CORECOMM LTD /DE/
Form 425
May 16, 2002

The information in this prospectus supplement may change. We may not complete the exchange offers until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus supplement is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer is not permitted.

Filed by CoreComm Holdco, Inc.
Pursuant to Rule 425 under
the Securities
Act of 1933, as amended

Subject Company: CoreComm Limited
Commission File No. 333-82400

Date: May 16, 2002

The following prospectus supplement was disseminated by CoreComm Holdco, Inc.:

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

THE EXCHANGE OFFERS AND WITHDRAWAL RIGHTS WILL EXPIRE
AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON MAY 21,
2002, UNLESS EXTENDED.

In connection with CoreComm Holdco, Inc.'s preliminary prospectus which forms a part of CoreComm Holdco's Registration Statement on Form S-4 filed with the Securities and Exchange Commission on February 8, 2002, as amended by Amendment No. 1 to Form S-4, dated April 15, 2002, and Amendment No. 2 to Form S-4, dated May 15, 2002, this prospectus supplement includes (1) CoreComm Limited's Form 10-Q for the period ended March 31, 2002, as filed with the Securities and Exchange Commission on May 15, 2002, and (2) the section of the preliminary prospectus entitled "The Exchange Offers," which has been updated.

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

***

The references to the exchange offers contained in this prospectus supplement shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of shares of common stock of CoreComm Holdco in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state. Investors and security holders are urged to read the following documents, including amendments that may be made to them, regarding the exchange offers because they contain important information:

- CoreComm Holdco's preliminary prospectus, prospectus supplements and final prospectus;

- CoreComm Holdco's registration statement on Form S-4, containing such documents and other information; and

- CoreComm Holdco's Schedule TO.

These documents and amendments and supplements to these documents have been and will continue to be filed, as they may be amended and supplemented, with the Securities and Exchange Commission. When these and other documents are filed with the SEC, they may be obtained free at the

SEC's web site at www.sec.gov. You may also obtain for free each of these documents, when available, from CoreComm Holdco by directing your request to the number listed below.

For further information regarding the exchange offers, including obtaining additional copies of the exchange offer materials, we encourage you to contact the information agent:

D. F. King & Co., Inc.
77 Water Street
New York, New York 10005
Banks and Brokers Call Collect: (212) 269-5550
All Others Call Toll-free: (800) 848-2998

The date of this prospectus supplement is May 15, 2002

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the quarterly period ended March 31, 2002 OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File No. 000-31359

CORECOMM LIMITED
(Exact name of registrant as specified in its charter)

Delaware	23-3032245
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identific
110 East 59th Street, New York, New York	10022
(Address of principal executive offices)	(Zip Code)

(212) 906-8485
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes /X/   No / /

The number of shares outstanding of the issuer's common stock as of March 31, 2002 was 141,655,388.

CoreComm Limited and Subsidiaries

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CoreComm Limited and Subsidiaries

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Condensed Consolidated Balance Sheets

	MA

	(
ASSETS	
Current assets:	
Cash and cash equivalents	$
Other	

Total current assets	
Fixed assets, net	
Investment in CoreComm Holdco	
Other, net of accumulated amortization of $2,503,000 (2002) and $2,251,000 (2001)	

	$
	======
LIABILITIES AND SHAREHOLDERS' DEFICIENCY	
Current liabilities:	
Accounts payable	$
Accrued expenses	
Due to NTL Incorporated	
Due to CoreComm Holdco	3
Current portion of long-term debt	

Total current liabilities	3
Long-term debt, including $258,087,000 (2002) and $256,874,000 (2001) due to CoreComm Holdco	25
Commitments and contingent liabilities	
Shareholders' deficiency:	
Series preferred stock - $.01 par value, authorized 5,000,000 shares:	
Series A, liquidation preference $56,750,000; issued and outstanding 51,000 shares	
Series B, liquidation preference $268,187,000; issued and outstanding 250,000 shares	
Series C, none issued or outstanding	
Common stock - $.01 par value, authorized 600,000,000 shares; issued and outstanding 141,655,000 shares	
Additional paid-in capital	78
Deficit	(1,06

	(27
Treasury stock at cost, 1,329,000 shares	(1

	(28

	$
	======

Note: The balance sheet at December 31, 2001 has been derived from the audited balance sheet at that date.

See accompanying notes.

CoreComm Limited and Subsidiaries

Condensed Consolidated Statements of Operations
(Unaudited)

	THREE MONTHS ENDED MARCH 31, 2002	2001
REVENUES	$ 108,000	$ 72,937,000
COSTS AND EXPENSES		
Operating	--	63,520,000
Selling, general and administrative	68,000	31,599,000
Corporate	--	3,894,000
Non-cash compensation	--	3,234,000
Other charges	--	119,000
Asset impairments	--	167,599,000
Depreciation	33,000	12,045,000
Amortization	--	31,511,000
	101,000	313,521,000
Operating income (loss)	7,000	(240,584,000)
OTHER INCOME (EXPENSE)		
Interest income and other, net	7,000	776,000
Equity in net loss of CoreComm Holdco	(1,627,000)	--
Interest expense	(5,651,000)	(9,838,000)
Loss before income tax provision	(7,264,000)	(249,646,000)
Income tax provision	--	(15,000)
Net loss	$ (7,264,000)	$(249,661,000)
Basic and diluted net loss per common share	$ (0.09)	$ (3.58)

See accompanying notes.

