has the meaning assigned to that term in Section 14.7.

"VISITOR" has the meaning assigned to that term in Section 8.10(c).

"VOTING PREFERRED STOCK" has the meaning assigned to that term in Section 5.2.

"VOTING SECURITIES" has the meaning set forth in Section 8.11.

1.2 ACCOUNTING TERMS. All accounting terms used herein not expressly defined in this Agreement shall have the respective meanings given to them in accordance with GAAP.

Article 2

PURCHASE AND SALE OF NOTES

2.1 PURCHASE AND SALE OF NOTES.

Subject to the terms and conditions herein set forth, each of the Purchasers, severally and not jointly, agrees that it, or its permitted assignee, will purchase from the Company, at the Closing, Notes with an aggregate initial principal amount set forth opposite such Purchaser's name on SCHEDULE 1 attached hereto under the heading "Notes to be Purchased at the Closing" (the "TRANCHE A NOTES") for the purchase price set forth opposite such Purchaser's name on SCHEDULE 1 attached hereto under "Purchase Price," in cash, by wire transfer of immediately available funds to an account designated by the Company in a notice delivered to each Purchaser at least one day prior to the Closing Date. Each Ocean Purchaser has assigned its rights to purchase the Notes to be purchased by it to Citibank N.A. ("CITIBANK") who upon consummation of the Closing will be a Holder of such Notes (the "CITIBANK TRANSACTION").

2.2 NOTES. The Notes will be substantially in the form of the Note attached as EXHIBIT A hereto.

2.3 CLOSING.

(a) The purchase and issuance of the Tranche A Notes shall take place immediately upon execution of this Agreement at the closing (the "CLOSING") to be held at a location agreed to by the parties, on July 21, 1999, or on such other later date as the parties may agree in writing (the "CLOSING DATE"), at 10:00 a.m., New York City time. At the Closing, subject to the terms and conditions set forth herein, the Company shall sell the Tranche A Notes to the Purchasers (or their assignee) by delivering to each Purchaser (or its assignee) its respective Tranche A Notes registered in its name, free and clear of any Liens, and each Purchaser (or its assignee) shall purchase the Tranche A Notes to be purchased by it.

Article 3

CONDITIONS TO THE OBLIGATION OF THE PURCHASERS TO CLOSE AT THE CLOSING

The obligation of each Purchaser to purchase the Tranche A Notes to be purchased by it, to pay the Purchase Price to be paid by it at the Closing and to perform any obligations hereunder shall be subject to the satisfaction or waiver of the following conditions on or as of the Closing Date:

3.1 REPRESENTATIONS AND WARRANTIES TRUE. The representations and warranties of the Company set forth herein that are qualified as to materiality shall be true and correct, and those that are not so qualified shall be true and correct in all material respects, in each case as of the Closing Date, with the same effect as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such date).

3.2 COMPLIANCE WITH THIS AGREEMENT. The Company shall have performed and complied with all of its agreements and conditions set forth herein that are required to be performed or complied with by the Company on or before the Closing Date.

3.3 OFFICER'S CERTIFICATE. The Purchasers shall have received a certificate, dated the Closing Date and signed by the President or a Vice-President of the Company, certifying that the conditions set forth in Sections 3.1 and 3.2 hereof have been satisfied.

3.4 SECRETARY'S CERTIFICATE. The Purchasers shall have received a certificate, dated the Closing Date and signed by the Secretary or an Assistant Secretary of the Company, certifying the truth and correctness of attached copies of the Amended Articles of Incorporation and Amended Regulations

of the Company and resolutions of the Company Board of Directors approving the Merger, this Agreement and the transactions contemplated hereby and thereby.

3.5 OPINION OF COUNSEL. The Purchasers shall have received the opinion of each of Thomas Taylor, general counsel of the Company, and of Cravath, Swaine & Moore, counsel to the Company, dated the Closing Date, substantially in the form attached hereto as EXHIBIT C and EXHIBIT D, respectively.

3.6 NO MATERIAL ADVERSE CHANGE. Since December 31, 1998, there shall have been no Material Adverse Change with respect to the Company.

3.7 REGISTRATION RIGHTS AGREEMENT. The Company shall have duly executed and delivered to the Purchasers the Registration Rights Agreement.

3.8 IXC TRANSACTION. The Merger Agreement shall have been executed by the parties thereto simultaneously with the Closing. The Purchasers shall have received a fully executed copy of the Merger Agreement.

3.9 COMPANY BOARD OF DIRECTORS. J. Taylor Crandall shall have been elected to the Company Board of Directors on the terms provided for in Section 8.10.

EACH PURCHASER ACKNOWLEDGES AND AGREES THAT BY EXECUTING AND DELIVERING THIS AGREEMENT ALL OF THE CONDITIONS SET FORTH IN THIS ARTICLE 3 HAVE BEEN SATISFIED OR WAIVED.

Article 4

CONDITIONS TO THE OBLIGATION OF THE COMPANY TO CLOSE AT THE CLOSING

The obligations of the Company to issue and sell the Notes to a Purchaser, to consummate the transactions contemplated herein on the Closing Date with respect to such Purchaser and to perform any obligations hereunder shall be subject to the satisfaction or waiver of the following conditions on or as of the Closing Date:

4.1 REPRESENTATIONS AND WARRANTIES TRUE. The representations and warranties of such Purchaser set forth herein that are qualified as to materiality shall be true and correct, and those that are not so qualified shall be true and correct in all material respects, in each case as of the Closing Date, with the same effect as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such date).

4.2 COMPLIANCE WITH THIS AGREEMENT. Such Purchaser shall have performed and complied with all of its agreements and conditions set forth or contemplated herein that are required to be performed or complied with by such Purchaser on or before the Closing Date.

4.3 CONSENTS AND APPROVALS. All consents, exemptions, authorizations, or other actions by, or notices to, or filings with, Governmental Entities and other Persons necessary or required in connection with the execution, delivery or performance by such Purchaser or enforcement against such Purchaser of this

Agreement shall have been obtained and be in full force and effect, and the Company shall have been furnished with appropriate evidence thereof.

4.4 IXC TRANSACTION. The Merger Agreement shall have been executed by the parties thereto simultaneously with the Closing.

THE COMPANY ACKNOWLEDGES AND AGREES THAT BY EXECUTING AND DELIVERING THIS AGREEMENT ALL OF THE CONDITIONS SET FORTH IN THIS ARTICLE 4 HAVE BEEN SATISFIED OR WAIVED.

Article 5

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as expressly disclosed in the Company SEC Documents filed and publicly available prior to the date of this Agreement (the "COMPANY FILED SEC DOCUMENTS"), the Company represents and warrants to each Purchaser as follows:

5.1 ORGANIZATION, STANDING AND CORPORATE POWER. Each of the Company and its Subsidiaries is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized and has the requisite corporate or other power, as the case may be, and authority to carry on its business as now being conducted. Each of the Company and its Subsidiaries is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the nature of its business or the ownership, leasing or operation of its properties makes such qualification or licensing necessary, except for those jurisdictions in which the failure to be so qualified or licensed or to be in good standing individually or in the aggregate is not reasonably likely to have a Material Adverse Effect on the Company. The Company has made available to the Purchasers prior to the execution of this Agreement complete and correct copies of its Amended Articles of Incorporation and Amended Regulations, as amended to the date of this Agreement.

5.2 CAPITAL STRUCTURE. The authorized capital stock of the Company consists of 485,000,000 shares of capital stock consisting of: (1) 480,000,000 shares of the Common Stock, (2) 1,000,000 shares of non-voting preferred stock without par value (the "NON-VOTING PREFERRED STOCK") and (3) 4,000,000 shares of voting preferred stock without par value (the "VOTING PREFERRED STOCK" and, together with the Non-Voting Preferred Stock, the "COMPANY PREFERRED STOCK") of which 2,000,000 shares have been designated as Series A Preferred Stock (the "COMPANY SERIES A PREFERRED STOCK"). At the close of business on July 15, 1999, (i) 137,792,751 shares of the

Common Stock were issued and outstanding; (ii) no shares of the Common Stock were held by the Company in its treasury; (iii) no shares of the Company Preferred Stock were issued and outstanding; (iv) 2,000,000 shares of the Company Series A Preferred Stock were reserved for issuance in connection with the rights to purchase shares of the Common Stock issued pursuant to the Company Rights Agreement; and (v) no shares of the Common Stock were reserved for issuance pursuant to the Company's 1989 Stock Option Plan, the Company's 1997 Stock Option Plan for Non-Employee Directors, the Company's 1997 Long Term Incentive Plan, the Company's Executive Deferred Compensation Plan and grants of options made to individual employees (such plans and arrangements, collectively, the "COMPANY STOCK PLANS") (of which 7,284,000 shares of the Common Stock are subject to outstanding Company Stock Options). There are no outstanding stock appreciation rights or rights (other than the Company Stock Options) to receive shares of the Common Stock on a deferred basis granted under the Company Stock Plans or otherwise. No bonds, debentures, notes or other indebtedness of the Company having the right to vote (or convertible into or exchangeable or exercisable for securities having the right to vote) on any matters on which shareholders of the Company or any of its Subsidiaries may vote are issued or outstanding or subject to issuance. All outstanding shares of capital stock of the Company are, and all shares which may be issued will be, when issued, duly authorized, validly issued, fully paid and nonassessable and will be delivered free and clear of all Liens (other than Liens created by or imposed upon the holders thereof) and not subject to preemptive rights. The Conversion Shares when issued upon conversion of the Notes will be duly authorized, validly issued, fully paid and nonassessable. The Company has reserved and has available out of its authorized Common Stock, solely for the purpose of issuing Conversion Shares, such number of shares of Common Stock as shall be issuable upon conversion of the Notes. Except as set forth in this Section 5.2 (including pursuant to the conversion or exercise of the securities referred to above), (x) there are not issued, reserved for issuance or outstanding (A) any shares of capital stock or other voting securities of the Company or any of its Subsidiaries (other than shares of capital stock or other voting securities of such Subsidiaries that are directly or indirectly owned by the Company), (B) any securities of the Company or any of its Subsidiaries convertible into or

exchangeable or exercisable for shares of capital stock or other voting securities of, or other ownership interests in, the Company or any of its Subsidiaries or (C) any warrants, calls, options or other rights to acquire from the Company or any of its Subsidiaries, and no obligation of the Company or any of its Subsidiaries to issue any capital stock or other voting securities of, or other ownership interests in, or any securities convertible into or exchangeable or exercisable for any capital stock or other voting securities of, or other ownership interests in, the Company or any of its Subsidiaries and (y) there are not any outstanding obligations of the Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any such securities or to issue, deliver or sell, or cause to be issued, delivered or sold, any such securities. The Company is not a party to any voting agreement with respect to the voting of any such securities. Other than the capital stock of, or other equity

interests in, its Subsidiaries, the Company does not directly or indirectly beneficially own any securities or other beneficial ownership interests in any other entity.

5.3 AUTHORITY; NONCONTRAVENTION. The Company has the requisite corporate power and authority to enter into this Agreement, the Notes, the Registration Rights Agreement, the Fee Letter and the Merger Agreement, and to consummate the transactions contemplated by this Agreement and thereby. The execution and delivery of this Agreement, the Notes, the Registration Rights Agreement, the Fee Letter and the Merger Agreement by the Company and the consummation by the Company of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of the Company. This Agreement, the Notes, the Registration Rights Agreement, the Fee Letter and the Merger Agreement have been duly executed and delivered by the Company and, assuming the due authorization, execution and delivery by each of the other parties hereto and thereto, constitute the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles. The execution and delivery of this Agreement, the Notes, the Registration Rights Agreement, the Fee Letter and the Merger Agreement do not, and the consummation of the transactions contemplated by this Agreement, the Notes, the Registration Rights Agreement, the Fee Letter and the Merger Agreement and compliance with the provisions hereof and thereof shall not, assuming the receipt of the approval of the shareholders of the Company contemplated by the Merger Agreement, violate any rules prescribed by the NYSE and will not, conflict with, or result in any violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or loss of a benefit under, or result in the creation of any Lien upon any of the properties or assets of the Company or any of its Subsidiaries under, (i) the Amended Articles of Incorporation or Amended Regulations of the Company or the comparable organizational documents of any of its Subsidiaries,

(ii) any loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, instrument, permit, concession, franchise, license or similar authorization applicable to the Company or any of its Subsidiaries or their respective properties or assets or (iii) subject to the governmental filings and other matters referred to in the following sentence, any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to the Company or any of its Subsidiaries or their respective properties or assets, other than, in the case of clauses (ii) and (iii), any such conflicts, violations, defaults, rights, losses or Liens that individually or in the aggregate are not reasonably likely to (x) have a Material Adverse Effect on the Company, (y) impair the ability of the Company to perform its obligations under this Agreement, the Notes, the Registration Rights Agreement, the Fee Letter or the Merger Agreement, or (z) prevent or materially delay the consummation of the transactions contemplated by this Agreement, the Notes, the Registration Rights Agreement, the Fee Letter or the

Merger Agreement. No consent, approval, order or authorization of, action by or in respect of, or registration, declaration or filing with, any Governmental Entity is required by or with respect to the Company or any of its Subsidiaries in connection with the execution and delivery of this Agreement, the Notes, the Registration Rights Agreement, the Fee Letter or Merger Agreement by the Company or the consummation by the Company of the transactions contemplated hereby or thereby, except for (1) such filings under the Securities Act as may be required pursuant to the Registration Rights Agreement, (2) filings described in Section 8.23 hereof and (3) such filings under the Exchange Act as may be required in connection with this Agreement and the transactions contemplated hereby and except for such consents, approvals, orders or authorizations the failure of which to be made or obtained individually or in the aggregate is not reasonably likely to (x) have a Material Adverse Effect on the Company, (y) impair the ability of the Company to perform its obligations under this Agreement, the Notes, the Registration Rights Agreement, the Fee Letter or the Merger Agreement or (z) prevent or materially delay the consummation of the transactions contemplated hereby or thereby.

5.4 SEC DOCUMENTS. The Company has filed all required reports, schedules, forms, statements and other documents (including exhibits and all other information incorporated therein) with the SEC since January 1, 1998 (collectively, the "COMPANY SEC DOCUMENTS"). As of their respective dates, the Company SEC Documents complied in all material respects with the requirements of the Securities Act or the Exchange Act, as the case may be, and the rules and regulations of the SEC promulgated thereunder applicable to such Company SEC Documents, and none of the Company SEC Documents when filed contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Except to the extent that information contained in any Company SEC Document has been revised or superseded by a later filed Company SEC Document,

none of the Company SEC Documents contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the Company SEC Documents complied as to form, as of their respective dates of filing with the SEC, in all material respects with the Accounting Rules, have been prepared in accordance with GAAP (except, in the case of unaudited statements, as permitted by Form 10-Q of the SEC) applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and fairly presented in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal recurring year-end audit adjustments and the absence of footnotes if applicable).

5.5 LITIGATION. There is no suit, action, proceeding, claim, grievance or investigation pending or, to the Knowledge of the Company or any of its Subsidiaries, threatened against or affecting the Company or any of its Subsidiaries that individually or in the aggregate is reasonably likely to have a Material Adverse Effect on the Company nor is there any judgment, decree, injunction, rule or order of any Governmental Entity or arbitrator outstanding against the Company or any of its Subsidiaries having, or that is individually or in the aggregate reasonably likely to have a Material Adverse Effect on the Company. There are no facts, circumstances or conditions that are reasonably likely to give rise to any liability of, or form the basis of a claim against, the Company or any of its Subsidiaries under any applicable statutes, laws, ordinances, rules or regulations, which liability or claim is reasonably likely to have individually or in the aggregate a Material Adverse Effect on the Company.

5.6 COMPLIANCE WITH APPLICABLE LAWS. The Company and its Subsidiaries hold all material permits, licenses, variances, exemptions, orders, registrations and approvals of all Governmental Entities (the "COMPANY PERMITS") which are required for them to own, lease or operate their assets and to carry on their businesses. The Company and its Subsidiaries are in compliance in all material respects with the terms of the Company Permits and all applicable statutes, laws, ordinances, rules and regulations. No action, demand, requirement or investigation by any Governmental Entities and no suit, action or proceeding by any person, in each case with respect to the Company or any of its Subsidiaries or any of their respective properties, is pending or, to the Knowledge of the Company, threatened.

5.7 TAXES. (i) Each of the Company and its Subsidiaries and each Company Consolidated Group has filed or has caused to be filed all

material tax returns and reports required to be filed by it and all such returns and reports are complete and correct in all material respects, or requests for extensions to file such returns or reports have been timely filed, granted and have not expired, except to the extent that such failures to file, to be complete or correct or to have extensions granted that remain in effect individually or in the aggregate are not reasonably likely to have a Material Adverse Effect on the Company. The Company, each of its Subsidiaries and each Company Consolidated Group has paid or caused to be paid (or the Company has paid on its behalf) all material taxes due and owing, and the most recent financial statements contained in the Company Filed SEC Documents reflect an adequate reserve for all material taxes payable by the Company and its Subsidiaries for all taxable periods and portions thereof accrued through the date of such financial statements.

(ii) No deficiencies, audit examinations, refund litigation, proposed adjustments or matters in controversy, for any taxes have been proposed, asserted or assessed in writing against the Company or any of its Subsidiaries or any Company Consolidated Group that are not adequately reserved for, except for deficiencies, audit examinations, refund litigation,

proposed adjustments or matters in controversy that individually or in the aggregate are not reasonably likely to have a Material Adverse Effect on the Company.

(iii) As used in this Agreement (1) "taxes" shall include all (x) Federal, state, local or foreign income, property, sales, excise and other taxes or similar governmental charges, including any interest, penalties or additions with respect thereto, (y) liability for the payment of any amounts of the type described in clause (x) as a result of being a member of an affiliated, consolidated, combined or unitary group, and (z) liability for the payment of any amounts as a result of being party to any tax sharing agreement or as a result of any express or implied obligation to indemnify any other person with respect to the payment of any amounts of the type described in clause (x) or (y) and (2) "COMPANY CONSOLIDATED GROUP" means any affiliated group within the meaning of Section 1504(a) of the Code, in which the Company (or any Subsidiary of the Company) is or has ever been a member or any group of corporations with which the Company files, has filed or is or was required to file an affiliated, consolidated, combined, unitary or aggregate tax return.

5.8 CHANGE OF CONTROL. No employee of the Company or its Subsidiaries will be entitled to any additional benefits or any acceleration of

the time of payment or vesting of any benefits under any Company Benefit Plan as a result of the transactions contemplated by this Agreement, the Notes, the Registration Rights Agreement, the Fee Letter or the Merger Agreement.

5.9 STATE TAKEOVER STATUTES. The Company Board of Directors has unanimously approved the terms of this Agreement, the Notes, the Registration Rights Agreement, the Fee Letter and the Merger Agreement and the consummation of the Merger and the other transactions contemplated hereby and thereby and such approval represents all the actions of the Company necessary to ensure that Sections 1704.01-1704.07 of the Ohio Revised Code do not apply to the Company in connection with the Merger, this Agreement and the other transactions contemplated hereby and thereby.

5.10 BROKERS. No broker, investment banker, financial advisor or other person, other than Salomon Smith Barney Inc., the fees, commissions and expenses of which will be paid by the Company, is entitled to any broker's, finder's, financial advisor's or other similar fee or commission, or the reimbursement of expenses, in connection with the transactions contemplated by this Agreement and the Registration Rights Agreement, based upon arrangements made by or on behalf of the Company.

5.11 SENIOR DEBT DOCUMENTS. The Senior Debt Documents do not prohibit any payment to the Purchasers pursuant to Section 12.1 hereof.

5.12 MARGIN STOCK. The Company represents and warrants that not more than 25 percent of the value of the consolidated assets of the Company is represented by margin stock (as such term is defined in Regulation U of the Board of Governors of the Federal Reserve System as in effect on the date hereof).

Article 6

REPRESENTATIONS AND WARRANTIES OF THE PURCHASERS

Each of the Purchasers, severally but not jointly, represents and warrants to the Company as follows.

6.1 ORGANIZATION, STANDING AND CORPORATE POWER. Each such Purchaser is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized and has the requisite corporate or other power, as the case may be, and authority to carry on its business as now being conducted. Each such Purchaser is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the nature of its business or the ownership, leasing or operation of its properties makes such qualification or licensing necessary, except for those jurisdictions in which the failure to be so

qualified or licensed or to be in good standing individually or in the aggregate is not reasonably likely to have a Material Adverse Effect on such Purchaser.

6.2 AUTHORITY; NONCONTRAVENTION. Each such Purchaser has the requisite corporate power and authority to enter into this Agreement and the Registration Rights Agreement and to consummate the transactions contemplated hereby and thereby (including the purchase by such Purchaser of the Notes). The execution and delivery of this Agreement and the Registration Rights Agreement by the Company and the consummation by such Purchaser of the transactions contem plated by this Agreement (including the purchase by such Purchaser of the Notes) and the Registration Rights Agreement have been duly authorized by all necessary corporate action on the part of such Purchaser. This Agreement and the Registration Rights Agreement have been duly executed and delivered by such Purchaser and, assuming the due authorization, execution and delivery by each of the other parties hereto and thereto, constitute the legal, valid and binding obligations of such Purchaser, enforceable against such Purchaser in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles. No consent, approval, order or authorization of, action by or in respect of, or registration, declaration or filing with, any Governmental Entity is required by or with respect to such Purchaser in connection with the execution and delivery of this Agreement or the Registration Rights Agreement by the Purchaser or

the consummation by the Purchaser of the transactions contemplated by this Agreement (including the purchase by such Purchaser of the Notes) or the Registration Rights Agreement, except for (i) filings under the HSR Act required in connection with the conversion of the Notes (ii) filings under the Exchange Act and (iii) such consents, approvals, orders or authorizations the failure of which to be made or obtained individually or in the aggregate is not reasonably likely to (x) have a Material Adverse Effect on the Purchaser, (y) impair the ability of the Purchaser to perform its obligations under this Agreement (including the purchase by such Purchaser of the Notes) or the Registration Rights Agreement or (z) prevent or materially delay the consummation of the transactions contemplated by this Agreement (including the purchase by such Purchaser of the Notes) or the Registration Rights Agreement.

6.3 BROKERS. No broker, investment banker, financial advisor or other person, the fees, commissions and expenses of which will be paid by such Purchaser, is entitled to any broker's, finder's, financial advisor's or other similar fee or commission, or the reimbursement of expenses, in connection with the transactions contemplated by this Agreement and the Registration Rights Agreement, based upon arrangements made by or on behalf of the Purchaser.

6.4 SECURITIES ACT REPRESENTATION. Such Purchaser is an "accredited investor" as defined in Rule 501 promulgated under Regulation D under the Securities Act. Such Purchaser will acquire the Notes to be issued hereunder and all the Conversion Shares that may be issued upon conversion thereof for its own account for the purpose of investment and not with a view to a distribution or resale of any such securities in violation of any applicable Federal or state securities laws. Such Purchaser will not offer to sell, sell or otherwise dispose of any Notes or Conversion Shares in violation of applicable Federal or state securities laws.

6.5 PRESENT OWNERSHIP. Other than the Notes to be issued hereunder and the Conversion Shares issuable upon the conversion thereof, such Purchaser does not beneficially own (within the meaning of Rule 13d-3 under the Exchange Act, such term to have such meaning throughout this Agreement) any Voting Securities.

Article 7

INDEMNIFICATION

7.1 INDEMNIFICATION BY THE COMPANY. In addition to all other sums due hereunder or provided for in this Agreement, the Notes, the Registration Rights Agreement or the Fee Letter, the Company agrees to indemnify and hold harmless each Purchaser and its Affiliates and their respective officers, directors, members, agents, employees, subsidiaries, partners and controlling persons (each, an "INDEMNIFIED

PARTY") to the fullest extent permitted by law from and against any and all losses, claims, damages, expenses (including reasonable fees, disbursements and other charges of counsel) or other liabilities ("LIABILITIES") resulting from any breach of any covenant, agreement, representation or warranty of the Company in this Agreement or any legal, administrative or other actions (including actions brought by the Company or any equity holders of the Company or derivative actions brought by any Person claiming through the Company or in the Company's name), proceedings or investigations (whether formal or informal), or written threats thereof, arising out of any Indemnified Party's role in the transactions contemplated hereby or in the IXC Transaction; PROVIDED, HOWEVER, that the Company shall not be liable under this Section 7.1 (a) for any amount paid in settlement of claims without the Company's prior written consent (which consent shall not be unreasonably withheld) or (b) to the extent that it is finally judicially determined that such Liabilities resulted from the willful misconduct, bad faith or gross negligence of such Indemnified Party or any Affiliate thereof; PROVIDED, FURTHER, that if and to the extent that the Indemnified Party is entitled to such indemnification under this Section 7.1 but

such indemnification is unenforceable for any reason, the Company shall make the maximum contribution to the payment and satisfaction of such indemnified Liability which shall be permissible under applicable laws. In connection with the obligation of the Company to indemnify for expenses as set forth above, the Company further agrees to reimburse each Indemnified Party for all such expenses (including reasonable fees, disbursements and other charges of counsel) as they are incurred by such Indemnified Party; PROVIDED, HOWEVER, that if an Indemnified Party is reimbursed hereunder for any expenses, such reimbursement of expenses shall be refunded immediately to the extent it is finally judicially determined that the Liabilities in question (x) resulted from the willful misconduct, bad faith or gross negligence of such Indemnified Party or (y) was not properly the subject of indemnification under this Section 7.1.

7.2 NOTIFICATION. Each Indemnified Party under this Article 7 will, promptly after the receipt of notice of the commencement of any action or other proceeding against such Indemnified Party in respect of which indemnity may be sought from the Company under this Article 7, notify the Company in writing of the commencement thereof. The omission of any Indemnified Party so to notify the Company of any such action shall not relieve the Company from any liability which it may have to such Indemnified Party (i) other than pursuant to this Article 7 or (ii) under this Article 7 unless, and only to the extent that the Company is prejudiced thereby. In case any such action or other proceeding shall be brought against any Indemnified Party and it shall notify the Company of the commencement thereof, the Company shall be entitled to participate therein and, to the extent that it may wish, to assume the defense thereof, with counsel reasonably satisfactory to such Indemnified Party; PROVIDED, HOWEVER, that any Indemnified Party may, at its own expense, retain separate counsel to participate in such defense. Notwithstanding the foregoing, in any action or proceeding in which both the Company and an Indemnified Party is, or is

reasonably likely to become, a party, such Indemnified Party shall have the right to employ separate counsel at the Company's expense and to control its own defense of such action or proceeding if, in the reasonable written opinion of outside counsel to such Indemnified Party delivered to the Company, (a) there are or may be legal defenses available to such Indemnified Party or to other Indemnified Parties that are different from or additional to those available to the Company or (b) any conflict or potential conflict exists between the Company and such Indemnified Party that would make such separate representation advisable; PROVIDED, HOWEVER, that in no event shall the Company be required to pay fees and expenses under this Article 7 for more than one firm of attorneys in any jurisdiction in any one legal action or group of related legal actions. The Company agrees that the Company will not, without the prior written consent (such consent not to be unreasonably withheld) of the Indemnified Party, settle, compromise or consent to the entry of any judgment in any pending or threatened

claim, action or proceeding relating to the matters contemplated hereby (if any Indemnified Party is a party thereto or has been actually threatened to be made a party thereto) unless such settlement, compromise or consent includes an unconditional release of such Indemnified Party and each other Indemnified Party from all liability arising or that may arise out of such claim, action or proceeding. The rights accorded to Indemnified Parties hereunder shall be in addition to any rights that any Indemnified Party may have at common law, by separate agreement or otherwise.

7.3 REGISTRATION RIGHTS AGREEMENT. Notwithstanding anything to the contrary in this Article 7, the indemnification and contribution provisions of the Registration Rights Agreement shall govern any claim made with respect to any registration statement filed pursuant thereto or sales made thereunder.

Article 8

AFFIRMATIVE COVENANTS

8.1 FINANCIAL STATEMENTS. For so long as the Notes are outstanding, the Company shall deliver to each Holder:

(a) as soon as available, but not later than one hundred twenty (120) days after the end of each fiscal year of the Company, a copy of the audited consolidated balance sheet of the Company and its Subsidiaries as of the end of such year and the related consolidated statements of income and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous year, all in reasonable detail and accompanied by a management summary and analysis of the operations of the Company and its Subsidiaries for such fiscal year and by the opinion of PricewaterhouseCoopers LLP (or any successor thereto) or a nationally recognized independent public accounting firm which report shall state that such

consolidated financial statements present fairly the financial position for the periods indicated in conformity with GAAP applied on a basis consistent with prior years; PROVIDED that the delivery of a copy of the Company's Annual Report on Form 10-K shall satisfy the requirements of this Section 8.1(a);

(b) as soon as available and, in any event, within 45 days after the end of each of the first three fiscal quarters of each year commencing with the fiscal quarter ended September 30, 1999, the unaudited consolidated balance sheet of the Company and its Subsidiaries, and the related consolidated statements of income and cash flow for such quarter and for the period commencing on the first day of the fiscal year and ending on the last day of such quarter, all certified by an appropriate officer of the Company; PROVIDED that the delivery of a copy of the Company's Quarterly Report on Form

10-Q shall satisfy the requirements of this Section 8.1(b); and

(c) except as otherwise provided pursuant to Section 8.1(a) and (b), as long as the Company is subject to the Securities Act or the Exchange Act, as promptly as practicable after the same are filed, copies of all reports, statements and other documents filed with the SEC.

8.2 CERTIFICATES; OTHER INFORMATION. The Company shall furnish to each Holder of the Notes concurrently with the delivery of the financial statements referred to in Section 8.1(a) above, a certificate of the Company's Chief Financial Officer stating that, to the best of such officer's knowledge, there exists no Event of Default.

8.3 PRESERVATION OF CORPORATE EXISTENCE. Except in the events of a transaction permitted under Section 9.1 or a Change of Control, the Company shall do or cause to be done all things necessary to: (a) preserve and maintain in full force and effect its corporate existence and good standing under the laws of its jurisdiction of incorporation or organization; and (b) preserve and maintain in full force and effect all material rights, privileges, qualifications, licenses and franchises necessary in the normal conduct of its business, PROVIDED, HOWEVER, that the Company shall not be required to preserve any such right, privilege, qualification, license, or franchise if the Company Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and that the loss thereof is not disadvantageous in any material respect to the Holders.

8.4 PAYMENT OF TAXES. The Company shall, or shall cause its Subsidiaries to, pay or discharge before the same shall become delinquent, all taxes assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings.

8.5 COMPLIANCE WITH LAWS. The Company shall comply, and shall cause each Subsidiary to comply, in all material respects with (i) its articles or certificate of incorporation and by-laws or other organizational or governing documents, (ii) any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Entity, in each case applicable to or binding upon the Company or any of its property or to which the Company or any of its property is subject and (iii) the directions of any Governmental Entity having jurisdiction over it or its business, except any such failure to comply which would not have a Material Adverse Effect on the Company.

8.6 INSPECTION. The Company will permit, and will cause each of its Subsidiaries to permit, representatives of the Purchasers to examine its corporate, financial and operating records at such reasonable times during normal business hours as may be reasonably requested, upon reasonable advance notice to the Company.

8.7 NOTICES. Upon knowledge of the Chief Executive Officer, the President, any Executive Vice-President or the Chief Financial Officer of the Company of the events described below, the Company shall give prompt written notice (but in any event within 20 days) to each Holder of Notes:

(a) of the occurrence of any default under, or breach of, any of the provisions of the Notes;

(b) of any acceleration prior to stated maturity under the Senior Debt; and

(c) of any amendment (or proposed amendment) to the Merger Agreement of the type set forth in clause (y) of the first sentence of Section 12.1(a).

Each notice pursuant to this Section 8.7 shall be accompanied by a certificate of the Company setting forth details of the occurrence referred to therein and stating what action the Company proposes to take with respect thereto.

8.8 ISSUE TAXES. The Company shall pay, or cause to be paid, all documentary and similar taxes levied under the laws of the State of Ohio or the State of New York in connection with the issuance of the Notes and the execution and delivery of the other agreements and documents contemplated hereby.

8.9 RESERVATION OF SHARES. The Company shall at all times reserve and keep available out of its authorized Common Stock, solely for the purpose of issue upon conversion of outstanding Notes as provided herein and therein, such number of shares of Common Stock as shall then be issuable upon the conversion of outstanding

Notes. The Company shall issue the Common Stock into which the Notes are convertible upon the proper surrender of the Notes in accordance with the provisions herein and shall otherwise comply with the terms thereof.

8.10 COMPANY BOARD OF DIRECTORS REPRESENTATION.

(a) The Company shall, at or prior to the Closing Date, cause J. Taylor Crandall (who shall agree at such time to resign as a member of the Company Board of Directors if requested in accordance with the terms of this Agreement), the designee of OHCP AIV, an Affiliate of Oak Hill Capital (the "OAK HILL AFFILIATED ENTITY"), to be elected to the Company Board of Directors as a Class III director. So long as the Purchasers hold in the aggregate at least 662/3% of the Conversion Shares issued or issuable to the

Purchasers (determined as though all of the Notes originally issued or issuable to the Purchasers (including for purposes of this calculation, the Notes originally issued to Citibank, as assignee of the Ocean Purchasers, but excluding any Notes previously redeemed by the Company pursuant to Section 13.1) were converted into Common Stock) (the "MINIMUM AMOUNT"), the Oak Hill Affiliated Entity shall be entitled to designate one director to the Company Board of Directors. At such time as the Purchasers hold in the aggregate less than the Minimum Amount, the Oak Hill Affiliated Entity's right of designation will immediately terminate and, at the Company's request, the Oak Hill Affiliated Entity will cause to resign, and take all other actions necessary to cause the prompt removal of J. Taylor Crandall (or the then serving designee of the Oak Hill Affiliated Entity) from the Company Board of Directors. The Company shall cause such designee of the Oak Hill Affiliated Entity to be included in the slate of nominees recommended by the Board of Directors to the Company's shareholders for election as directors, and the Company shall use its reasonable best efforts to cause the election of such designee, including voting all shares for which the Company holds proxies (unless otherwise directed by the shareholder submitting such proxy) or is otherwise entitled to vote, in favor of the election of such person. In addition, if such designee of the Oak Hill Affiliated Entity is not elected to the Company Board of Directors by the Company's shareholders and the Oak Hill Affiliated Entity's right of designation has not terminated as provided in the third sentence of this Section 8.10(a), the Company, at the first meeting of the Company Board of Directors after the Company's shareholder meeting (which will be held as promptly as practicable), shall as promptly as practicable cause such designee of the Oak Hill Affiliated Entity to be elected to the Company Board of Directors on the terms set forth herein. Notwithstanding the foregoing, if the Oak Hill Affiliated Entity has not designated a person pursuant to this Section 8.10(a) and is then entitled to do so, the Oak Hill Affiliated Entity shall be entitled to receive all notices and materials distributed to the members of the Company Board of Directors, and to receive minutes of all such meetings upon preparation thereof. The designee of the Oak Hill Affiliated Entity to the Board of Directors pursuant to this Section 8.10(a) shall also serve on the compensation committee of the Company Board of Directors.

(b) In the event such designee of the Oak Hill Affiliated Entity shall cease to serve as a director for any reason, other than by reason of the Oak Hill Affiliated Entity not being entitled to designate a designee as provided in Section 8.10(a), the Company shall as promptly as practicable cause the vacancy resulting thereby to be filled by a designee of the Oak Hill Affiliated Entity (who shall agree at such time to resign as a member of the Company Board of Directors if requested in accordance with the terms of this Agreement) to serve on the terms set forth herein.

(c) So long as the Purchasers hold in the aggregate at least the Minimum Amount (the "CONSULTATION PERIOD"), Oak Hill Capital shall be entitled to appoint a representative (who shall agree to resign

as such representative if requested in accordance with the terms of this Agreement) (the "VISITOR") to attend meetings of the Company Board of Directors (but shall not have any right to vote on matters), to change the Visitor so appointed at any time and, upon the resignation of the Visitor for any reason, to reappoint a replacement Visitor. In addition, the Company shall provide the Visitor with a copy of any materials to be distributed or discussed at such meetings at the same time as provided to members of the Company Board of Directors; PROVIDED, HOWEVER, that at such time as the Purchasers hold in the aggregate less than the Minimum Amount, Oak Hill Capital's right to appoint a Visitor will immediately terminate and, at the Company's request, Oak Hill Capital will cause to resign, and take all other action necessary to cause the prompt removal of, the Visitor. The Visitor will, if requested by the Company, at the time of appointment execute a customary confidentiality agreement with the Company which will not be more restrictive than the Company's confidentiality policy applicable to directors of the Company.

(d) Each Oak Hill Designee shall be reasonably acceptable to the Company; PROVIDED, that at least one of the managing directors of Oak Hill Capital selected by Oak Hill Capital and one of the managing directors of Oak Hill Capital selected by the Oak Hill Affiliated Entity, as the case may be, shall be acceptable to the Company.

(e) During the Consultation Period, each Oak Hill Designee shall be entitled, from time to time, to make proposals, recommendations and suggestions to the Company relating to the business and affairs of the Company, not in violation of Section 8.11.

(f) During the Consultation Period, the Company shall permit each Oak Hill Designee at reasonable times and at the expense of Oak Hill Capital and the Oak Hill Affiliated Entity, to discuss the Company's business and affairs with its officers, directors and independent accountants.

(g) During the Consultation Period, the Company shall permit each Oak Hill Designee, at reasonable times and at the expense of Oak Hill Capital and the Oak Hill Affiliated Entity, to examine such books, records, documents and other written information in the possession of the Company relating to its affairs as they may reasonably request.

(h) During the Consultation Period, the Company shall permit each Oak Hill Designee, at reasonable times and at the expense of Oak Hill Capital and the Oak Hill Affiliated Entity, to visit and inspect the Company's properties.

(i) The special rights of access to information and to consultation set forth in subsections (e) - (h) hereof have been provided for the purpose of allowing the direct or indirect investments in the Company contemplated by this Agreement by the Oak Hill Affiliated Entity and by Oak Hill

Capital to qualify as "venture capital investments" under the Department of Labor's ERISA plan asset regulation and shall continue during the Consultation Period until such time as the Company Board of Directors asks each of the Oak Hill Affiliated Entity and Oak Hill Capital, as the case may be, to determine, and each of them, as applicable, does determine, each in its sole discretion, based on advice of counsel, that such special rights are no longer necessary or desirable to accomplish such purpose.

(j) In the event of a material breach of Section 8.11 of this Agreement by any Purchaser, at the request of the Company, Oak Hill Capital and the Oak Hill Affiliated Entity will cause to resign, and take all other action necessary to cause the prompt removal of, each Oak Hill Designee.

8.11 STANDSTILL. Until the later to occur of the close of business on (x) the fifth anniversary of the Closing and (y) the date that is one year after the date on which the Purchasers (including their Affiliates) no longer own any Notes or Conversion Shares (including the Notes originally issued to Citibank, as assignee of the Ocean Purchasers), each Purchaser and its Affiliates will not, alone or in concert with others (and each Purchaser and its Affiliates will not advise, assist or encourage others to), directly or indirectly, unless specifically permitted in writing in advance by the Company: (i) by purchase or otherwise, acquire, or agree to acquire, beneficial ownership of any securities of the Company having the ordinary power to vote in the election of directors of the Company ("VOTING SECURITIES") or direct or indirect rights or options to acquire such beneficial ownership if, as a result of such acquisition, the Purchasers and their respective Affiliates would beneficially own Voting Securities representing in excess of 1.0% of the total voting power of all then outstanding Voting Securities (such percentage limitation being the "PERCENTAGE LIMITATION"); PROVIDED that the foregoing shall not prohibit (and such percentage shall not include) beneficial ownership of Voting Securities (w) issued in connection with the IXC Transaction with respect to the 50,000 shares of common stock of IXC owned by the Purchasers on the

date hereof, (x) issued upon conversion of the Notes, (y) received or receivable under the terms of the Notes or (z) issued as dividends or distributions on the Conversion Shares; PROVIDED, FURTHER, that in the event any Purchaser transfers (in accordance with Section 8.13) any Notes or any Conversion Shares or any Notes are redeemed by the Company, the foregoing shall not prohibit any Purchaser or an Affiliate of such Purchaser from acquiring Voting Securities so long as the aggregate number of Voting Securities acquired does not exceed the aggregate number of Voting Securities transferred by any such Purchaser or Affiliate of such Purchaser or redeemed by the Company, as the case may be; (ii) make, or in any way participate in, any "solicitation" of "proxies" (as defined in Regulation 14A under the Exchange Act) relating to any shares of Voting Securities; (iii) call, or in any way consent to or participate in a call for, any special meeting of shareholders of the Company; (iv) request, or take any

action to obtain or retain, any list of holders of Voting Securities; (v) initiate, propose or participate in the making of any shareholder proposal relating to the Company; (vi) deposit any shares of Voting Securities in a voting trust or subject any shares of Voting Securities to any voting agreement or arrangement (including any grant of an irrevocable proxy); (vii) form, join or in any way participate in a partnership, limited partnership, limited liability company, syndicate or other group (including a "group" as defined in Section 13(d) under the Exchange Act) with respect to, or for the purpose of acquiring, holding or disposing of, any shares of Voting Securities, or any securities the ownership of which would make the owner thereof a beneficial owner of shares of Voting Securities; (viii) make any offer or proposal with respect to the acquisition, directly or indirectly, of the Company or any of its securities or assets or with respect to any business combination or similar transaction with, change in control of, or restructuring, recapitalization or other extraordinary transaction involving the Company or any of its assets, PROVIDED, that this clause (viii) shall not limit the right of the Purchasers to acquire shares of Voting Securities in a manner that does not violate the Percentage Limitation; (ix) except as otherwise provided in Section 8.10 hereof, seek representation on, the removal of any members of, or a change in the composition or size of, the Company Board of Directors; (x) disclose any intent, purpose, plan or proposal with respect to the Company, the Company Board of Directors, management, policies or affairs or any of its securities or assets or these provisions that is inconsistent with these provisions, including any intent, purpose, plan or proposal that is conditioned on, or would require waiver, amendment, nullification or invalidation of, any of these provisions; (xi) take any action that could require the Company to make any public disclosure relating to any such intent, purpose, plan, proposal or condition; (xii) request the Company Board of Directors to waive, amend or consent to any action prohibited by these provisions; (xiii) assist, advise or encourage any person with respect to, or seeking to do, any of the foregoing. Notwithstanding anything to the contrary contained herein, nothing contained in this Section 8.11 shall affect or impair the right of any director of the Company to (x) act as a member of the Company Board of Directors or any committee

thereof or (y) take any action necessary or advisable to carry out his obligations and duties as a director of the Company.

8.12 VOTING. The Purchasers will take all such action as may be required such that (i) all Voting Securities beneficially owned by the Purchasers and any person controlled by any of the Purchasers will be present for quorum purposes, in person or represented by proxy, at every meeting of the Company's shareholders and (ii) so long as the Company has made the nomination, if any, required under Section 8.10(a) hereof, all Voting Securities beneficially owned by the Purchasers and any person controlled by any of the Purchasers is voted at every meeting of the Company's shareholders (or, if applicable, written consent is given) in favor of the nominees to the Company Board of Directors presented by the Company Board of Directors.

8.13 TRANSFER.

(a) The Purchasers shall not transfer the Notes until the consummation of the IXC Transaction, except for transfers (i) from one Purchaser to another Purchaser or to an Affiliate of a Purchaser, (ii) transfer of $325 million of original issue price in connection with the Citibank Transaction, (iii) in connection with a Change of Control or (iv) to the Company pursuant to Section 12.1.

(b) Until the earlier to occur of the close of business on (x) the fifth anniversary of the Closing and (y) the date on which the Purchasers (including their respective Affiliates) beneficially own less than 50% of the Conversion Shares issued or issuable to the Purchasers (determined as though all of the Notes originally issued to the Purchasers (including for purposes of this calculation, the Notes originally issued to Citibank, as assignee of the Ocean Purchasers, but excluding any Notes previously redeemed by the Company pursuant to Section 13.1) were converted into Common Stock), the Purchasers will not, at any time, directly or indirectly, sell or transfer, any Notes or Voting Securities beneficially owned by them without the prior written consent of the Company; PROVIDED that the Purchasers may without the consent of the Company sell or transfer Notes or Voting Securities (i) to any person who would beneficially own immediately after any such sale or transfer less than 5% of the outstanding Voting Securities on a fully diluted basis (after giving effect to the conversion of the Notes), (ii) to any person who would beneficially own immediately after any such sale or transfer 5% or more of the outstanding Voting Securities on a fully diluted basis (after giving effect to the conversion of the Notes); PROVIDED that prior to any such sale or transfer the Purchaser follows the procedure set forth in Section 8.13(c), (iii) in a registered broad distribution public offering (including pursuant to the Registration Rights Agreement), (iv) to the Company, (v) to another Purchaser or to an Affiliate of a Purchaser or (vi) in a tender offer for Voting Securities pursuant to a Schedule 14D-1 (under the Exchange Act) on file with the SEC and not in violation of Section 8.11. Any pledgee of Notes or Conversion Shares

issued to the Purchasers foreclosing on a pledge in connection with a bona fide financing transaction by the Purchasers may transfer such Notes and Conversion Shares without restrictions, except those set forth in Section 8.13(a). Any party to, or holder of any Note subject to, a forward sale agreement with Oak Hill Capital or its Affiliates in connection with the Citibank Transaction may transfer, without restrictions, any Notes owned by such party or interests therein and, following consummation of the IXC Transaction, any Conversion Shares owned by such party.

(c) If any Purchaser (a "SELLING PURCHASER") intends to transfer all or any portion of its Notes or Voting Securities to any

Person pursuant to clause (ii) of the first proviso in Section 8.13(b), such Selling Purchaser shall send a written notice (the "PRE-OFFERING NOTICE") to the Company stating such intent. For a period not less than 30 days and not more than 90 days after the delivery of the Pre-Offering Notice, such Selling Purchaser may send written notice (the "OFFERING NOTICE") to the Company, which shall state (a) the number of Notes or Voting Securities to be transferred (the "OFFERED SECURITIES"), (b) the identity of and proposed purchase price per share or Note (the "OFFER PRICE") to be paid by a Person (a "THIRD PARTY OFFEROR"), and (c) all other material terms of the proposed offer (a "THIRD PARTY OFFER"). Following receipt of the Offering Notice, the Company shall have three days (the "COMPANY OPTION PERIOD") within which to elect to purchase all but not less than all the Offered Securities specified therein, at the price and on the same terms specified therein. If the Company chooses not to purchase all of the Offered Securities, or fails to respond within such Company Option Period, the Selling Purchaser may sell the Offered Securities to the Third Party Offeror at the Offer Price and on the terms set forth in the Offering Notice. If the Company elects within such Company Option Period to purchase all the Offered Shares, then the closing of the purchase of Offered Securities subscribed to by the Company shall be held at the principal office of the Company within 30 days after the Company elects in writing to purchase the Offered Shares or at such other time and place as the parties to the transaction may agree. At such closing, the Selling Purchaser shall deliver certificates representing the Offered Securities, and the Company shall pay the Offer Price specified in the Offering Notice. At such closing, the parties to the transaction shall execute such additional documents as are otherwise necessary or appropriate.

(d) Any transfer of the Notes or Voting Securities of the Company in violation of this Section 8.13 shall be null and void and will be suspended on the books of the Company.

8.14 INVESTMENT PROPOSAL/COMPETING PROPOSAL.

(a) The Company shall not, nor shall the Company permit any of its Subsidiaries or Affiliates, or any of its or their officers, directors, employees, advisors, representatives or agents to, directly or indirectly, solicit, initiate

or encourage the submission of an Investment Proposal, enter into any agreement with respect to any Investment Proposal, or initiate or participate in any discussions or negotiations regarding, or furnish to any person any information or assistance with respect to, or take any other action to facilitate any inquiries or the making of any proposal that constitutes, or can reasonably be expected to lead to, an Investment Proposal. For purposes of this Agreement, "INVESTMENT PROPOSAL" means any proposal or offer (other than a proposal or offer by the Purchasers or Oak Hill Capital) to provide financing to the Company through the subscription or purchase of common stock, preferred stock or debt (other than pursuant to a new senior credit facility and other Senior Debt) if

such financing is in connection with or in any way related to the IXC Transaction. If the Company receives any Investment Proposal, the Company will advise Oak Hill Capital immediately of the terms of the Investment Proposal and, if the Investment Proposal is in writing, the Company will furnish Oak Hill Capital a true and complete copy thereof.

(b) Oak Hill Capital shall not, nor shall Oak Hill Capital permit any of its Subsidiaries or Affiliates, or any of its or their officers, directors, employees, advisors, representatives or agents to, directly or indirectly, solicit, initiate or encourage the submission of a Competing Proposal, enter into any agreement with respect to any Competing Proposal or initiate or participate in any discussions or negotiations regarding, or furnish to any person any information or assistance with respect to, or take any other action to facilitate any inquiries or the making of any proposal that constitutes, or can reasonably be expected to lead to, a Competing Proposal. For purposes of this Agreement, a "COMPETING PROPOSAL" means any proposal, offer or transaction involving IXC, its capital stock, assets or that of its Subsidiaries other than (x) the IXC Transaction and (y) any such proposal, offer or transaction solely between IXC and Oak Hill Capital or any of its Affiliates and not involving any other party.

8.15 RATING. At the request of the Purchasers, as soon as reasonably practicable following the Closing and in any event prior to the consummation of the IXC Transaction, the Company shall make presentations as necessary to Standard and Poor's Rating Group and Moody's Investor Service, Inc. in connection with a request for the Notes to be rated; PROVIDED, that the Company shall not request that such ratings be published except at the request of the Purchasers.

8.16 INDENTURE.

(a) EXECUTION AND DELIVERY OF INDENTURE. Prior to the consummation of the IXC Transaction, the Company, at its expense, will, execute and deliver to a bank or trust company having a combined capital and surplus in excess of $500,000,000 that shall be designated by the Company as trustee and shall be reasonably acceptable to the Holders of the Notes, an indenture (the "INDENTURE"),

providing for the issuance thereunder of notes ("INDENTURE NOTES") in an aggregate principal amount at maturity equal to the aggregate Full Accreted Value of the Notes (plus, if appropriate, the aggregate full accreted value of the Tranche B Notes) and having substantially all the rights, benefits and privileges carried by the Notes. The Company and the Holders of at least 51% of the aggregate Accreted Value of the Notes outstanding shall cooperate to have the Indenture and the Indenture Notes to be issued thereunder embody the substance of all covenants, provisions and terms, including subordination provisions, contained in this Agreement and in the Notes, and the Indenture and

the Indenture Notes shall, so far as appropriate, contain such other terms as are reasonable and customary in corporate indentures and notes for securities similar to the Notes, or required by the Trust Indenture Act of 1939, as amended, as the case may be, and shall otherwise, subject to the foregoing, be reasonably satisfactory in substance and form to the Holders of at least 51% of the aggregate Accreted Value of the Notes outstanding. The Indenture and all Indenture Notes delivered thereunder shall, in the opinion of counsel to the Company reasonably satisfactory to such Holders, be duly authorized, executed and delivered by or on behalf of the Company and be valid and binding obligations of the Company enforceable in accordance with their terms.

(b) EXCHANGE OF NOTES FOR INDENTURE NOTES. Upon the execution and delivery of the Indenture, each Note shall be deemed to be amended to contain the terms of the Indenture Notes. Within five days of such execution and delivery the Company, at its expense, will give written notice thereof to each Holder of the Notes at the time outstanding and, at any time or from time to time thereafter, upon surrender of any Notes to the Company in exchange therefor, the Company will issue and deliver Indenture Notes in not less than the same aggregate Accreted Value (and having an aggregate principal amount at maturity equal to the Full Accreted Value) as the Notes surrendered, in fully registered form and in such denominations (not less than $1,000 in original issue price) as any Holder may request and bearing interest from the date to which interest shall have been paid on the Note or Notes so surrendered. The Company will pay all expenses in connection with the indenturization and issuance of the Indenture Notes.

8.17 ISSUANCE OF TRANCHE B NOTES. In the Company's sole discretion, it may issue up to $200 million original principal amount of a second tranche of subordinated convertible notes (the "TRANCHE B NOTES"). The Tranche B Notes, if issued, will be issued under the Indenture and will be identical to the Notes in all respects except for (i) the issuance date (and related differences arising from the change of original issue date) and (ii) those provisions of the Notes which are no longer relevant after the consummation of the Merger. The Tranche B Notes, if issued, will be issued simultaneously with the consummation of the Merger.

8.18 CHANGE OF CONTROL.

(a) CASH TRANSACTION. If, on or prior to July 21, 2004, a Change of Control occurs in which all or a portion of the consideration received by the Company's shareholders is in cash then, notwithstanding any other provision of this Agreement or the Notes, a Holder of a Note may elect to receive in connection with the Change of Control Payment pursuant to Section 8.18(b) an amount equal to the product of (x) the Cash Percentage and (y) the difference between the Full Accreted Value of such Note and the Accreted Value of such Note on the date such Change of Control occurs

(the "Full Cash Payment"); PROVIDED, HOWEVER, that if the Holder of a Note elects not to have the Company purchase all or any portion of its Note pursuant to Section 8.18(b), such Holder shall not be entitled to the Full Cash Payment. The "CASH PERCENTAGE" means the ratio (expressed as a percentage) of cash received by the Company's shareholders in a Change of Control described in the first sentence of this Section 8.18(a) to the Fair Market Value of all consideration (including, without limitation, such cash portion) received by the Company's shareholders in such Change of Control. The Fair Market Value shall be determined in accordance with Section 8.18(c).

(b) CHANGE OF CONTROL PUT. Upon the occurrence of a Change of Control (whether the consideration is cash, securities or other property, or a combination thereof), the Company shall offer, and each Holder of the Notes shall have the right to require the Company, to repurchase all, or a portion (equal to the Cash Percentage multiplied by the Accreted Value) of such Holder's Notes at a cash price (the "CHANGE OF CONTROL PAYMENT") equal to the greater of (i) the sum of 101% of the Accreted Value of the Notes to be repurchased and the Full Cash Payment (the "ACCELERATED AMOUNT"), and (ii) the Fair Market Value (as determined in Section 8.18(c)) of the consideration (whether such consideration is cash, securities or other property, or a combination thereof) that such Holder would have received had it converted its Notes to be repurchased at the Accelerated Amount into shares of Common Stock immediately prior to such Change of Control, in each case plus any accrued and unpaid cash interest thereon to the date of repurchase.

(i) Within 30 days following any Change of Control, the Company shall mail a notice to the Holders of the Notes, at the Holders' addresses as they appear on the transfer books of the Company, stating:

(A) that an offer is being made pursuant to this Section 8.18(b) and that all Notes tendered and not withdrawn will be accepted for payment;

(B) the circumstances and relevant facts regarding such Change of Control (including information with respect to

PRO FORMA historical income, cash flow and capitalization, each after giving effect to such Change of Control);

(C) the purchase price and the purchase date (which shall be a Business Day), which shall be not later than 60 days from the date such notice is mailed (the "CHANGE OF CONTROL PAYMENT DATE");

(D) that any Notes not tendered will continue to accrue Accreted Value and interest pursuant to their terms; PROVIDED, that the

Full Cash Payment provided in Section 8.18(a) shall not be made;

(E) that, unless the Company defaults in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the repurchase offer made pursuant to this Section 8.18(b) (the "CHANGE OF CONTROL OFFER") shall cease to accrue Accreted Value and interest on and after the Change of Control Payment Date; and

(F) the procedures that Holders must follow to accept the Change of Control Offer.

(ii) The Company shall have the Change of Control Offer remain open for at least 20 Business Days or for such longer period as is required by law.

(iii) On the Change of Control Payment Date, the Company shall:

(A) accept for payment all Notes or portions thereof validly tendered and not withdrawn pursuant to the Change of Control Offer;

(B) pay to each Holder of Notes so accepted the Change of Control Payment in accordance with the terms of this Section in cash in immediately available funds.

(iv) If any of the Notes are partially tendered to the extent permitted under Section 8.18(b), the Company shall execute, issue and mail to such Holder, a new Note with a full Accreted Value equal to that of any unpurchased portion of the Notes surrendered.

(c) FAIR MARKET VALUE. The Fair Market Value of the cash, securities and other property received in a Change of Control by the Company's shareholders shall be determined in good faith by the Company Board of Directors and the value of any securities shall be determined by reference to the Market Price of such Securities. The Fair Market Value determined by the Company Board of Directors shall be conclusive and binding unless the Holders of at least 51% of the aggregate Accreted Value of the Notes outstanding request that the Company obtain an opinion of an independent nationally recognized investment banking firm mutually acceptable to the Company and such Holders (the expense of which is to be borne equally by the Company on the one hand and such Holders on the other), in which event the Fair Market Value of such cash, securities and other property shall be determined by such investment banking firm.

(d) CONVERSION ON CHANGE OF CONTROL. Any Notes not tendered pursuant to Section 8.18(b) will (i) continue to accrue Accreted Value and interest pursuant to their terms; PROVIDED that the Full Cash Payment

for such Notes shall not be made and (ii) thereafter be convertible in the manner provided in Section 14.7.

(e) CHANGE OF CONTROL PAYMENT ASSURANCE. Immediately prior to the occurrence of any Change of Control, the Company shall at its option either (i) deposit with the trustee for the benefit of the Holders of the Notes or, if there is no trustee, the Company shall segregate and hold in trust for the benefit of the Holders of the Notes, an amount in cash sufficient to fully satisfy the Company's payment obligations under Section 8.18(b) with respect to such Change of Control or (ii) cause the payment obligations of the Company under Section 8.18(b) with respect to such Change of Control to be assumed by the entity or entities issuing or paying, as the case may be, the stock, other securities or other property or assets (including cash) issued or paid with respect to or in exchange for the Common Stock in connection with such Change of Control.

8.19 REGISTRATION OF NOTES. The Company shall keep at its principal executive office a register for the registration and registration of transfers of Notes (the "NOTE REGISTER"). The name and address of each Holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner and Holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any Holder of at least 5% of the aggregate original issue price of Notes promptly upon request therefor, a complete and correct copy of the names and addresses of all registered Holders of Notes.

8.20 DIVIDENDS OR DISTRIBUTIONS PAID INTO ESCROW. In addition to the interest on the Notes described in Section 2 of the Note, in the event that the Company shall declare a dividend or make any other distribution (including, without limitation, in cash, in capital stock (which shall include, without limitation, any options, warrants or other rights to acquire capital stock) of the Company, a redemption pursuant to, or a triggering event under, a shareholder rights plan, "poison pill" or similar arrangement, or in other property or assets and including a Regular Dividend) to holders of Common Stock, then, at the option of Holders of the Notes (which shall be dictated by at least 51% of the aggregate Accreted Value of the Notes outstanding), (i) the Company Board of Directors shall declare, and the Holder of each Note shall be entitled to have paid into an escrow account, as set forth below, a distribution in an amount equal to the amount of such dividend or distribution received by a holder of the number of shares of Common Stock for which such Note is convertible on the record date for such dividend or distribution at the Designated Value as of such date or (ii) except in the case of Regular Dividends, the Conversion Price of the Notes

shall be adjusted pursuant to Section 14.3 hereof. Promptly after the Company's declaration of a dividend or making of any other distribution (but not later than 10 Business Days thereafter), the Company shall deliver a notice to the Holders of the Notes of such dividend or distribution. Within 10 Business Days of such notice, the Holders of Notes shall notify the Company of its election under this Section 8.20 which shall be evidenced by a written resolution by at least 51% of the aggregate Accreted Value of the Notes outstanding. If the Holders of the Notes elect to receive such dividends or distributions in the manner set forth in clause (i) above, the Company shall pay all such distributions to a mutually agreeable third party escrow agent to be held in an escrow account pursuant to mutually agreed escrow arrangements (which will provide, among other things, that the distributees of the escrowed amounts will be entitled to the interest earned thereon) for the benefit of the Holders of the Notes until the earlier of (i) such time as such Notes are converted into Common Stock and (ii) the redemption of Notes under Section 8.18. In the event of a repurchase of Notes under Section 8.18(b), the portion of the escrow relating to the Notes repurchased shall be distributed to the Holders of such Notes at the time of such repurchase. In the event of any such Change of Control, the Cash Percentage of each such distribution held in such escrow account shall be distributed to the Holders of the Notes upon such Change of Control. The fees of the escrow agreement will be borne equally by the Company, on the one hand, and the Holders, on the other.

8.21 [INTENTIONALLY OMITTED.]

8.22 MAINTENANCE OF PROPERTIES. The Company shall maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted, except for such failures to maintain and preserve which would not have a Material Adverse Effect on the Company.

8.23 HSR ACT; STOCK EXCHANGE LISTINGS. Following a filing by the Purchasers, the Company will as promptly as practicable file with the Federal Trade Commission (the "FTC") and the Antitrust Division of the United States Department of Justice (the "ANTITRUST DIVISION") a premerger notification and report form in accordance with the HSR Act, with respect to the conversion of the Notes into shares of Common Stock, and the Company and the Purchasers will use their respective reasonable best efforts to obtain, as promptly as practicable, any clearance required under the HSR Act with respect thereto, it being understood that neither the Company nor the Purchasers shall be required to divest, alter the conduct of, limit or restrict its ownership of or to hold separate, any shares of Common Stock or any other businesses or assets or to amend the terms of this Agreement or any other agreement between the Company and the Purchasers. Each of the Company and the Purchasers agrees to promptly furnish the FTC and the Antitrust Division with any additional information

requested by either of them in connection with this Agreement and the transactions contemplated hereby. The Company will use its reasonable best efforts to obtain, as promptly as practicable, the approval for listing of the shares of Common Stock into which the Notes are convertible on the NYSE and the Cincinnati Stock Exchange.

Article 9

NEGATIVE COVENANTS

9.1 MERGERS. (a) Upon the consummation of any consolidation or merger in which the Company is not the surviving party, the Person formed by such consolidation or into which the Company is merged or which acquires by conveyance, lease or transfer the properties and assets of the Company substantially as an entirety, or to which obligations of, and position as, the Company hereunder are transferred and assigned shall expressly assume, by a supplement hereto, executed and delivered to the Holders of the Notes, due and punctual payment of the principal amount, Accreted Value of, premium, if any, and interest on all of the Notes and the performance of every covenant of this Agreement and in the Notes on the part of the Company to be performed or observed.

(b) The Company will not merge or consolidate with any other Person if at the time of such merger or consolidation such other Person has received a notice of payment default under a material indenture or any other material indebtedness of such entity that has not been cured within the period specified therein.

9.2 FORBEARANCE FROM RESTRICTIONS ON RIGHTS OF HOLDERS OF NOTES. The Company will not enter into any agreement or instrument or otherwise agree to any covenant that would in any way limit the right of the Holders of the Notes to convert the Notes into Common Stock.

9.3 SENIOR DEBT DOCUMENTS. Until such time as no amount could be due or payable pursuant to Section 12.1 hereof, the Company will not enter into any Senior Debt Document that would, or amend the terms of any existing Senior Debt Document in a manner that would, prohibit any payment pursuant to Section 12.1.

Article 10

DEFAULTS AND REMEDIES

10.1 EVENTS OF DEFAULT. An "EVENT OF DEFAULT" shall occur (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment,

decree or order of any court or any order, rule or regulation of any administrative or governmental body) if:

(a) default in the payment of the principal or Full Accreted Value of and premium, if any, on any Notes, when and as the same shall become due and payable, whether at maturity or at a date fixed for prepayment or by acceleration or otherwise, whether or not such payment is prohibited by the provisions of Article 11; or

(b) default in the payment of any installment of cash interest on any Note according to the terms thereof, when and as the same shall become due and payable and such default shall continue for a period of 20 days, whether or not such payment is prohibited by the provisions of Article 11; or

(c) the Company or any of its Subsidiaries, as the case may be, shall default in the due observance or performance of any other covenant, condition or agreement on the part of the Company or any of its Subsidiaries to be observed or performed pursuant to the terms of this Agreement, and such default shall continue for 50 days after written notice thereof, by registered or certified mail, which shall have been given to the Company by the Holders of at least 25% of the aggregate Accreted Value of the Notes outstanding specifying such default and requiring it to be remedied and stating that such notice is a "NOTICE OF DEFAULT" hereunder; or

(d) [Intentionally Omitted]

(e) any default in the observance or performance of any agreement or condition relating to Senior Debt in an amount in excess of $250,000,000 or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition has resulted in the acceleration of such Senior Debt prior to its stated maturity; or

(f) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (a) relief in respect of the Company or any of its Significant Subsidiaries, or of a substantial part of their property or assets, under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal or state bankruptcy, insolvency, receivership or similar law, (b) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Company or any of its Significant Subsidiaries, or for a substantial part of their property or assets, or (c) the winding up or liquidation of the Company or any of its Significant Subsidiaries; and such proceeding or petition shall continue undismissed for 60 days, or an order or decree approving or ordering any of the foregoing shall be entered; or

(g) the Company or any Significant Subsidiary thereof shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal or state bankruptcy, insolvency, receivership or similar law, (ii) consent to the institution of or the entry of an order for relief against it, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in paragraph (f) of this Section 10.1, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Company or any of its Significant Subsidiaries, or for a substantial part of their property or assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) become unable, admit in writing its inability or fail generally to pay its debts as they become due or (vii) take any corporate action for the purpose of effecting any of the foregoing.

10.2 ACCELERATION. If an Event of Default occurs under clauses (f) or (g) of Section 10.1, then the Accreted Value of, premium, if any, on and all accrued interest on the Notes and all other amounts owing under this Agreement and the Notes shall automatically become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which are expressly waived. If any other Event of Default (other than an Event of Default specified under clauses (f) or (g) of Section 10.1) occurs and is continuing, the Holders of 25% of the aggregate Accreted Value of the Notes outstanding, by written notice to the Company, may declare the Accreted Value of, premium, if any, on and accrued interest on the Notes and all other amounts owing under this Agreement to be due and payable immediately. Upon such declaration, such Accreted Value, premium and interest and other amounts shall become immediately due and payable. The Holders of a majority of the aggregate Accreted Value of the Notes outstanding may rescind and annul an acceleration and its consequences if all existing Events of Default have been cured or waived, except nonpayment of Accreted Value, premium or interest or other amounts that have become due solely because of the acceleration, and if the rescission would not conflict with any

judgment or decree. Any notice or rescission shall be given in the manner specified in Section 15.2 hereof.

Article 11

SUBORDINATION

11.1 NOTES SUBORDINATE TO SENIOR DEBT. The Company covenants and agrees, and each Holder of a Note, by its acceptance thereof, likewise covenants and agrees, that, to the extent and in the manner hereinafter set forth in this Article, the indebtedness represented by the Notes and the

payment of the principal, Accreted Value of (and premium, if any) and interest on each and all of the Notes and any payment of the Mandatory Redemption Price or Change of Control Payment are hereby expressly made subordinate and subject in right of payment to the prior payment in full of all Senior Debt.

11.2 PAYMENT OVER OF PROCEEDS UPON DISSOLUTION, ETC. In the event of (a) any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, relating to the Company or to its assets, or (b) any payment or distribution of the assets of the Company to creditors upon a total or partial liquidation, dissolution or other winding up of the Company, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy, or (c) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of the Company, then and in any such event the holders of Senior Debt shall be entitled to receive payment in full in cash or other payment satisfactory to the holders of Senior Debt (in their sole discretion) of all amounts due or to become due on or in respect of all Senior Debt before the Holders of the Notes are entitled to receive any payment on account of principal or Accreted Value of (or premium, if any) or interest on the Notes or on account of the purchase, redemption or other retirement of Notes (including any payment of the Mandatory Redemption Price or Change of Control Payment), and to that end the holders of Senior Debt shall be entitled to receive, for application to the payment thereof, any payment or distribution of any kind or character, whether in cash, property or securities, which may be payable or deliverable in respect of the Notes in any such case, proceeding, receivership, dissolution, liquidation, reorganization or other winding up or event.

In the event that, notwithstanding the foregoing provisions of this Section 11.2, the Holder of any Note shall have received any payment or distribution of assets of the Company of any kind or character, whether in cash, securities or other property, before all Senior Debt is paid in full, then such payment or distribution shall be paid over or delivered forthwith to the trustee in bankruptcy, receiver, liquidating

trustee, custodian, assignee, agent or other Person making payment or distribution of assets of the Company for application to the payment of all Senior Debt remaining unpaid, to the extent necessary to pay all Senior Debt in full, after giving effect to any concurrent payment or distribution to or for the holders of Senior Debt.

For purposes of this Article only, the words "cash, securities or other property" shall not be deemed to include shares of stock of the Company as reorganized or readjusted, or securities of the Company or any other corporation provided for by a plan of reorganization or readjustment which shares of stock are subordinated in right of payment to all then outstanding Senior Debt at least to the same extent as the Notes are so subordinated as provided in this Article. The consolidation of the Company with, or the merger

of the Company into, another Person or the liquidation or dissolution of the Company following the conveyance or transfer of its properties and assets substantially as an entirety to another Person upon the terms and conditions set forth in Section 9.1 shall not be deemed a dissolution, winding up, liquidation, reorganization, assignment for the benefit of creditors or marshalling of assets and liabilities of the Company for the purposes of this Section if the Person formed by such consolidation or into which the Company is merged or which acquires by conveyance or transfer such properties and assets substantially as an entirety, as the case may be, shall, as a part of such consolidation, merger, conveyance or transfer, comply with the conditions set forth in Section 9.1.

11.3 PRIOR PAYMENT TO SENIOR DEBT UPON ACCELERATION OF SECURITIES. In the event that any Notes are declared due and payable before their Stated Maturity pursuant to Section 10.1, then and in such event the holders of the Senior Debt outstanding at the time such Notes so become due and payable shall be entitled to receive payment in full of all amounts due or to become due as a result of such acceleration of the Notes on or in respect of all Senior Debt before the Holders of the Notes are entitled to receive any payment by the Company on account of the principal or Accreted Value of (or premium, if any) or interest on the securities or on account of the purchase, redemption or other retirement of Notes (including any payment of the Mandatory Redemption Price or Change of Control Payment).

The provisions of this Section shall not apply to any payment with respect to which Section 11.2 would be applicable.

11.4 PAYMENT TO HOLDERS

No payments shall be made with respect to the principal or Accreted Value of, or premium, if any, or interest on the Notes by the Company (including, but not limited to, the Mandatory Redemption Price and the Change of Control Payment), except payments and distributions made as permitted by Section 11.5, if:

(i) a default in the payment of principal, premium, interest, or rent or other obligations due on any Senior Debt of the Company has occurred and is continuing Senior Debt (including upon acceleration of such Senior Debt) or a default in payment of any other obligation with respect to the Senior Debt continues beyond the period of grace, if any, specified in the instrument or lease evidencing such Senior Debt, unless and until such default shall have been cured or waived or shall have ceased to exist; or

(ii) a default (other than a default described in clause (i) of this Section 11.4) on Designated Senior Debt occurs and is continuing that permits holders of such Designated Senior Debt to accelerate its maturity and the Holders (or their

trustee, if any) receives a notice of the default (a "PAYMENT BLOCKAGE NOTICE") from a representative of Designated Senior Debt or the Company.

If the Holders (or their trustee, if any) receives any Payment Blockage Notice pursuant to clause (ii) above, no subsequent Payment Blockage Notice shall be effective for purposes of this Section 11.4 unless and until at least 360 days shall have elapsed since the initial effectiveness of the immediately prior Payment Blockage Notice. No default that existed or was continuing on the date of delivery of any Payment Blockage Notice to the Holders (or their trustee, if any) (unless such default was waived, cured or otherwise ceased to exist and thereafter subsequently reoccurred) shall be, or be made, the basis for a subsequent Payment Blockage Notice.

The Company may and shall resume payments on and distributions in respect of the Notes upon the earlier of:

(1) in the case of a default described in clause (i) of this Section 11.4, the date upon which the default is cured or waived or ceased to exist, or

(2) in the case of a default referred to in clause (ii) of this Section 11.4 above, the earlier of the date on which such default is cured or waived or ceases to exist or 179 days after the date on which the applicable Payment Blockage Notice is received if the maturity of such Senior Debt has not been accelerated, unless this Article 11 otherwise prohibits the payment or distribution at the time of such payment or distribution.

11.5 PAYMENT PERMITTED IF NO DEFAULT. Nothing contained in this Article or elsewhere in this Agreement or in any of the Notes shall prevent (a) the Company, at any time except during the pendency of any case, proceeding, dissolution, liquidation or other winding up, assignment for the benefit of creditors or other marshalling of assets and liabilities of the Company referred to in Section 11.2 or

under the conditions described in Section 11.3 or 11.4, from making payments at any time of principal or Accreted Value of (and premium, if any) or interest on the Notes, the Change of Control Payment or the Mandatory Redemption Price, or (b) the application by a trustee for the Holders (if any) of any money deposited with it hereunder to the payment of or on account of the principal or Accreted Value of (and premium, if any) or interest on the Notes, Change of Control Payment or Mandatory Redemption Price or the retention of such payment by the Holders if, at the time of such application by the trustee or retention, as applicable, a Responsible Officer of the trustee did not have actual knowledge that such payment would have been prohibited by the provisions of this Article.

11.6 SUBROGATION TO RIGHTS OF HOLDERS OF SENIOR DEBT. After the payment in full of all Senior Debt, the Holders of the Notes shall be subrogated to the extent of the payments or distributions made to the holders of such Senior Debt pursuant to the provisions of this Article to the rights of the holders of such Senior Debt to receive payments and distributions of cash, property and securities applicable to the Senior Debt until the principal or Accreted Value of (and premium, if any) and interest on the Notes, Change of Control Payment or Mandatory Redemption Price shall be paid in full. For purposes of such subrogation, no payments or distributions to the holders of the Senior Debt of any cash, property or securities to which the Holders of the Notes would be entitled except for the provisions of this Article, and no payments over pursuant to the provisions of this Article to the holders of Senior Debt by Holders of the Notes, shall, as among the Company, its creditors other than holders of Senior Debt and the Holders of the Notes, be deemed to be a payment or distribution by the Company to or on account of the Senior Debt.

11.7 PROVISIONS SOLELY TO DEFINE RELATIVE RIGHTS. The provisions of this Article are intended solely for the purpose of defining the relative rights of the Holders of the Notes on the one hand and the holders of Senior Debt on the other hand. Nothing contained in this Article or elsewhere in this Agreement or in the Notes is intended to or shall (a) impair, as among the Company, its creditors other than holders of Senior Debt and the Holders of the Notes, the obligation of the Company, which is absolute and unconditional, to pay to the Holders of the Notes the principal or Accreted Value of (and premium, if any) and interest on the Notes, Change of Control Payment or Mandatory Redemption Price, as and when the same shall become due and payable in accordance with their terms; or (b) affect the relative rights against the Company of the Holders of the Notes and creditors of the Company other than the holders of Senior Debt; or (c) prevent the Holder of any Notes from exercising all remedies otherwise permitted by applicable law upon default under this Agreement, subject to the rights, if any, under this Article of the holders of Senior Debt to receive cash, property and securities otherwise payable or deliverable to such Holder.

11.8 NO WAIVER OF SUBORDINATION PROVISIONS. No right of any present or future holder of any Senior Debt to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any act or failure to act, in good faith, by any such holder of any Senior Debt, or by any non-compliance by the Company with the terms, provisions and covenants of this Agreement, regardless of any knowledge thereof any such holder may have or be otherwise charged with.

Without in any way limiting the generality of the foregoing paragraph, the holders of Senior Debt may, at any time and from time to time, without the consent of or written notice to the Holders of the Notes, without incurring responsibility to the Holders of the Notes and without impairing or

releasing the subordination provided in this Article or the obligations hereunder of the Holders of the Notes to the holders of Senior Debt, do any one or more of the following: (i) change the manner, place or terms of payment or reduce or extend the time of payment of, or renew or alter, Senior Debt, or otherwise amend or supplement in any manner (including the interest rate thereof) Senior Debt or any instrument evidencing the same or any agreement under which Senior Debt is outstanding; (ii) sell, exchange, release or otherwise deal with any property pledged, mortgaged or otherwise securing Senior Debt; (iii) release any Person liable in any manner for the collection of Senior Debt; and (iv) exercise or refrain from exercising any rights against the Company and any other Person.

11.9 RELIANCE ON JUDICIAL ORDER OR CERTIFICATE OF LIQUIDATING AGENT. Upon any payment or distribution of assets of the Company referred to in this Article, the Holders of the Notes shall be entitled to conclusively rely upon any order or decree entered by any court of competent jurisdiction in which such insolvency, bankruptcy, receivership, liquidation, reorganization, dissolution, winding up or similar case or proceeding is pending, or a certificate of the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee for the benefit of creditors, agent or other Person making such payment or distribution, delivered to the Holders of Notes, for the purpose of ascertaining the Persons entitled to participate in such payment or distribution, the holders of the Senior Debt and other indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article.

11.10 CERTAIN CONVERSIONS NOT DEEMED PAYMENT. For the purposes of this Article only, (1) the issuance and delivery of junior securities upon conversion of Notes in accordance with Article 14 shall not be deemed to constitute a payment or distribution on account of the principal or Accreted Value of or premium or interest on Notes or on account of the purchase or other acquisition of Notes, and (2) the payment, issuance or delivery of cash, property or securities upon conversion of a Note or pursuant to Section 8.20 shall not be deemed to constitute payment on account of the principal or Accreted Value of such Security. For the purposes of this Section, the

term "junior securities" means (a) shares of any stock of any class of the Company into which the Securities are convertible pursuant to Article 14 and (b) securities of the Company which are subordinated in right of payment to all Senior Debt which may be outstanding at the time of issuance or delivery of such securities to at least the same extent as the Notes are so subordinated as provided in this Article. Nothing contained in this Article or elsewhere in this Agreement or in the Notes is intended to or shall impair, as among the Company, its creditors other than holders of Senior Debt and the Holders of the Notes, the right, which is absolute and unconditional, of the Holder of any Notes to convert such Notes in accordance with Article 14.

11.11 DISTRIBUTION TO BE PAID OVER. Subject to Section 11.5, in the event that a distribution is made to the Holder of any Note that is prohibited by this Article 11 then each such Holder shall hold such distribution in trust for the holders of Senior Debt and shall promptly pay it over to the Company.

Article 12

MANDATORY PREPAYMENT

12.1 MANDATORY REDEMPTION.

(a) MANDATORY REDEMPTION. If the Company and IXC (i) fail to consummate the IXC Transaction and the Merger Agreement is terminated and not renewed during the 45 day period following such termination or (ii) amend the terms of such agreement so as to (x) materially increase the merger price above that set forth in the Merger Agreement or (y) amend any other material financial terms of the IXC Transaction without the prior consent of Oak Hill Capital, which consent shall be given at the sole discretion of Oak Hill Capital (in the case of either clause (i) or (ii), a "PREPAYMENT EVENT"), then during the period beginning on the 46th day and ending on the 90th day following the occurrence of a Prepayment Event (the "MANDATORY REDEMPTION PERIOD"), the Company shall be obligated to purchase, and the Holders of the Notes shall be obligated to sell (a "MANDATORY REDEMPTION"), all of the outstanding Notes at a redemption price (the "MANDATORY REDEMPTION PRICE") equal to 101% of the Accreted Value of the Notes as of the Mandatory Redemption Date. Notwithstanding the previous sentence, in case a Prepayment Event described in clause (i) of the previous sentence shall have occurred and at the time of such Prepayment Event or within the 45 day period beginning on the date of the Prepayment Event (i) a public proposal has been made and not withdrawn, (ii) a definitive agreement has been entered into, or (iii) the Company Board of Directors or members thereof are involved in discussions, in each case, relating to a transaction which, if consummated, would result in a Change of Control, then, at the election of each Holder of a Note evidenced by written notice to the Company delivered to the Company within 45 days following the

Prepayment Event, such Note shall not be subject to the Mandatory Redemption provisions of the first sentence of this Section 12.1(a) (and such Holder shall have the right to first convert its Note into Conversion Shares in accordance with Article 14) until the first to occur of such time as (v) such Holder subsequently requests the Company to redeem its Note, (w) in the case of clause (i) of this sentence, the proposal has expired or has been withdrawn or terminated, (x) in the case of clause (ii) of this sentence, the definitive agreement has been terminated or (y) in the case of clause (iii) of this sentence, the Board level discussions have ceased, in which case all Notes outstanding immediately following such event shall be repurchased by the Company as provided in the first sentence of this Section 12.1(a). If a Change of

Control occurs before the Notes are redeemed pursuant to this Section 12.1, then this Section 12.1 shall not apply to the Notes and the Holders of the Notes shall be entitled to the rights under Section 8.18.

(b) NOTICE OF PREPAYMENT EVENT. The Company shall deliver promptly (but in any event within 72 hours after the occurrence of a Prepayment Event) a notice of the occurrence of a Prepayment Event (the "PREPAYMENT EVENT NOTICE"), which shall be delivered by courier, facsimile or express mail to the Holders of the Notes, at the Holders' addresses as they appear on the transfer books of the Company.

(c) NOTICE OF MANDATORY REDEMPTION . During the Mandatory Redemption Period, the Company shall deliver a notice (the "MANDATORY REDEMPTION NOTICE"), which Notice shall contain all instruments and materials necessary to enable any Holder of the Notes to tender their Notes pursuant to this Article 12. The Mandatory Redemption Notice, which shall govern the terms of the Mandatory Redemption, shall state:

(1) that a Prepayment Event has occurred, that the Company is obligated to effect a Mandatory Redemption pursuant to this Article 12 and that Notes validly tendered and not withdrawn will be redeemed;

(2) the Mandatory Redemption Price and the date fixed for the Mandatory Redemption (the "MANDATORY REDEMPTION DATE"), which shall be no earlier than the 46th day and no later than the 90th day after the Prepayment Event and shall be not less than five days after the date of the Mandatory Redemption Notice;

(3) that the Notes, if redeemed pursuant to the Mandatory Redemption, shall cease to accrue interest after the Mandatory Redemption Date (unless the Company shall default in the payment of the Mandatory Redemption Price, in which case the Notes shall not cease to accrue interest after such date); and

(4) such other information respecting the procedures for effecting the Mandatory Redemption as the Company shall include and such other information as may be required by law.

(d) REDEMPTION PROCEDURE. On the Mandatory Redemption Date, the Holders of the Notes shall surrender the Notes to the Company at the place designated in the Mandatory Redemption Notice, and the Company shall pay to each Holder of the Notes the Mandatory Redemption Price in accordance with the terms of the Notes. From and after the Mandatory Redemption Date (i) the Notes shall no longer be deemed outstanding, (ii) the right to receive interest thereon shall cease to accrue and (iii) all rights of the Holders of the Notes shall cease and terminate, excepting only the right to

receive the Mandatory Redemption Price therefor; PROVIDED, HOWEVER, that if the Company shall default in the payment of the Mandatory Redemption Price, the Notes shall thereafter be deemed to be outstanding and the Holder thereof shall have all of the rights of a Holder of the Notes until such time as such default shall no longer be continuing or shall have been waived by the Holders of the Notes.

Article 13

OPTIONAL PREPAYMENT

13.1 OPTIONAL REDEMPTION.

(a) REDEMPTION BY COMPANY. The Company may redeem (the "OPTIONAL REDEMPTION") all of the Notes, or any portion of the Notes in minimum multiples of $100,000,000 of original issue price, at any time after the fifth anniversary of the Closing, at the following redemption prices (each, an "OPTIONAL REDEMPTION PRICE") expressed in percentages of the Full Accreted Value of the Note on the redemption date, plus accrued and unpaid interest to the date of redemption, subject to the right of the Holder of the Note of record on the relevant record date to receive interest on the relevant Interest Payment Date:

PERIOD REDEMPTION PRICE From July 21, 2004 through July 20, 2005.....
103.375% From July 21, 2005 through July 20, 2006.....
102.250% From July 21, 2006 through July 20, 2007.....
101.125%

PERIOD REDEMPTION PRICE July 21, 2007 and thereafter.....
100.000%

(b) NOTICE. Notice (the "OPTIONAL REDEMPTION NOTICE") of an Optional Redemption pursuant to this Section 13.1 shall be mailed at least 30, but not more than 60, days prior to the redemption date fixed in the Optional Redemption Notice, which must be a Business Day (any such date an "OPTIONAL REDEMPTION DATE"), to the Holders of the Notes, at such Holders' address as they appear on the transfer books of the Company. In order to facilitate the Optional Redemption of the Note, the Company Board of Directors

may fix a record date for the determination of the Notes to be redeemed, or may cause the transfer books of the Company for the Notes to be closed, not more than 60 days or less than 30 days prior to the Optional Redemption Date.

(c) REDEMPTION PROCEDURE. On the Optional Redemption Date, the Holders of the Notes shall surrender the Notes subject to the Optional Redemption to the Company at the place designated in the Optional Redemption Notice, and the Company shall pay to each Holder of the Notes subject to the Optional Redemption the Optional Redemption Price in accordance with the terms of the Notes. From and after the Optional Redemption Date (i) the Notes subject to the Optional Redemption shall no longer be deemed outstanding, (ii) the right to receive interest thereon shall cease to accrue and (iii) all rights of the Holders of the Notes subject to the Optional Redemption shall cease and terminate, excepting only the right to receive the Optional Redemption Price therefor and the right to convert such Notes into shares of Common Stock until the close of business on one Business Day immediately preceding the date of redemption, in accordance with Article 14; PROVIDED, HOWEVER, that if the Company shall default in the payment of the Optional Redemption Price, the Notes shall thereafter be deemed to be outstanding and the Holder thereof shall have all of the rights of a Holder of the Notes until such time as such default shall no longer be continuing or shall have been waived by the Holders of the Notes.

Article 14

VOLUNTARY CONVERSION

14.1 CONVERSION. Each Holder shall have the right, at its option, at any time (i) after the Specified Date, (ii) in connection with a Change of Control or (iii) as contemplated by the second sentence of Section 12.1(a) to convert, subject to the terms and provisions of this Article 14, such Note (or any portion thereof of the original issue price that is an integral multiple of $1,000) into such number of fully paid and non-assessable shares of Common Stock at the Conversion Ratio (as defined

below) then in effect, except that if such Notes have been called for redemption pursuant to Article 13, such right shall terminate at the close of business on the Business Day immediately preceding the date of redemption for such Notes, unless in any such case, the Company shall default in performance or payment due upon redemption thereof. The "CONVERSION RATIO" shall mean, as of the close of business on any date, the ratio obtained by dividing the Designated Value by the Conversion Price. The "CONVERSION PRICE" shall initially be $29.89 and shall be subject to adjustment as set forth in Section 14.3. Such conversion right shall be exercised by the surrender of a Note (or a portion thereof) to be converted to the Company at any time during usual business hours at its principal place of

business to be maintained by it, accompanied by written notice that the Holder elects to convert such Note (or any portion thereof) and specifying the Accreted Value of such Note to be converted, the name or names (with address) in which a certificate or certificates for shares of Common Stock are to be issued and (if so required by the Company) by a written instrument or instruments of transfer in form reasonably satisfactory to the Company duly executed by the Holder or its duly authorized legal representative and transfer tax stamps or funds therefor, if required pursuant to Section 14.9. Any Note (or portion thereof) surrendered for conversion shall be delivered to the Company for cancellation and canceled by it. Except to the extent expressly provided for in Section 2 in the Notes, no interest shall be payable upon conversion of any Note (or portion thereof).

14.2 PROCEDURE. As promptly as practicable after the surrender of any Note (or portion thereof) for conversion pursuant to Section 14.1, the Company shall deliver to or upon the written order of the Holder of such Note so surrendered a certificate or certificates representing the number of fully paid and non-assessable shares of Common Stock into which such Note (or portion thereof) may be or have been converted in accordance with the provisions of this Article 14. Subject to the following provisions of this paragraph and of Section 14.3, such conversion shall be deemed to have been made immediately prior to the close of business on the date that such Note (or portion thereof) shall have been surrendered in satisfactory form for conversion, and the Person or Persons entitled to receive the Common Stock deliverable upon conversion of such Note (or portion thereof) shall be treated for all purposes as having become the record holder or holders of such Common Stock at such time, and such conversion shall be at the Conversion Ratio in effect at such time; PROVIDED, HOWEVER, that any such surrender on any date when the share transfer books of the Company shall be closed (but not for any period in excess of five days), shall be effective on the day of such surrender to constitute the Person or Persons entitled to receive such Common Stock as the record holder or holders thereof for all purposes immediately prior to the close of business on the next succeeding day on which such share transfer books are open, and such conversion shall be deemed to have been made at, and shall be made at the Conversion Price in effect on the day such Note was surrendered. If a Note is converted in part only, upon such conversion, the Company shall execute and deliver to the Holder, at the expense of the Company, a new Note

with an aggregate original purchase price equal to that of the unconverted portion of the principal amount at maturity of such Note. The Company's delivery upon conversion of the shares of Common Stock into which the Notes are convertible shall be deemed to satisfy the Company's obligation to pay the principal amount at maturity of the portion of Notes so converted and any unpaid interest accrued on such Notes at the time of such conversion.

14.3 ANTIDILUTION. The Conversion Price shall be subject to adjustment as follows:

(a) In case the Company shall at any time or from time to time (A) pay or make a dividend or make a distribution (other than a dividend or distribution paid to the escrow account in the manner provided in Section 8.20 of this Agreement) on the outstanding shares of Common Stock in capital stock (which, for purposes of this Section 14.3(a) shall include, without limitation, any options, warrants or other rights to acquire capital stock) of the Company, (B) subdivide the outstanding shares of Common Stock into a larger number of shares, (C) combine the outstanding shares of Common Stock into a smaller number of shares, (D) issue any shares of its capital stock in a reclassification of the Common Stock or (E) pay a dividend or make a distribution (other than a dividend or distribution paid or made to the escrow account in the manner provided in Section 8.20 of this Agreement) on the outstanding shares of Common Stock in securities of the Company as a redemption pursuant to or trigger of a shareholder rights plan, "poison pill" or similar arrangement, then, and in each such case, the Conversion Price in effect immediately prior to such event shall be adjusted (and any other appropriate actions shall be taken by the Company) so that the Holder of Notes thereafter surrendered for conversion shall be entitled to receive the number of shares of Common Stock or other securities of the Company that such Holder would have owned or would have been entitled to receive upon or by reason of any of the events described above, had such Note been converted immediately prior to the occurrence of such event at the Designated Value as of such date. An adjustment made pursuant to this Section 14.3(a) shall become effective retroactively (A) in the case of any such dividend or distribution, to a date immediately following the close of business on the record date for the determination of Holders of Common Stock entitled to receive such dividend or distribution or (B) in the case of any such subdivision, combination or reclassification, to the close of business on the day upon which such corporate action becomes effective.

(b) In case the Company shall at any time or from time to time issue shares of Common Stock (or securities convertible into or exchangeable for Common Stock, or any options, warrants or other rights to acquire shares of Common Stock other than rights issued in connection with a shareholders' rights plan, "poison pill" or similar arrangement) for a consideration per share less than the Current Market Price per share of Common Stock then in effect at issuance date (the "DATE"), referred

to in the following sentence (treating the price per share of any security convertible or exchangeable or exercisable into Common Stock as equal to (A) the sum of the price for such security convertible, exchangeable or exercisable into Common Stock plus any additional consideration payable (without regard to any anti-dilution adjustments) upon the conversion, exchange or exercise of such security into Common Stock divided by (B) the number of shares of Common Stock initially under lying such convertible, exchangeable or exercisable security),

then, and in each such case, the Conversion Price then in effect shall be adjusted by dividing the Conversion Price in effect on the day immediately prior to the Date by a fraction (x) the numerator of which shall be the sum of the number of shares of Common Stock outstanding on the Date plus the number of additional shares of Common Stock issued or to be issued (or the maximum number into which such convertible or exchangeable securities initially may convert or exchange or for which such options, warrants or other rights initially may be exercised) and (y) the denominator of which shall be the sum of the number of shares of Common Stock outstanding on the Date plus the number of shares of Common Stock which the aggregate consideration for the total number of such additional shares of Common Stock so issued or be issued upon the conversion, exchange or exercise of such convertible or exchangeable securities or options, warrants or other rights (plus the aggregate amount of any additional consideration initially payable upon such conversion, exchange or exercise of such security) would purchase at the Current Market Price per share of Common Stock on the Date. Such adjustment shall be made whenever such shares, securities, options, warrants or other rights are issued other than rights issued in connection with a shareholders' rights plan, "poison pill" or similar arrangement, and shall become effective retroactively to a date immediately following the close of business (1) in the case of issuance to shareholders of the Company, as such, on the record date for the determination of shareholders entitled to receive such shares, securities, options, warrants or other rights and (2) in all other cases, on the date ("ISSUANCE DATE") of such issuance; PROVIDED that:

(i) the determination as to whether an adjustment is required to be made pursuant to this Section 14.3(b) shall be made upon the issuance of such shares or such convertible or exchangeable securities, options, warrants or other rights;

(ii) no adjustment in the Conversion Price shall be made pursuant to this Section 14.3(b) as a result of any issuance of securities by the Company in respect of which an adjustment to the Conversion Price is made pursuant to Section 14.3(a).

(c) In case the Company shall at any time or from time to time distribute to all holders of shares of its Common Stock (including any such distribution made in connection with a consolidation or merger in which the Company is the resulting or surviving corporation and the Common Stock is not changed or

exchanged), cash, evidences of indebtedness of the Company or another issuer, securities of the Company or another issuer or other assets (excluding (A) dividends or distributions paid or made to the escrow account in the manner provided in Section 8.21 hereof, (B) Regular Dividends, and (C) dividends payable in shares of Common Stock for which adjustment is made under Section 14.3(a)) or rights or warrants to subscribe for or purchase securities of the

Company (excluding those referred to in Section 14.3(b) or those in respect of which an adjustment in the Conversion Price is made pursuant to Section 14.3(a) and (b) and excluding any rights issued in connection with a shareholders' rights plan, "poison pill" or similar arrangement), then, and in each such case, the Conversion Price then in effect shall be adjusted by dividing the Conversion Price in effect immediately prior to the date of such distribution by a fraction (x) the numerator of which shall be the Current Market Price of the Common Stock on the record date referred to below and (y) the denominator of which shall be such Current Market Price of the Common Stock less the then Fair Market Value (as determined by the Company Board of Directors unless Holders of at least 51% of the aggregate Accreted Value of the Notes outstanding request that the Company obtain an opinion of an independent nationally recognized investment banking firm mutually agreed by the Company and such Holders (the expense of which shall be borne equally by the Company on the one hand and such Holders on the other), in which event Fair Market Value shall be as determined by such investment banking firm) of the portion of the cash, evidences of indebtedness, securities or other assets so distributed or of such subscription rights or warrants applicable to one share of Common Stock (but such denominator not to be less than one). Such adjustment shall be made whenever any such distribution is made and shall become effective retroactively to a date immediately following the close of business on the record date for the determination of shareholders entitled to receive such distribution.

(d) In case a tender or exchange offer made by the Company or any Subsidiary for all or any portion of the Common Stock shall expire and such tender or exchange offer (as amended upon the expiration thereof) shall require the payment to stockholders of consideration per share of Common Stock having a Fair Market Value (as determined in a manner consistent with Section 8.18(c)) that as of the last time (the "EXPIRATION TIME") tenders or exchanges may be made pursuant to such tender or exchange offer (as it may be amended) exceeds the Current Market Price of the Common Stock on the Trading Day next succeeding the Expiration Time, the Conversion Price shall be reduced so that the same shall equal the price determined by multiplying the Conversion Price in effect immediately prior to the Expiration Time by a fraction the numerator of which shall be the number of shares of Common Stock outstanding (including any tendered or exchanged shares) on the Expiration Time multiplied by the Current Market Price of the Common Stock on the Trading Day next succeeding the Expiration Time and the denominator of which shall be the sum of (x) the Fair Market Value (determined in a manner consistent with Section 8.18(c)) of the

aggregate consideration payable to stockholders based on the acceptance (up to any maximum specified in the terms of the tender or exchange offer) of all shares validly tendered or exchanged and not withdrawn as of the Expiration Time (the shares so accepted, up to any such maximum, being referred to as the "PURCHASED SHARES") and (y) the product of the number of shares of Common Stock outstanding (less any Purchased Shares) on the Expiration Time and the Current

Market Price of the Common Stock on the Trading Day next succeeding the Expiration Time, such reduction to become effective immediately prior to the opening of business on the day following the Expiration Time. In the event that the Company is obligated to purchase shares pursuant to any such tender or exchange offer, but the Company is permanently prevented by applicable law from effecting any such purchases or all such purchases are rescinded, the Conversion Price shall again be adjusted to be the Conversion Price that would then be in effect if such tender or exchange offer had not been made.

(e) In the case the Company, at any time or from time to time, shall take any action affecting its Common Stock similar to or having an effect similar to any of the actions described in any of Section 14.3(a) through Section 14.3(c), inclusive, or Section 14.7 (but not including any action described in any such Section) and the Company Board of Directors in good faith determines that it would be equitable in the circumstances to adjust the Conversion Price as a result of such action, then, and in each such case, the Conversion Price shall be adjusted in such manner and at such time as the Company Board of Directors in good faith determines would be equitable in the circumstances (such determination to be evidenced in a resolution, a certified copy of which shall be mailed to the Holders of the Notes).

(f) Notwithstanding anything herein to the contrary, no adjustment under this Section 14.3 need be made to the Conversion Price unless such adjustment would require an increase or decrease of at least 1% of the Conversion Price then in effect. Any lesser adjustment shall be carried forward and shall be made at the time of and together with the next subsequent adjustment, which, together with any adjustment or adjustments so carried forward, shall amount to an increase or decrease of at least 1% of such Conversion Price.

14.4 NO ADJUSTMENT. If the Company shall take a record of the holders of its Common Stock for the purpose of entitling them to receive a dividend or other distribution, and shall thereafter and before the distribution to shareholders thereof legally abandon its plan to pay or deliver such dividend or distribution, then thereafter no adjustment in the Conversion Price then in effect shall be required by reason of the taking of such record.

14.5 OFFICER'S CERTIFICATE. Upon any increase or decrease in the Conversion Price, then, and in each such case, the Company promptly shall deliver to each registered Holder at least 10 Business Days after effecting any of the foregoing

transactions a certificate, signed by the President or a Vice-President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary of the Company, setting forth in reasonable detail the event requiring the adjustment and the method by which such adjustment was calculated and specifying the increased or decreased Conversion Price then in effect following

such adjustment.

14.6 FRACTIONAL SHARES. No fractional shares or scrip representing fractional shares shall be issued upon the conversion of a Note or any portion thereof. If more than one Note shall be surrendered for conversion at one time by the same Holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the Accreted Value of the Note so surrendered. If the conversion of any Note (or any portion thereof) results in a fraction, an amount equal to such fraction multiplied by the Market Price of the Common Stock on the Business Day preceding the day of conversion shall be paid to such Holder in cash by the Company.

14.7 REORGANIZATION, ETC. In case of any capital reorganization or reclassification or other change of outstanding shares of Common Stock (other than a change in par value, or from par value to no par value, or from no par value to par value), or in case of any consolidation or merger of the Company with or into another Person (other than a consolidation or merger in which the Company is the resulting or surviving Person and which does not result in any reclassification or cancellation or conversion of shares of Capital Stock) or any sale or conveyance of the properties and assets of the Company as, or substantially as, an entirety to any other corporation, as a result of which holders of Common Stock shall be entitled to receive stock, other securities or other property or assets (including cash) with respect to or in exchange for such Common Stock, (any of the foregoing, a "TRANSACTION"), the Company, or such successor or purchasing Person, as the case may be, shall execute and deliver to each Holder of a Note at least 10 Business Days prior to effecting a Transaction, a certificate that the Holder of each Note then outstanding shall have the right thereafter to convert such Note into the kind and amount of shares of stock or other securities (of the Company or another issuer) or property or cash receivable upon such Transaction by a holder of the number of shares of Common Stock into which such Note could have been converted immediately prior to such Transaction. Such certificate shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article 14. If, in the case of any such Transaction, the stock, other securities, cash or property receivable thereupon by a holder of Common Stock includes shares of stock or other securities of a Person other than the successor or purchasing Person and other than the Company, which controls or is controlled by the successor or purchasing Person or which, in connection with such Transaction, issues stock, securities, other property or cash to holders of Common Stock, then such certificate also shall be executed by such Person, and such Person shall, in such certificate, specifically acknowledge the obligations of such successor or purchasing

Person and acknowledge its obligations to issue such stock, securities, other property or cash to the Holders of Notes upon conversion of the Notes as provided above. The provisions of this Section 14.7 and any equivalent thereof in any such certificate similarly shall apply to successive Transactions.

14.8 NOTICE OF CERTAIN EVENTS. In case at any time or from time to time:

(a) the Company shall declare a dividend (or any other distribution) on its Common Stock;

(b) the Company shall authorize the granting to the holders of its Common Stock of rights or warrants to subscribe for or purchase any shares of stock of any class or of any other rights or warrants;

(c) there shall be any reclassification of the Common Stock, or any consolidation or merger to which the Company is a party and for which approval of any shareholders of the Company is required, or any sale or other disposition of all or substantially all of the assets of the Company; or

(d) of the voluntary or involuntary dissolution, liquidation or winding up of the Company;

then the Company shall mail to each Holder of the Notes at such Holder's address as it appears on the transfer books of the Company, as promptly as possible but in any event at least 10 days prior to the applicable date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution or rights or warrants or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution or rights are to be determined, or (y) the date on which such reclassification, consolidation, merger, sale, conveyance, dissolution, liquidation or winding up is expected to become effective. Such notice also shall specify the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their Common Stock for shares of stock or other securities or property or cash deliverable upon such reclassification, consolidation, merger, sale, conveyance, dissolution, liquidation or winding up.

14.9 TAXES. The issuance or delivery of certificates for Common Stock upon the conversion of Notes pursuant to Section 14.1, shall be made without charge to the converting Holder of Notes for such certificates or for any tax (except for any tax levied under foreign laws) in respect of the issuance or delivery of such certificates or the securities represented thereby, and such certificates shall be issued or delivered in the respective names of, or (subject to compliance with the applicable provisions of federal and state securities laws) in such names as may be directed by,

the Holders of the Note so converted; PROVIDED, HOWEVER, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in a name other

than that of the Holder of the Notes so converted, and the Company shall not be required to issue or deliver such certificate unless or until the Person or Persons requesting the issuance or delivery thereof shall have paid to the Company the amount of such tax or shall have established to the reasonable satisfaction of the Company that such tax has been paid.

Article 15

MISCELLANEOUS

15.1 SURVIVAL OF PROVISIONS. All warranties, representations and covenants made by the Company in or under this Agreement shall be considered to have been relied upon by each Purchaser and shall survive the execution and delivery of this Agreement and the issuance to such Purchaser of the Notes, regardless of any investigation made by or on behalf of such Purchaser. All of the representations and warranties made herein and each of the provisions hereof shall survive the execution and delivery of this Agreement, any investigation by or on behalf of a Purchaser or any Affiliate, acceptance of the Notes and payment therefor, payment of the Notes or on redemption or otherwise or termination of this Agreement.

15.2 NOTICES. All notices, demands and other communications provided for or permitted hereunder shall be made in writing and shall be by registered or certified first-class mail, return receipt requested, telecopier (which is confirmed), courier service (providing proof of delivery) or personal delivery to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to Purchasers

c/o OHCP Ocean III, L.L.C.
65 E. 55th Street
New York, New York 10022
Telecopier No.: (212) 593-3596
Attention: Manager

with a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison
1285 Avenue of the Americas
New York, New York 10019-6064
Telecopier No.: (212) 757-3990
Attention: Marilyn Sobel, Esq.

(b) if to the Company at the following address:

Cincinnati Bell Inc.
201 East Fourth Street
Cincinnati, Ohio 45202
(513) 721-7358
Attention: General Counsel and Secretary

with a copy to:

Cravath, Swaine & Moore
Worldwide Plaza
825 Eighth Avenue
New York, New York 10019
Telecopier No: (212) 474-3700
Attention: Robert Kindler
Robert Townsend, III

All such notices and communications shall be deemed to have been duly given: when delivered by hand, if personally delivered; when delivered by courier, if delivered by commercial overnight courier service; five Business Days after being deposited in the mail, postage prepaid, if mailed; and when receipt is acknowledged, if telecopied.

15.3 SUCCESSORS. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns and permitted transferees of the parties hereto. Except as provided in Article 11, no Person other than the parties hereto and their successors and permitted assigns is intended to be a beneficiary of this Agreement and the Notes.

15.4 ASSIGNMENTS.

(a) The Company may not assign any of its rights or obligations under this Agreement without the written consent of Holders of at least 51% of the aggregate Accreted Value of the Notes outstanding.

(b) Unless otherwise prohibited by Section 8.13, the Purchasers and any subsequent Holder of Notes or Conversion Shares may, at any time or from time to time sell, agree to sell or assign such Notes or Conversion Shares to one or more other Persons who shall thereupon become a Holder of such Note or Conversion Shares and shall be entitled to all the benefits and rights of a Holder hereunder. In the event of any such sale or assignment of a Note, upon surrender for exchange of any Note at the Note Register, the Company shall execute and deliver in exchange therefor, without expense to the Holder, one or more new Notes (in denominations reasonably requested by such Holder) in the same Accreted Value as the then unpaid Note so surrendered as such Holder shall specify, dated as of the date to which interest has been paid on the Note so surrendered (or, if no interest has been paid, the

date of such surrendered Note), in the name of such Person or Persons as may be designated by such Holder in writing, and otherwise of the same form and tenor as the Note so surrendered for exchange. Every Note surrendered for transfer shall be duly endorsed, or accompanied by a written instrument of transfer duly executed by the Holder of such Note or its attorney duly authorized in writing.

15.5 AMENDMENT AND WAIVER.

(a) No failure or delay on the part of any Holder, in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to any Holder of a Note at law, in equity or otherwise.

(b) Any amendment, supplement or modification of or to any provision of this Agreement, any waiver of any provision of this Agreement and any consent to any departure by the Company from the terms of any provision of this Agreement, shall be effective (i) only if it is made or given in writing and signed by the Company and Holders of at least 51% of the aggregate Accreted Value of the Notes outstanding and (ii) only in the specific instance and for the specific purpose for which made or given.

(c) Any amendment, supplement or modification of or to any provision of the Notes, any waiver of any provision of the Notes, and any consent to any departure by the Company from the terms of any provision of the Notes, shall be effective only if it is made or given in writing and signed by the Company and the Holders of at least 51% of the aggregate Accreted Value of the Notes outstanding, and only in the specific instance and for the specific purpose for which made or given. However, without the consent of each Holder of a Note affected, an amendment may not: (i) reduce the rate of or extend the time for payment of interest on any Note; (ii) reduce the principal amount or Accreted Value of or extend the maturity of any

Note; (iii) change the time at which any Note shall or may be prepaid in accordance with the terms of the Notes; (iv) make any Note payable in money other than that stated in the Notes; (v) make any change in Article 11 that adversely affects the rights of any Holder of a Note under Article 11; or (vi) make any change in the first or second sentence of this Section 15.5(c).

Except where notice is specifically required by this Agreement, no notice to or demand on the Company in any case shall entitle the Company to any other or further notice or demand in similar or other circumstances.

15.6 COUNTERPARTS. This Agreement may be executed in any

number of counterparts and by each of the parties hereto in separate counterparts, each of which when so executed by each of the parties hereto shall be deemed to be an original and all of which taken together and delivered to the other parties shall constitute one and the same agreement.

15.7 INTERPRETATION. When a reference is made in this Agreement to an Article, Section or Exhibit, such reference shall be to an Article or Section of, or an Exhibit to, this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All terms defined in this Agreement shall have such defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Except as otherwise set forth herein, any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. Except as otherwise set forth herein, references to a person are also to its permitted successors and assigns.

15.8 DETERMINATIONS. Except where any provision expressly requires that a determination be reasonable or a consent not be unreasonably withheld, or be subject to qualifications to similar effect, all determinations to be made by the Company, any Purchaser or any Holder hereunder in its opinion or judgment or with its approval or otherwise shall be made by it in its sole discretion.

15.9 GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflicts of law.

15.10 JURISDICTION. Each party to this Agreement hereby irrevocably agrees that any legal action or proceeding arising out of or relating to this Agreement or any agreements or transactions contemplated hereby may be brought in the courts of the State of New York located in New York City or of the United States of America for the Southern District of New York and hereby expressly submits irrevocably to the personal jurisdiction and venue of such courts for the purposes thereof and expressly waives any claim of improper

venue and any claim that such courts are an inconvenient forum. Each party hereby irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the address set forth in Section 15.2, such service to become effective 10 days after such mailing.

15.11 SEVERABILITY. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired, unless the provisions held invalid, illegal or unenforceable shall substantially impair the benefits of the remaining provisions hereof. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by applicable law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

15.12 REMEDIES. The Purchasers and the Company agree that the parties would not have an adequate remedy at law for money damages and that money damages would be incalculable, if a breach of this Agreement or the Notes by the Company or any of the Purchasers occurs and is continuing, the Company or any Holder, as the case may be, may pursue any available remedy by proceeding at law or in equity to enforce the performance (including, without limitation, the specific performance) of any provision of this Agreement or the Notes. A Holder may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. Except as otherwise provided by law, a delay or omission by the Company or any Holder, as the case may be, in exercising any right or remedy accruing upon any such breach shall not impair the right or remedy or constitute a waiver of or acquiescence in any such breach. No remedy is exclusive of any other remedy. All available remedies are cumulative.

15.13 ENTIRE AGREEMENT. This Agreement, together with the Exhibits and Schedules hereto, the Notes, the Registration Rights Agreement and the Fee Letter, is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein or therein. This Agreement, together with the Exhibits and Schedules hereto, the Notes, the Registration Rights Agreement and the Fee Letter supersede all prior agreements and understandings between the parties with respect to such subject matter.

15.14 PUBLICITY. Except as may be required by applicable law or regulation, no party hereto shall issue a publicity release or announcement or otherwise make any public disclosure concerning this Agreement or the transactions contemplated hereby, without prior approval by the other parties hereto. If any announcement is required by law to be made by any party hereto, prior to making such announcement such party will deliver a draft of such announcement to the other parties and shall give the other parties an opportunity to comment thereon.

15.15 LEGEND. All notes evidencing the Notes and all certificates evidencing shares of Common Stock into which the Notes convert, in each case, beneficially owned by a Purchaser, shall have the following legend, which legend will remain on such notes and certificates until such time as the securities represented by such notes and certificates are no longer subject to the restrictions of this Agreement and there is delivered to the Company an opinion of counsel reasonably acceptable to the Company to the effect that such legend is no longer required:

> THIS SECURITY IS SUBJECT TO THE PROVISIONS OF THE INVESTMENT AGREEMENT DATED AS OF JULY 21, 1999 BETWEEN THE ISSUER AND THE PURCHASERS NAMED THEREIN AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT IN ACCORDANCE THEREWITH. A COPY OF SUCH AGREEMENT IS ON FILE AT THE OFFICE OF THE CORPORATE SECRETARY OF THE ISSUER. THIS SECURITY WAS SOLD IN A PRIVATE PLACEMENT, WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933, AND MAY BE OFFERED OR SOLD ONLY IF REGISTERED UNDER THE SECURITIES ACT OF 1933 OR IF AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their respective representatives hereunto duly authorized as of the date first above written.

CINCINNATI BELL INC.

By: /s/ Richard G. Ellenberger

Name: Richard G. Ellenberger
Title: President and Chief Executive Officer

OAK HILL CAPITAL PARTNERS, L.P.

By: OHCP GenPar, L.P.,

its general partner

By: OHCP MGP, LLC,
its general partner

By: /s/ J. Taylor Crandall

Name: J. Taylor Crandall
Title: Vice President

OHCP OCEAN I, LLC

By: OHCP AIV I (Cayman), Ltd.,
its member

By: /s/ John R. Monsky

Name: John R. Monsky
Title: Vice President

OHCP OCEAN III, LLC

By: Oak Hill Capital Partners, L.P.,
its member

By: OHCP GenPar, L.P.,
its general partner

By: OHCP MGP, LLC,
its general partner

By: /s/ J. Taylor Crandall

Name: J. Taylor Crandall
Title: Vice President

OHCP OCEAN IV, LLC

By: Oak Hill Capital Management Partners, L.P.,
its member

By: OHCP GenPar, L.P.,
its general partner

By: OHCP MGP, LLC,
its general partner

By: /s/ J. Taylor Crandall

Name: J. Taylor Crandall
Title: Vice President

OHCP OCEAN V, LLC

By: OHCP Ocean II, LLC,
its member

By: OHCP GenPar, L.P.,
its managing member

By: OHCP MGP, LLC,
its general partner

By: /s/ J. Taylor Crandall

Name: J. Taylor Crandall
Title: Vice President

OAK HILL SECURITIES FUND, L.P.

By: Oak Hill Securities GenPar, L.P.,

its general partner

By: Oak Hill Securities MGP, Inc.,
its general partner

By: /s/ Scott Krase

Name: Scott Krase
Title: Vice President

OAK HILL SECURITIES FUND II, L.P.

By: Oak Hill Securities GenPar II, L.P.,
its general partner

By: Oak Hill Securities MGP II, Inc.,
its general partner

By: /s/ Scott Krase

Name: Scott Krase
Title: Vice President

Agreed to as to Sections 8.10 and 8.11 only:

OHCP AIV I, LP.

By: OHCP GenPar, L.P.,
its general partner

By: OHCP MGP, LLC,
its general partner

By: /s/ Kevin G. Levy

Name: Kevin G. Levy
Title: Vice President

[Investment Agreement]

SCHEDULE 1

NOTES TO BE PURCHASED AT THE CLOSING

PURCHASER (or assignee)	PURCHASE PRICE
Ocean I	$42,455,156
Ocean III	231,107,007
Ocean IV	8,125,000
Ocean V	43,312,837
Oak Hill Securities Fund	75,000,000
Oak Hill Securities Fund II	
Total	$400,000,000

EX-5.1
5
EXHIBIT 5.1

EXHIBIT 5.1

September 13, 1999

Board of Directors of
Cincinnati Bell Inc.
201 East Fourth Street
Cincinnati, Ohio 45201-2301

Ladies and Gentlemen:

I have acted as counsel for Cincinnati Bell Inc., an Ohio corporation ("Cincinnati Bell"), in connection with the preparation of a Registration Statement on Form S-4 (the "Registration Statement") which is being filed on the date hereof by Cincinnati Bell with the Securities and Exchange Commission under the Securities Act of 1933 (the "Act"). The Registration Statement relates to the proposed issuance by Cincinnati Bell of up to (i) 103,152,121 shares of its common stock, par value $0.01 per share ("Cincinnati Bell Common Stock"), (ii) 1,400,000 shares of its 7 1/4% Junior Convertible Preferred Stock Due 2007, without par value ("Cincinnati Bell 7 1/4% Preferred Stock"), (iii) 3,105,000 shares of its Depositary Shares, each representing a one-twentieth interest in a share of 6 3/4% Cumulative Convertible Preferred Stock, without par value (the "Depositary Shares"), and (iv) 155,250 shares of its 6 3/4% Cumulative Convertible Preferred Stock, without par value ("Cincinnati Bell 6 3/4% Preferred Stock"), pursuant to the Agreement and Plan of Merger dated as of July 20, 1999 (the "Merger Agreement"), among Cincinnati Bell, Ivory Merger Inc., a Delaware corporation and a wholly owned subsidiary of Cincinnati Bell ("Merger Sub"), and IXC Communications, Inc., a Delaware corporation ("IXC"). The Merger Agreement provides for the merger of Merger Sub with and into IXC (the "Merger"), with

IXC surviving the Merger as a subsidiary of Cincinnati Bell.

In that connection, I have examined originals, or copies certified or otherwise identified to my satisfaction, of such documents, corporate records and other instruments as I have deemed necessary or appropriate for the purposes of this opinion, including: (a) the Registration Statement and (b) the proxy statement/prospectus that forms a part of the Registration Statement. In such examination, I have assumed the genuineness of all signatures and the authenticity of all documents submitted to me as copies. In examining agreements executed by parties other than Cincinnati Bell and Merger Sub, I have assumed that such parties had the power, corporate or other, to enter into and

perform all obligations thereunder and also have assumed the due authorization by all requisite action, corporate or other, and execution and delivery by such parties of such documents, and the validity and binding effect thereof. As to any facts material to the opinion expressed herein which I have not independently verified or established, I have relied upon statements and representations of officers and representatives of Cincinnati Bell and others.

Based on such examination, I am of the opinion that (i) the shares of Cincinnati Bell Common Stock, (ii) the shares of Cincinnati Bell 7 1/4% Preferred Stock, (iii) the Depositary Shares and (iv) the shares of Cincinnati Bell 6 3/4% Preferred Stock have been duly authorized for issuance and, when issued in accordance with the terms and conditions of the Merger Agreement, will be validly issued, fully paid and non-assessable.

I am admitted to practice in the State of Ohio, and I express no opinion as to any matters governed by any law other than the law of the State of Ohio and the Federal law of the United States of America.

I hereby consent to the inclusion of this opinion as an exhibit to the Registration Statement and to the reference to me under the heading "Legal Matters" in the proxy statement/prospectus that forms a part of the Registration Statement. In giving such consent, I do not hereby admit that I am in the category of persons whose consent is required under Section 7 of the Act.

Very truly yours,

/s/ Thomas E. Taylor

Thomas E. Taylor
General Counsel and Secretary
Cincinnati Bell Inc.

EX-8.1
6
EXHIBIT 8.1

Exhibit 8.1

September 13, 1999

IXC Communications, Inc
1122 Capitol of Texas Highway South
Austin, Texas 78746

Re: Agreement and Plan of Merger Dated as of July 20, 1999 By and Among CINCINNATI BELL, INC., IVORY MERGER INC. AND IXC COMMUNICATIONS, INC.

Dear Sirs:

We have acted as counsel for IXC Communications, Inc., a Delaware corporation ("IXC"), in connection with the merger (the "Merger") of Ivory Merger, Inc., a Delaware corporation ("Sub") and wholly-owned subsidiary of Cincinnati Bell, Inc., an Ohio corporation ("CBI"), with and into IXC Communications, Inc., a Delaware corporation ("IXC") pursuant to an Agreement and Plan of Merger, dated as of July 20, 1999, by and among IXC, Sub and CBI (the "Merger Agreement").

In that connection, you have requested our opinion regarding certain U.S. Federal income tax consequences of the Merger. In providing our opinion, we have examined the Merger Agreement, the registration statement on Form S-4 (the "Registration Statement"), which includes the Joint Proxy Statement and Prospectus of IXC and CBI (the "Proxy Statement/Prospectus"), filed with the Securities and Exchange Commission (the "SEC") on September 13, 1999, and such other documents and corporate records as we have deemed necessary or appropriate for purposes of our opinion. In our examination, we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the authority of

all persons signing documents, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, conformed or photostatic copies and the authenticity of the originals of such copies. In addition, we have assumed that (i) the Merger will be consummated in accordance with the provisions of the Merger Agreement and the Registration Statement, (ii) the statements concerning the Merger set forth in the Merger Agreement and the Registration Statement are true, complete and correct, (iii) the

representations made by IXC and CBI, in their respective letters delivered to us for purposes of this opinion (the "Representation Letters") are true, complete and correct and will remain true, complete and correct at all times up to and including the Effective Time (as defined in the Merger Agreement), (iv) any representations made in the Representation Letters "to the best knowledge of" or similarly qualified are correct without such qualification and (v) payment to holders of any preferred stock of IXC pursuant to the exercise of such holders' appraisal rights under Delaware law with respect to their preferred stock will not exceed in the aggregate 9% of the value of the assets of IXC as of the Effective Time. We have made no independent investigation with regard to such statements or representations. We assume that no actions will be taken that are inconsistent with such statements and representations. If any of the above described assumptions are untrue for any reason or if the Merger is consummated in a manner that is different from the manner in which it is described in the Merger Agreement or the Proxy Statement/Prospectus, our opinions as expressed below may be adversely affected and may not be relied upon.

Based upon the foregoing, for U.S. Federal income tax purposes, we are of opinion that (i) the Merger will constitute a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), (ii) IXC, Sub and CBI will each be a party to such reorganization within the meaning of Section 368(b) of the Code; (iii) except as provided below, holders of IXC stock (a) will not recognize gain or loss for federal income tax purposes as a result of the exchange of their shares of IXC stock for CBI common stock in the Merger, except with respect to cash received instead of a fractional share of CBI common stock, as discussed below, and (b) will have a tax basis in the CBI stock received in the Merger equal to the tax basis of the IXC stock surrendered in the Merger less any tax basis of the IXC stock surrendered that is allocable to a fractional share of CBI common stock for which cash is received; (iv) an IXC stockholder's holding period with respect to

the CBI common stock received in the Merger will include the holding period of the IXC stock surrendered in the Merger therefor, assuming the stockholder holds the shares of IXC stock as a capital asset on the date of the exchange; and (v) to the extent that a holder of shares of IXC stock receives cash instead of a fractional share of CBI common stock, the holder will recognize gain or loss for federal income tax purposes, measured by the difference between the amount of cash received and the portion of the tax basis of the holder's shares of IXC stock allocable to such fractional share of CBI common stock. Assuming the stockholder holds the shares of IXC stock as a capital asset on the date of the exchange, the gain or loss will be a capital gain or loss and will be a long-term capital gain or loss if the share of IXC stock exchanged for the fractional share of CBI common stock was held for more than one year at the Effective Time.

Our opinion does not address all aspects of United States federal income taxation that may be relevant to a IXC stockholder in light of the stockholder's particular circumstances or to those IXC stockholders subject to special rules, such as stockholders who are not citizens or residents of the United States or organized under the laws of the United States, financial institutions, tax-exempt organizations, insurance companies, brokers or dealers in securities, traders in securities electing mark to market, stockholders who acquired their IXC stock pursuant to the

exercise of options or similar derivative securities or otherwise as compensation or stockholders who hold their IXC stock pursuant to a tax-qualified retirement plan or as part of a straddle, hedge or conversion transaction. Our opinion does not apply to holders who transfer their IXC stock pursuant to the Stock Purchase Agreement (as defined in the Merger Agreement).

Our opinion is limited to the federal income tax matters addressed, and no opinion is rendered with respect to any other issue, including any other tax aspects of the Merger. In particular, we express no opinion with respect to the tax consequences of any CBI common stock received other than in exchange for IXC stock or with respect to any state, local or foreign tax consequences of the Merger. In addition, our conclusions are based on federal income tax law currently in effect, which is subject to change on a prospective or retroactive basis. If any assumption or representation described above or contained in the Merger Agreement or the Representations Letters is not true, correct and complete, or in the event of a change in law adversely affecting the conclusions reached in this letter, our opinion will be void and of no force or effect. You should be aware that although this letter represents our opinion concerning the matter specifically discussed, it is not binding on the courts or on any

administrative agency, including the Internal Revenue Service, and a court or agency may hold or act to the contrary. We undertake no obligation to update this letter or our opinion at any time. Our opinion is provided to you as a legal opinion only, and not as a guaranty or warranty, and is limited to the specific transactions, documents and matter described above. No opinion may be implied or inferred beyond that which is expressly stated in this letter.

This opinion is furnished solely for the benefit of IXC in connection with the Merger Agreement and may not be filed with or furnished to any individual, entity, association, agency or other person and may not be quoted or referred to, orally or in writing, in whole or in part, without our prior written consent.

We hereby consent to the use of our name in the Registration Statement and in the Joint Proxy Statement/Prospectus filed as a part thereof and to the filing of this opinion as an exhibit to the Registration Statement.

Very truly yours,

/s/ Riordan & McKinzie

EX-12.1
7
EXHIBIT 12.1

EXHIBIT 12.1

CINCINNATI BELL INC.
COMPUTATION OF RATIO OF EARNINGS TO COMBINED
FIXED CHARGES AND PREFERRED DIVIDENDS
(DOLLARS IN MILLIONS)

PRO FORMA	SIX MONTHS ENDED	YEAR ENDED				
	JUNE 30, 1999	DECEMBER 31, 1998	1997	1996	1995	1994
Pre-tax income (loss) from continuing operations before minority interests in consolidated subsidiaries and income or loss from equity investees	$ 126.1	$ 158.6	$ 153.2	$ (45.1)	$ 67.4	$ 53.0
Fixed	$ 3.1					

charges: Interest expense, including amortization.. 24.2 30.1 27.9 45.4 40.1 18.0 95.0 Interest portion of rental expense........ 3.9 3.9 3.0 4.0 4.2 2.7 48.0 --------- --------- --------- --------- --------- ----- ------ 28.1 34.0 30.9 49.4 44.3 20.7 143.0 Pre-tax income (loss) from continuing operations before minority interests in consolidated subsidiaries and income or loss from equity investees plus fixed charges.................................... $ 154.2 $ 192.6 $ 184.1 $ 4.3 $ 111.7 $ 73.7 $ 146.1 --------- --------- --------- --------- --------- ----- ------ --------- --------- --------- --------- --------- ----- ------ Fixed Charges Interest expensed and capitalized......... 24.2 30.1 27.9 45.4 40.1 18.0 107.5 Interest portion of rental expense........ 3.9 3.9 3.0 4.0 4.2 2.7 48.0 Preferred stock dividend requirements of majority owned subsidiaries............. -- -- -- -- -- -- 48.8 --------- --------- --------- --------- --------- ----- ------ Total fixed charges..................... $ 28.1 $ 34.0 $ 30.9 $ 49.4 $ 44.3 $ 20.7 $ 204.3 Preferred stock dividend requirements....... -- -- -- -- -- -- 15.2 Total fixed charges and preferred dividends................................. 28.1 34.0 30.9 49.4 44.3 20.7 219.5 --------- --------- --------- --------- --------- ----- ------ --------- --------- --------- --------- --------- ----- ------ Ratio of earnings to combined fixed charges and preferred dividends.................. 5.5 5.7 6.0 -- 2.5 3.6 -- Deficiency of earnings to combined fixed charges and preferred dividends........... $ 45.1 $ 73.4 SIX MONTHS ENDED JUNE 30, 1999 ----------- Pre-tax income (loss) from continuing operations before minority interests in consolidated subsidiaries and income or loss from equity investees................ $ (90.6) Fixed charges: Interest expense, including amortization.. 58.5 Interest portion of rental expense........ 27.1 ----------- 85.6 Pre-tax income (loss) from continuing

operations before minority interests in consolidated subsidiaries and income or loss from equity investees plus fixed charges.....
$ (5.0) ---------- ---------- Fixed Charges Interest expensed and capitalized..... 68.1 Interest portion of rental expense..... 27.1 Preferred stock dividend requirements of majority owned subsidiaries..... 26.7 ----- ------ Total fixed charges..... $ 121.9 Preferred stock dividend requirements..... 7.6 Total fixed charges and preferred dividends.....
129.5 ---------- ---------- Ratio of earnings to combined fixed charges and preferred dividends..... -- Deficiency of earnings to combined fixed charges and preferred dividends.....
$ 134.5

EX-23.1
8
EXHIBIT 23.1

EXHIBIT 23.1

CONSENT OF PRICEWATERHOUSECOOPERS LLP

We hereby consent to the incorporation by reference in this Registration Statement on Form S-4 of Cincinnati Bell Inc. of our report dated March 12, 1999 relating to the financial statements, which appears in Cincinnati Bell Inc.'s 1998 Annual Report to Shareholders, which is incorporated by reference in its Annual Report on Form 10-K for the year ended December 31, 1998. We also consent to the incorporation by reference of our report dated March 29, 1999 relating to the financial statement schedules, which appears in such Annual Report on Form 10-K. We also consent to the references to us under the headings "Experts" and "Selected Financial Data" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

Cincinnati, Ohio
September 13, 1999

EX-23.2
9
EXHIBIT 23.2

EXHIBIT 23.2

CONSENT OF INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated February 28, 1999, incorporated by reference in the Joint Proxy Statement of Cincinnati Bell Inc. and IXC Communications, Inc. that is made part of the Registration Statement (Form S-4) and related Prospectus of Cincinnati Bell Inc. and IXC Communications, Inc. for the registration of shares of its common stock in connection with the merger of Cincinnati Bell Inc. and IXC Communications, Inc.

/s/ Ernst & Young LLP

Austin, Texas
September 8, 1999

EX-23.3
10
EXHIBIT 23.3

EXHIBIT 23.3

CONSENT OF DELOITTE & TOUCHE LLP

We consent to the incorporation by reference in this Registration Statement on Form S-4 of Cincinnati Bell Inc. and IXC Communications, Inc. of our report on National Teleservice, Inc. dated July 28, 1997, appearing in the Annual Report on Form 10-K/A of IXC Communications, Inc. for the year ended December 31, 1998. We also consent to the reference to us under the heading "Experts" in this Registration Statement.

/s/ Deloitte & Touche LLP
Minneapolis, Minnesota
September 9, 1999

EX-23.4
11
EXHIBIT 23.4

EXHIBIT 23.4

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this Registration Statement on Form S-4 of our report dated May 18, 1998 included in IXC Communications, Inc.'s Form 10-K for the year ended December 31, 1998 and to all references to our Firm included in the Registration Statement.

/s/ Arthur Andersen LLP

Jackson, Mississippi
September 8, 1999.

EXHIBIT 23.4

[LETTERHEAD OF ARTHUR ANDERSEN]

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

The consolidated financial statements of Grupo Marcatel, S.A. de C.V. and subsidiaries as of December 31, 1998 and for the year then ended, have been audited by Arthur Andersen, independent public accountants. Their reports have been incorporated by reference in this registration statement in reliance upon the authority of such firm as experts in accounting and auditing. Reference is made to their report, which includes an explanatory paragraph with respect to the uncertainty to continue as a going concern.

/s/ Arthur Andersen

Monterrey, Nuevo Leon
September 8, 1999

EX-23.7
12
EXHIBIT 23.7

EXHIBIT 23.7

CONSENT OF SALOMON SMITH BARNEY INC.

We hereby consent to the use of our name in, to the description of our opinion letter under the caption "Opinion of Cincinnati Bell's Financial Advisor" in, and to the inclusion of our opinion letter as Annex 7 to, the Proxy Statement-Prospectus of Cincinnati Bell Inc. and IXC Communications, Inc. that is made a part of the Registration Statement on Form S-4 (File No. 333-) of Cincinnati Bell Inc. By giving such consent we do not thereby admit that we are experts with respect to any part of such Registration Statement within the meaning of the term "expert" as used in, or that we come within the category of persons whose consent is required under, the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

By: /s/ SALOMON SMITH BARNEY INC.

SALOMON SMITH BARNEY INC.

New York, NY
September 10, 1999

EX-23.8
13
EXHIBIT 23.8

EXHIBIT 23.8

[Letterhead of Morgan Stanley & Co. Incorporated]

We hereby consent to the use of our opinion letter dated July 20, 1999 to the Board of Directors of IXC Communications, Inc., included as Annex 8 to the Proxy Statement/Prospectus which
forms part of the Registration Statement on Form S-4 relating to the proposed merger of IXC Communications, Inc. with a subsidiary of Cincinnati Bell Inc., and to the references to such opinion in such Proxy Statement/Prospectus under the headings "Summary--Fairness Opinions of Financial Advisors," "The Merger--Background to The Merger," "The Merger--Reasons for the Merger and the IXC Board of Directors Recommendation" and "Opinions of IXC's Financial Advisors." In giving such consent, we do not admit and we hereby disclaim that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder, nor do we thereby admit that we are experts with respect to any part of the Registration Statement within the

meaning of the terms "experts" as used in the Securities Act, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder.

MORGAN STANLEY & CO. INCORPORATED

By: /s/ SCOTT W. MATLOCK

Name: Scott W. Matlock
Title: Principal

September 10, 1999

EX-23.9
14
EXHIBIT 23.9

EXHIBIT 23.9

[Letterhead of Merrill Lynch, Pierce, Fenner & Smith]

We hereby consent to the use of our opinion letter dated July 20, 1999 to the Board of Directors of IXC Communications, Inc. included as Annex 9 to the Proxy Statement/Prospectus which forms part of the Registration Statement on Form S-4 relating to the proposed merger of IXC Communications, Inc. with a subsidiary of Cincinnati Bell Inc., and to the references to such opinion in such Proxy Statement/Prospectus under the headings "Summary--Fairness Opinions of Financial Advisors," "The Merger--Background to The Merger," "The Merger--Reasons for the Merger and the IXC Board of Directors Recommendation," and "Opinions of IXC's Financial Advisors." In giving such consent, we do not admit and we hereby disclaim that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder, nor do we thereby admit that we are experts with respect to any part of the Registration Statement within the meaning of the terms "experts" as used in the Securities Act, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder.

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By: /s/ ANDREW K. WOEBER

Name: Andrew K. Woeber

Title: Vice President

September 10, 1999

EX-99.1
15
EXHIBIT 99.1

EXHIBIT 99.1

CINCINNATI BELL INC.
PROXY FOR SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON OCTOBER 29, 1999

The undersigned shareholder of Cincinnati Bell Inc. ("Cincinnati Bell"), revoking all prior proxies, hereby appoints James D. Kiggen and Karen M. Hoguet, or either of them acting singly, proxies, with full power of substitution, to vote all shares of capital stock of Cincinnati Bell which the undersigned is entitled to vote at the special meeting of shareholders to be held at Reakirt Auditorium, Cincinnati Museum Center at Union Terminal, 1301 Western Avenue, Cincinnati, Ohio 45203, on Friday, October 29, 1999, beginning at 9:00 a.m., local time, and at any adjournments or postponements thereof, upon the matter set forth in the Notice of Special Meeting dated September 13, 1999, and the related proxy statement/prospectus, copies of which have been received by the undersigned, and in their discretion upon any adjournment or postponement of the meeting.

THIS PROXY IS SOLICITED ON BEHALF OF THE CINCINNATI BELL BOARD OF DIRECTORS. A SHAREHOLDER WISHING TO VOTE IN ACCORDANCE WITH THE RECOMMENDATIONS OF THE CINCINNATI BELL BOARD OF DIRECTORS NEED ONLY SIGN AND DATE THIS PROXY AND RETURN IT IN THE ENCLOSED ENVELOPE.

(Continued on reverse side)
(Please fill in the appropriate boxes on the other side)

CINCINNATI BELL INC.

/X/ PLEASE MARK YOUR VOTES AS IN THIS EXAMPLE.

1. To approve the issuance of shares of Cincinnati Bell common stock in the merger of IXC Communications, Inc. and a wholly owned subsidiary of Cincinnati Bell Inc. pursuant to the Agreement and Plan of Merger dated July 20, 1999, among Cincinnati Bell Inc., Ivory Merger Inc., a wholly owned subsidiary of Cincinnati Bell Inc., and IXC Communications, Inc.

/ / FOR / / AGAINST / / ABSTAIN

THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN WITH RESPECT TO THE PROPOSAL SET FORTH ABOVE, WILL BE VOTED FOR SUCH PROPOSAL.

DATED , 1999

Signature of Shareholder(s)

- ----------

- ----------

Please promptly complete, date and sign this proxy and mail it in the enclosed envelope to assure representation of your shares. No postage is needed if mailed in the United States. PLEASE SIGN EXACTLY AS NAME(S) APPEAR ON THE SHARE CERTIFICATE.

If the shareholder is a corporation, please sign full corporate name by president or other authorized officer and, if a partnership, please sign full partnership name by an authorized partner or other persons.

Mark here if you plan to attend the meeting / /.

PLEASE MARK, DATE, SIGN AND RETURN THIS PROXY CARD PROMPTLY USING THE ENCLOSED ENVELOPE.

EX-99.2
16
EXHIBIT 99.2

EXHIBIT 99.2

IXC COMMUNICATIONS, INC.
PROXY FOR SPECIAL MEETING STOCKHOLDERS
TO BE HELD ON OCTOBER 29, 1999

The undersigned stockholder of IXC Communications, Inc. ("IXC"), revoking all prior proxies, hereby appoints John M. Zrno, Stanley W. Katz and Jeffrey C. Smith, or either of them acting singly, proxies, with full power of substitution, to vote all shares of capital stock of IXC which the undersigned its entitled to vote at the special meeting of stockholders to be held at Barton Creek Country Club, 8212 Barton Club Drive, Austin, Texas 78735, on Friday, October 29, 1999, beginning at 9:00 a.m., local time, and at any adjournments or postponements thereof, upon the matter set forth in the Notice of Special

Meeting dated September 13, 1999, and the related proxy statement/prospectus, copies of which have been received by the undersigned, and in their discretion upon any adjournment or postponement of the meeting.

THIS PROXY IS SOLICITED ON BEHALF OF THE IXC BOARD OF DIRECTORS. A STOCKHOLDER WISHING TO VOTE IN ACCORDANCE WITH THE RECOMMENDATIONS OF THE IXC BOARD OF DIRECTORS NEED ONLY SIGN AND DATE THIS PROXY AND RETURN IT IN THE ENCLOSED ENVELOPE.

(Continued on reverse side)

(Please fill in the appropriate boxes on the other side)

IXC COMMUNICATIONS, INC.

/X/ PLEASE MARK YOUR VOTES AS IN THIS EXAMPLE.

1. To adopt the Agreement and Plan of Merger dated as of July 20, 1999, among Cincinnati Bell Inc., Ivory Merger Inc, a wholly owned subsidiary of Cincinnati Bell Inc., and IXC Communications, Inc. as the same may be amended from time to time.

/ / FOR / / AGAINST / / ABSTAIN

2. To adopt the Agreement Governing the IXC Internal Reorganization dated as of August 16, 1999, between IXC Communications, Inc. and IXC Merger Sub, Inc., a wholly owned subsidiary of IXC Communications, Inc., as the same may be amended from time to time.

/ / FOR / / AGAINST / / ABSTAIN

THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN WITH RESPECT TO THE PROPOSALS SET FORTH ABOVE, WILL BE VOTED FOR SUCH PROPOSALS.

DATED , 1999

Signature of Stockholder(s)

- ----------

- ----------

Please promptly complete, date and sign this proxy and mail it in the enclosed envelope to assure representation of your shares. No postage is needed if mailed in the United States. PLEASE SIGN EXACTLY AS NAME(S) APPEAR ON THE STOCK CERTIFICATE.

If the stockholder is a corporation, please sign full corporate name by president or other authorized officer and, if a partnership, please sign full partnership name by an authorized partner or other persons.

Mark here if you plan to attend the meeting / /.

PLEASE MARK, DATE, SIGN AND RETURN THIS PROXY CARD PROMPTLY USING THE ENCLOSED ENVELOPE.

ANNEX 9

[LOGO]

Investment Banking
Corporate and Institutional
Client Group

World Financial Center
North Tower
New York, New York 10281-1320
212 449 1000

July 20, 1999

Board of Directors
IXC Communications, Inc.
1122 Capital of Texas Highway South
Austin, Texas 78746

Members of the Board of Directors:

IXC Communications, Inc. (the "Company"), Cincinnati Bell Inc. (the "Acquiror") and a wholly owned subsidiary of the Acquiror (the "Acquisition Sub"), propose to enter into an Agreement and Plan of Merger (the "Merger Agreement") pursuant to which Acquisition Sub will be merged with the Company in a transaction (the "Merger") in which each outstanding share of the Company's common stock (the "Company Shares") will be converted into the right to receive 2.0976 shares (the "Exchange Ratio") of the common stock of the Acquiror (the "Acquiror Shares"). It is also proposed that, concurrently with execution of the Merger Agreement, (i) the Company and the Acquiror will enter into Stock Option Agreements providing for reciprocal options on Company Shares and Acquiror Shares that are exercisable in certain circumstances, (ii) the Acquiror will enter into Stockholders Agreements with certain stockholders of the Company providing for their voting of Company Shares in favor of the Merger and for certain other matters, (iii) the Acquiror will enter into an Investment Agreement with certain purchasers providing for the sale by the Acquiror of convertible subordinated notes to such purchasers and (vi) the Company will enter into an agreement amending the Rights Agreement relating to the rights associated with the Company Shares. The Merger Agreement and the other foregoing agreements are collectively referred to as the "Agreements".

You have asked us whether, in our opinion, the Exchange Ratio is fair from a financial point of view to the holders of the Company Shares, other than the Acquiror and its affiliates.

In arriving at the opinion set forth below, we have, among other things:

(1) Reviewed certain publicly available business and financial information relating to the Company and the Acquiror that we deemed to be relevant;

(2) Reviewed certain information, including financial forecasts, relating to the business, earnings, cash flow, assets, liabilities and prospects of the Company and the Acquiror, as well as the amount and timing of the cost savings and related expenses and synergies expected to result from the Merger (the "Expected Synergies") furnished to us by the Company and the Acquiror, respectively;

(3) Conducted discussions with members of senior management and representatives of the Company and the Acquiror concerning the matters described in clauses 1 and 2 above, as well as their respective businesses and prospects before and after giving effect to the Merger and the Expected Synergies;

(4) Reviewed the market prices and valuation multiples for the Company Shares and the Acquiror Shares and compared them with those of certain publicly traded companies that we deemed to be relevant;

(5) Reviewed the results of operations of the Company and the Acquiror and compared them with those of certain publicly traded companies that we deemed to be relevant;

(6) Compared the proposed financial terms of the Merger with the financial terms of certain other transactions that we deemed to be relevant;

(7) Participated in certain discussions and negotiations among representatives of the Company and the Acquiror and their financial and legal advisors;

(8) Reviewed the potential pro forma impact of the Merger;

(9) Reviewed a draft dated July 19, 1999 of the Agreements; and

(10) Reviewed such other financial studies and analyses and took monetary conditions.

In preparing our opinion, we have assumed and relied on the accuracy and completeness of all information supplied or otherwise made available to us, discussed with or reviewed by or for us, or publicly available, and we have not

assumed any responsibility for independently verifying such information or undertaken an independent evaluation or appraisal of any of the assets or liabilities of the Company or the Acquiror or been furnished with any such evaluation or appraisal. In addition, we have not assumed any obligation to conduct any physical inspection of the properties or facilities of the Company or the Acquiror. With respect to the financial forecast information and the Expected Synergies furnished to or discussed with us by the Company or the Acquiror, we have assumed that they have been reasonably prepared and reflect the best currently available estimates and judgment of the Company's or the Acquiror's management as to the expected future financial performance of the Company or the Acquiror, as the case may be, and the Expected Synergies. We have also assumed that the final form of the Agreements will be similar in all material respects to the last drafts reviewed by us.

Our opinion is necessarily based upon market, economic and other conditions as they exist and can be evaluated on, and on the information made available to us as of, the date hereof. We have assumed that in the course of obtaining the necessary regulatory or other consents or approvals (contractual or otherwise) for the Merger, no restrictions, including any divestiture requirements or amendments or modifications, will be imposed that will have a material adverse effect on the Company, the Acquiror, either of their operations or the contemplated benefits of the Merger. We have also assumed that the Merger will be treated as a tax free reorganization under the U.S. Internal Revenue Code.

In connection with the preparation of this opinion, we have not been authorized by the Company or the Board of Directors to solicit, nor have we solicited, third-party indications of interest for the acquisition of all or any part of the Company and we have not evaluated or pursued on behalf of the Company any other strategic alternatives to the Merger.

We are acting as financial advisor to the Company in connection with the Merger and will receive a fee from the Company for our services. We have, in the past, provided financial advisory and/or financing services to the Company and the Acquiror (including certain of their affiliates) and may continue to do so and have received, and may receive, fees for the rendering of such services. In addition, in the ordinary course of our business, we may actively trade the Company Shares and other securities of the Company, as well as the Acquiror Shares and other securities of the Acquiror, for our own account and for the accounts of customers and, accordingly, may at any time hold a long or short position in such securities.

This opinion is for the use and benefit of the Board of Directors of the Company. Our opinion does not address the merits of the underlying decision by the Company to engage in the Merger and does not constitute a recommendation to any shareholder as to how such shareholder should vote on the proposed Merger or any matter related thereto.

We are not expressing any opinion herein as to the prices at which the

Company Shares or the Acquiror Shares will trade following the announcement or consummation of the Merger.

On the basis of and subject to the foregoing, we are of the opinion that, as of the date hereof, the Exchange Ratio is fair from a financial point of view to the holders of the Company Shares, other than the Acquiror and its affiliates.

Very truly yours,

/s/ Merrill Lynch, Pierce, Fenner & Smith Incorporated

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

ANNEX 10

DELAWARE CODE
TITLE 8. CORPORATIONS
CHAPTER 1. GENERAL CORPORATION LAW
SUBCHAPTER IX. MERGER OR CONSOLIDATION

SECTION 262 APPRAISAL RIGHTS.

(a) Any stockholder of a corporation of this State who holds shares of stock on the date of the making of a demand pursuant to subsection (d) of this section with respect to such shares, who continuously holds such shares through the effective date of the merger or consolidation, who has otherwise complied with subsection (d) of this section and who has neither voted in favor of the merger or consolidation nor consented thereto in writing pursuant to Section 228 of this title shall be entitled to an appraisal by the Court of Chancery of the fair value of the stockholder's shares of stock under the circumstances described in subsections (b) and (c) of this section. As used in this section, the word "stockholder" means a holder of record of stock in a stock corporation and also a member of record of a nonstock corporation; the words "stock" and "share" mean and include what is ordinarily meant by those words and also membership or membership interest of a member of a nonstock corporation, and the words "depository receipt" mean a receipt or other instrument issued by a depository representing an interest in one or more shares, or fractions thereof, solely of stock of a corporation, which stock is deposited with the depository.

(b) Appraisal rights shall be available for the shares of any class or series of stock of a constituent corporation in a merger or consolidation to be effected pursuant to Section 251 (other than a merger effected pursuant to Section 251(g) of this title), 252, 254, 257, 258, 263 or 264 of this title:

(1) Provided, however, that no appraisal rights under this section shall be

available for the shares of any class or series of stock, which stock, or depository receipts in respect thereof, at the record date fixed to determine the stockholders entitled to receive notice of and to vote at the meeting of stockholders to act upon the agreement of merger or consolidation, were either (i) listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc. or (ii) held of record by more than 2,000 holders; and further provided that no appraisal rights shall be available for any shares of stock of the constituent corporation surviving a merger if the merger did not require for its approval the vote of the stockholders of the surviving corporation as provided in subsection (f) of Section 251 of this title.

(2) Notwithstanding paragraph (1) of this subsection, appraisal rights under this section shall be available for the shares of any class or series of stock of a constituent corporation if the holders thereof are required by the terms of an agreement of merger or consolidation pursuant to Sections 251, 252, 254, 257, 258, 263 and 264 of this title to accept for such stock anything except:

a. Shares of stock of the corporation surviving or resulting from such merger or consolidation, or depository receipts in respect thereof;

b. Shares of stock of any other corporation, or depository receipts in respect thereof, which shares of stock (or depository receipts in respect thereof) or depository receipts at the effective date of the merger or consolidation will be either listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc. or held of record by more than 2,000 holders;

c. Cash in lieu of fractional shares or fractional depository receipts described in the foregoing subparagraphs a. and b. of this paragraph; or

d. Any combination of the shares of stock, depository receipts and cash in lieu of fractional shares or fractional depository receipts described in the foregoing subparagraphs a., b. and c. of this paragraph.

(3) In the event all of the stock of a subsidiary Delaware corporation party to a merger effected under Section 253 of this title is not owned by the parent corporation immediately prior to the merger, appraisal rights shall be available for the shares of the subsidiary Delaware corporation.

(c) Any corporation may provide in its certificate of incorporation that appraisal rights under this section shall be available for the shares of any

class or series of its stock as a result of an amendment to its certificate of incorporation, any merger or consolidation in which the corporation is a constituent corporation or the sale of all or substantially all of the assets of the corporation. If the certificate of incorporation contains such a provision, the procedures of this section, including those set forth in subsections (d) and (e) of this section, shall apply as nearly as is practicable.

(d) Appraisal rights shall be perfected as follows:

(1) If a proposed merger or consolidation for which appraisal rights are provided under this section is to be submitted for approval at a meeting of stockholders, the corporation, not less than 20 days prior to the meeting, shall notify each of its stockholders who was such on the record date for such meeting with respect to shares for which appraisal rights are available pursuant to subsection (b) or (c) hereof that appraisal rights are available for any or all of the shares of the constituent corporations, and shall include in such notice a copy of this section. Each stockholder electing to demand the appraisal of such stockholder's shares shall deliver to the corporation, before the taking of the vote on the merger or consolidation, a written demand for appraisal of such stockholder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such stockholder's shares. A proxy or vote against the merger or consolidation shall not constitute such a demand. A stockholder electing to take such action must do so by a separate written demand as herein provided. Within 10 days after the effective date of such merger or consolidation, the surviving or resulting corporation shall notify each stockholder of each constituent corporation who has complied with this subsection and has not voted in favor of or consented to the merger or consolidation of the date that the merger or consolidation has become effective; or

(2) If the merger or consolidation was approved pursuant to Section 228 or Section 253 of this title, each constituent corporation, either before the effective date of the merger or consolidation or within ten days thereafter, shall notify each of the holders of any class or series of stock of such constituent corporation who are entitled to appraisal rights of the approval of the merger or consolidation and that appraisal rights are available for any or all shares of such class or series of stock of such constituent corporation, and shall include in such notice a copy of this section; provided that, if the notice is given on or after the effective date of the merger or consolidation, such notice shall be given by the surviving or resulting corporation to all such holders of any class or series of stock of a constituent corporation that are entitled to appraisal rights. Such notice may, and, if given on or after the effective date of the merger or consolidation, shall, also notify such stockholders of the effective date of the merger or consolidation. Any stockholder entitled to appraisal rights may, within 20 days after the date of mailing of such notice, demand in writing from the surviving

or resulting corporation the appraisal of such holder's shares. Such demand will be sufficient if it

reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such holder's shares. If such notice did not notify stockholders of the effective date of the merger or consolidation, either (i) each such constituent corporation shall send a second notice before the effective date of the merger or consolidation notifying each of the holders of any class or series of stock of such constituent corporation that are entitled to appraisal rights of the effective date of the merger or consolidation or (ii) the surviving or resulting corporation shall send such a second notice to all such holders on or within 10 days after such effective date; provided, however, that if such second notice is sent more than 20 days following the sending of the first notice, such second notice need only be sent to each stockholder who is entitled to appraisal rights and who has demanded appraisal of such holder's shares in accordance with this subsection. An affidavit of the secretary or assistant secretary or of the transfer agent of the corporation that is required to give either notice that such notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein. For purposes of determining the stockholders entitled to receive either notice, each constituent corporation may fix, in advance, a record date that shall be not more than 10 days prior to the date the notice is given, provided, that if the notice is given on or after the effective date of the merger or consolidation, the record date shall be such effective date. If no record date is fixed and the notice is given prior to the effective date, the record date shall be the close of business on the day next preceding the day on which the notice is given.

(e) Within 120 days after the effective date of the merger or consolidation, the surviving or resulting corporation or any stockholder who has complied with subsections (a) and (d) hereof and who is otherwise entitled to appraisal rights, may file a petition in the Court of Chancery demanding a determination of the value of the stock of all such stockholders. Notwithstanding the foregoing, at any time within 60 days after the effective date of the merger or consolidation, any stockholder shall have the right to withdraw such stockholder's demand for appraisal and to accept the terms offered upon the merger or consolidation. Within 120 days after the effective date of the merger or consolidation, any stockholder who has complied with the requirements of subsections (a) and (d) hereof, upon written request, shall be entitled to receive from the corporation surviving the merger or resulting from the consolidation a statement setting forth the aggregate number of shares not voted in favor of the merger or consolidation and with respect to which demands for appraisal have been received and the aggregate number of holders of such shares. Such written statement shall be mailed to the stockholder within 10 days after such stockholder's written request for such a statement is received by the surviving or resulting

corporation or within 10 days after expiration of the period for delivery of demands for appraisal under subsection (d) hereof, whichever is later.

(f) Upon the filing of any such petition by a stockholder, service of a copy thereof shall be made upon the surviving or resulting corporation, which shall within 20 days after such service file in the office of the Register in Chancery in which the petition was filed a duly verified list containing the names and addresses of all stockholders who have demanded payment for their shares and with whom agreements as to the value of their shares have not been reached by the surviving or resulting corporation. If the petition shall be filed by the surviving or resulting corporation, the petition shall be accompanied by such a duly verified list. The Register in Chancery, if so ordered by the Court, shall give notice of the time and place fixed for the hearing of such petition by registered or certified mail to the surviving or resulting corporation and to the stockholders shown on the list at the addresses therein stated. Such notice shall also be given by 1 or more publications at least 1 week before the day of the hearing, in a newspaper of general circulation published in the City of Wilmington, Delaware or such publication as the Court deems advisable. The forms of the notices by mail and by publication shall be approved by the Court, and the costs thereof shall be borne by the surviving or resulting corporation.

(g) At the hearing on such petition, the Court shall determine the stockholders who have complied with this section and who have become entitled to appraisal rights. The Court may require the stockholders who have demanded an appraisal for their shares and who hold stock represented by certificates to submit their certificates of stock to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings; and if any stockholder fails to comply with such direction, the Court may dismiss the proceedings as to such stockholder.

(h) After determining the stockholders entitled to an appraisal, the Court shall appraise the shares, determining their fair value exclusive of any element of value arising from the accomplishment or expectation of the merger or consolidation, together with a fair rate of interest, if any, to be paid upon the amount determined to be the fair value. In determining such fair value, the Court shall take into account all relevant factors. In determining the fair rate of interest, the Court may consider all relevant factors, including the rate of interest which the surviving or resulting corporation would have had to pay to borrow money during the pendency of the proceeding. Upon application by the surviving or resulting corporation or by any stockholder entitled to participate in the appraisal proceeding, the Court may, in its discretion, permit discovery or other pretrial proceedings and may proceed to trial upon the appraisal prior to the final determination of the stockholder entitled to an appraisal. Any stockholder whose name appears on the list filed by the surviving or resulting corporation pursuant to subsection (f) of this section and who has submitted such stockholder's certificates of stock to the Register in Chancery, if such is required, may

participate fully in all proceedings until it is finally determined that such stockholder is not entitled to appraisal rights under this section.

(i) The Court shall direct the payment of the fair value of the shares, together with interest, if any, by the surviving or resulting corporation to the stockholders entitled thereto. Interest may be simple or compound, as the Court may direct. Payment shall be so made to each such stockholder, in the case of holders of uncertificated stock forthwith, and the case of holders of shares represented by certificates upon the surrender to the corporation of the certificates representing such stock. The Court's decree may be enforced as other decrees in the Court of Chancery may be enforced, whether such surviving or resulting corporation be a corporation of this State or of any state.

(j) The costs of the proceeding may be determined by the Court and taxed upon the parties as the Court deems equitable in the circumstances. Upon application of a stockholder, the Court may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorney's fees and the fees and expenses of experts, to be charged pro rata against the value of all the shares entitled to an appraisal.

(k) From and after the effective date of the merger or consolidation, no stockholder who has demanded appraisal rights as provided in subsection (d) of this section shall be entitled to vote such stock for any purpose or to receive payment of dividends or other distributions on the stock (except dividends or other distributions payable to stockholders of record at a date which is prior to the effective date of the merger or consolidation), provided, however, that if no petition for an appraisal shall be filed within the time provided in subsection (e) of this section, or if such stockholder shall deliver to the surviving or resulting corporation a written withdrawal of such stockholder's demand for an appraisal and an acceptance of the merger or consolidation, either within 60 days after the effective date of the merger or consolidation as provided in subsection (e) of this section or thereafter with the written approval of the corporation, then the right of such stockholder to an appraisal shall cease. Notwithstanding the foregoing, no appraisal proceeding in the Court of Chancery shall be dismissed as to any stockholder without the approval of the Court, and such approval may be conditioned upon such terms as the Court deems just.

(1) The shares of the surviving or resulting corporation to which the shares of such objecting stockholders would have been converted had they assented to the merger or consolidation shall have the status of authorized and unissued shares of the surviving or resulting corporation.

PART II
INFORMATION NOT REQUIRED IN THE PROSPECTUS

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1701.59(D) of the Ohio Revised Code provides that a director shall be liable in damages for any action he takes or fails to take as a director only if it is proved by clear and convincing evidence in a court of competent jurisdiction that his action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the corporation or undertaken with reckless disregard for the best interests of the corporation. This limitation on the liability of directors does not apply to liability asserted against a director pursuant to Section 1701.95 of the Ohio Revised Code concerning unlawful loans, dividends and distributions of assets.

The Ohio Revised Code provides that the Cincinnati Bell amended articles of incorporation and amended regulations may provide that the limitation on the liability of directors provided in Section 1701.59(D) described above are not applicable to Cincinnati Bell, however, the Cincinnati Bell amended articles of incorporation and amended regulations do not exempt Cincinnati Bell from this provision.

Section 1701.13(E) of the Ohio Revised Code provides that a corporation may indemnify or agree to indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, other than an action by or in the right of the corporation, by reason of the fact that he is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, trustee, officer, employee, member, manager, or agent of another corporation, domestic or foreign, nonprofit or for profit, a limited liability company, or a partnership, joint venture, trust, or other enterprise, against expenses, including attorney's fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, if he had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe that his conduct was unlawful.

Section 1701.13(E)(2) further specifies that a corporation may indemnify or agree to indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor, by reason of the fact that he is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, trustee, officer, employee, member, manager, or agent of another

corporation, domestic or foreign, nonprofit or for profit, a limited liability company, or a partnership, joint venture, trust, or other enterprise, against expenses, including attorney's fees, actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made in respect of (a) any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless, and only to the extent that, the court of common pleas or the court in which such action or suit was brought determines, upon application, that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court of common pleas or such other court shall deem proper, and (b) any action or suit in

which the only liability asserted against a director is pursuant to Section 1701.95 of the Ohio Revised Code concerning unlawful loans, dividends and distributions of assets.

In addition, Section 1701.13(E) requires a corporation to pay any expenses, including attorney's fees, of a director in defending an action, suit, or proceeding referred to above as they are incurred, in advance of the final disposition of the action, suit, or proceeding, upon receipt of an undertaking by or on behalf of the director in which he agrees to both (i) repay such amount if it is proved by clear and convincing evidence in a court of competent jurisdiction that his action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the corporation or undertaken with reckless disregard for the best interests of the corporation and (ii) reasonably cooperate with the corporation concerning the action, suit, or proceeding. The indemnification provided by Section 1701.13(E) shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the Cincinnati Bell articles of incorporation or amended regulations.

The Cincinnati Bell amended regulations provide that Cincinnati Bell will indemnify directors to the fullest extent permitted by law.

Cincinnati Bell has in effect insurance policies in the amount of (i) $50 million for general officers' and directors' liability insurance for liability incurred on actions occurring on or after January 1, 1999, (ii) $100 million for general officers' and directors' liability insurance for liability incurred on actions that have occurred prior to January 1, 1999 and (iii) $25 million for fiduciary liability insurance covering all of Cincinnati Bell's directors and officers in certain instances where by law they may not be indemnified by Cincinnati Bell.

ITEM 21. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) See Exhibit Index.

(b) Not Applicable.

(c) Opinion of Salomon Smith Barney Inc. (included as Annex 7 to the proxy statement/ prospectus which is a part of this registration statement).

Opinion of Morgan Stanley & Co. Incorporated (included as Annex 8 to the proxy statement/ prospectus which is a part of this registration statement).

Opinion of Merrill Lynch, Pierce, Fenner & Smith Incorporated (included as Annex 9 to the proxy statement/prospectus which is a part of this registration statement).

ITEM 22. UNDERTAKINGS.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933.

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price

represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the

offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c)(1) The undersigned registrant hereby undertakes as follows: that prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other items of the applicable form.

(2) The registrant undertakes that every prospectus (i) that is filed pursuant to paragraph (c)(1) immediately preceding, or (ii) that purports to meet the requirements of Section 10(a)(3) of the Securities Act of 1933 and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(d) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such

indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

(e) The undersigned registrant hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to items 4, 10(b), 11 or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail

or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(f) The undersigned registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT, CINCINNATI BELL HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN THE CITY OF CINCINNATI, STATE OF OHIO, ON SEPTEMBER 13, 1999.

CINCINNATI BELL INC.

By: /s/ KEVIN W. MOONEY

Name: Kevin W. Mooney
Title: Chief Financial Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Richard G. Ellenberger, Kevin W. Mooney and Thomas E. Taylor, Esq. and each of them, his true and lawful attorney-in-fact and agent with full power of substitution for him and in his name, place and stead, in any and all capacities to sign any and all amendments (including pre-effective and post-effective amendments) to this Registration Statement, and to file the same with all exhibits thereto and other documents in connection therewith, including any Registration Statement filed pursuant to Rule 462(b) under the Securities Act of 1933, with the Securities and Exchange Commission, grants unto said attorneys-in-fact and agents full power and authority to do and

perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, and hereby ratifies and confirms all that said attorneys-in-fact and agents or their substitute or substitutes may lawfully do or cause to be done by virtue hereof.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES AND ON THE DATES INDICATED.

SIGNATURE	TITLE	DATE
/s/ RICHARD G. ELLENBERGER	President, Chief Executive Officer and Director	September 13, 1999
Richard G. Ellenberger	(Chief Executive Officer)	
/s/ KEVIN W. MOONEY	Chief Financial Officer (Principal Accounting and	September 13, 1999

Kevin W. Mooney	Financial Officer)
/s/ PHILLIP R. COX	Director -
September 13, 1999	
Phillip R. Cox /s/ J. TAYLOR CRANDALL	Director -
September 13, 1999	
J. Taylor Crandall	
/s/ WILLIAM A. FRIEDLANDER	Director -
September 13, 1999	
William A. Friedlander	
/s/ KAREN M. HOGUET	Director -
September 13, 1999	
Karen M. Hoguet	

SIGNATURE

TITLE	DATE
/s/ DANIEL J. MEYER Director	September 13, 1999
Daniel J. Meyer /s/ JAMES D. KIGGEN Director	September 13, 1999
James D. Kiggen /s/ JOHN T. LAMACCHIA Director	September 13, 1999
John T. LaMacchia /s/ MARY D. NELSON Director	

September 13, 1999
Mary D. Nelson
/s/ DAVID B. SHARROCK
Director

September 13, 1999
David B. Sharrock

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
2.1	Agreement and Plan of Merger dated as of July 20, 1999, among Cincinnati Bell, Ivory Merger Inc. and IXC (included as Annex 1 to the proxy statement/prospectus which is a part of this Registration Statement).
2.2	Agreement Governing the IXC Internal Reorganization dated as of August 16, 1999, between IXC and IXC Merger Sub,

Inc. (included as Annex 2 to the proxy statement/prospectus which is a part of this Registration Statement). 4.1 Provisions of the Amended Articles of Incorporation of Cincinnati Bell effective November 9, 1989, which define the rights of security holders of Cincinnati Bell (incorporated by reference to Exhibit (3)(a) to Cincinnati Bell's Annual Report on Form 10-K filed March 31, 1999, SEC File #1-8519). 4.2 Form of Certificate of Amendment by the Board of Directors to the Amended Articles of Incorporation of Cincinnati Bell including the description of each of the Cincinnati Bell 7 1/4% Junior Convertible Preferred Stock Due 2007 and the Cincinnati Bell 6 3/4% Cumulative Convertible Preferred Stock to be in effect as of the effective time of the merger. 4.3 Provisions of the Amended Regulations of Cincinnati Bell which define the rights of security holders of Cincinnati Bell

(incorporated by reference to Exhibit 3.2 to Cincinnati Bell's Registration Statement on Form S-3 filed February 26, 1985, SEC File #2-96054). 4.4 Specimen certificate of Cincinnati Bell common stock, par value $0.01. 4.5 Rights Agreement dated as of April 29, 1997, as amended, between Cincinnati Bell and The Fifth Third Bank, as Rights Agent, including the form of rights certificate attached as Exhibit B thereto (incorporated by reference to Exhibit 4.1 to Cincinnati Bell's Registration Statement on Form 8-A filed May 1, 1997, SEC File #1-8519, Exhibit 1 to Amendment No. 1 to the Registration Statement on Form 8-A/A filed August 6, 1999, SEC File #1-8519). 4.7 Indenture dated as of April 21, 1998, between IXC and IBJ Schroder Bank & Trust Company, as Trustee, in respect of the IXC 9% Senior Subordinated Notes due 2008 (incorporated by reference to Exhibit 4.3 to IXC's Current Report on Form 8-K

filed April 22, 1998, SEC File #0-20803). 4.8 Indenture dated as of November 30, 1998, among Cincinnati Bell Telephone Company, as Issuer, Cincinnati Bell, as Guarantor, and The Bank of New York, as Trustee (incorporated by reference to Exhibit 4-A to Cincinnati Bell's Current Report on Form 8-K filed November 30, 1998, SEC File #1-8519). 4.9 Investment Agreement dated as of July 21, 1999, among Cincinnati Bell, Oak Hill Capital Partners L.P. and certain related parties of Oak Hill. 5.1 Opinion of Thomas E. Taylor, Esq., General Counsel of Cincinnati Bell, regarding the legality of the securities being registered. 8.1 Opinion of Riordan & McKinzie as to tax matters. 10.1 Stock Option Agreement between Cincinnati Bell, as Issuer, and IXC, as Grantee, dated as of July 20, 1999 (included as Annex 3 to the proxy statement/prospectus which is a part of

this Registration Statement). 10.2 Stock Option Agreement between IXC, as Issuer, and Cincinnati Bell, as Grantee, dated as of July 20, 1999 (included as Annex 4 to the proxy statement/prospectus which is a part of this Registration Statement). 10.3 Stockholder Agreement between Cincinnati Bell and General Electric Pension Trust (included as Annex 5 to the proxy statement/prospectus which is a part of this Registration Statement).

EXHIBIT NUMBER	DESCRIPTION
10.4	Stockholders Agreement among Cincinnati Bell, Richard D. Irwin and Ralph J. Swett (included as Annex 6 to the proxy statement/prospectus which is a part of this Registration Statement).
12.1	Computation of Ratio of Earnings to Fixed Charges and Preferred Dividends.
23.1	Consent of

PricewaterhouseCoopers LLP. 23.2 Consent of Ernst & Young LLP. 23.3 Consent of Deloitte & Touche LLP. 23.4 Consents of Arthur Andersen LLP. 23.5 Consent of Thomas E. Taylor, Esq., General Counsel of Cincinnati Bell (included in Exhibit 5.1). 23.6 Consent of Riordan & McKinzie (included in Exhibit 8.1). 23.7 Consent of Salomon Smith Barney Inc. 23.8 Consent of Morgan Stanley & Co. Incorporated. 23.9 Consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated. 24.1 Power of Attorney (included on the signature page of this Registration Statement). 99.1 Form of Proxy Card of Cincinnati Bell. 99.2 Form of Proxy Card of IXC. 99.3 Opinion of Salomon Smith Barney Inc. (included as Annex 7 to the proxy statement/ prospectus which is a part of this registration statement). 99.4 Opinion of Morgan Stanley & Co. Incorporated (included as Annex 8 to the proxy statement/ prospectus which is a part of this registration statement). 99.5 Opinion of Merrill Lynch, Pierce, Fenner

& Smith Incorporated
(included as Annex 9
to the proxy
statement/prospectus
which is a part of
this registration
statement).

-----END PRIVACY-ENHANCED MESSAGE-----