CoreComm Limited and Subsidiaries

Condensed Consolidated Statement of Shareholders' Deficiency
(Unaudited)

	SERIES A PREFERRED STOCK		SERIES B PREFERRED STOCK		COMMON ST
	SHARES	PAR	SHARES	PAR	SHARES
Balance, December 31, 2001	51,000	$ --	250,000	$ 3,000	141,655,000
Accreted dividends on preferred stock					
Net loss					
Balance, March 31, 2002	51,000	$ --	250,000	$ 3,000	141,655,000

	DEFICIT	TREASURY STOCK	
		SHARES	AMOUNT
Balance, December 31, 2001	$(1,053,180,000)	(1,329,000)	$(10,574,000)
Accreted dividends on preferred stock			
Net loss	(7,264,000)		
Balance, March 31, 2002	$(1,060,444,000)	(1,329,000)	$(10,574,000)

See accompanying notes.

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CoreComm Limited and Subsidiaries

Condensed Consolidated Statements of Cash Flows
(Unaudited)

	THREE MONTHS ENDED MARCH 31, 2002	2001
Net cash provided by (used in) operating activities	$ 363,000	$(19,208,000)

INVESTING ACTIVITIES		
Purchase of fixed assets	--	(530,000)
Proceeds from sales of marketable securities	--	4,775,000
Net cash provided by investing activities	--	4,245,000
FINANCING ACTIVITIES		
Proceeds from borrowing, net of financing costs	--	9,736,000
Proceeds from exercise of stock options and warrants	--	4,000
Principal payments	--	(4,299,000)
Principal payments of capital lease obligations	--	(4,560,000)
Net cash provided by financing activities	--	881,000
Increase (decrease) in cash and cash equivalents	363,000	(14,082,000)
Cash and cash equivalents at beginning of period	109,000	25,802,000
Cash and cash equivalents at end of period	$ 472,000	$ 11,720,000
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	$ --	$ 1,110,000
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING ACTIVITIES		
Liabilities incurred to acquire fixed assets	$ --	$ 3,703,000

See accompanying notes.

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CoreComm Limited and Subsidiaries

Notes to Condensed Consolidated Financial Statements
(Unaudited)

NOTE 1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information pursuant to the rules and regulations of the SEC. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2002 are not necessarily indicative of the results that may be expected for the year ending December 31, 2002. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 2001.

The Company's only material asset is its ownership of approximately 13% of the outstanding capital stock of CoreComm Holdco, Inc., referred to as CoreComm Holdco. The Company owned 100% of the outstanding capital stock of CoreComm Holdco until the consummation of transactions as part of the Holdco recapitalization in December 2001. CoreComm Holdco provides integrated local and toll-related telephone, Internet and high-speed data services to business and residential customers located principally in Pennsylvania, Ohio, New Jersey, Michigan, Wisconsin, Maryland, Illinois, New York, Virginia, Delaware, Massachusetts, Washington, D.C. and Indiana.

Effective with the completion of the first phase of the Holdco recapitalization on December 28, 2001, the Company began accounting for its ownership of approximately 13% of the outstanding shares of CoreComm Holdco using the equity method. The Company consolidated CoreComm Holdco prior to that date. This transition from consolidation to equity method accounting is referred to as the deconsolidation in the consolidated financial statements. As a result of the deconsolidation, the assets and liabilities of CoreComm Holdco are not included in the Company's consolidated balance sheet at December 31, 2001. In addition, the results of operations and cash flows of CoreComm Holdco, which represented substantially all of the Company's operations and cash flows, are not included in the Company's consolidated statement of operations and statement of cash flows beginning January 1, 2002.

The Company has a liquidity problem that raises substantial doubt about its ability to continue as a going concern. The Company intends to resolve its liquidity problem through the completion of the Holdco recapitalization exchange offers, although the exchange offers may not be completed.

NOTE 2. HOLDCO RECAPITALIZATION

In April 2001, the Company completed a reevaluation of its business plan in light of current market conditions and made significant modifications to its plans. The Company streamlined its strategy and operations to focus on its two most successful and promising lines of business. The first is integrated communications products and other high bandwidth/data/web-oriented services for the business market. The second is bundled local telephony and Internet products efficiently sold, serviced and provisioned via Internet-centric interfaces to the residential market.

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CoreComm Limited and Subsidiaries

Notes to Condensed Consolidated Financial Statements (continued)
(Unaudited)

NOTE 2. HOLDCO RECAPITALIZATION (CONTINUED)

Also in April 2001, the Company commenced a process to potentially sell its assets and businesses that are not directly related to its competitive local exchange carrier, referred to as CLEC, business, and retained advisors for the purpose of conducting this sale. At the time, the Company's CLEC assets and businesses were CoreComm Holdco's local and toll-related telephone services that compete with the incumbent local exchange carrier, referred to as ILEC.

In October 2001, the Company and CoreComm Holdco commenced the Holdco recapitalization. The Company entered into agreements with numerous holders of its 6% Convertible Subordinated Notes Due 2006 whereby the holders agreed, among other things, to exchange their notes for the amount of the October 1, 2001 interest payment of $4.8 million in the aggregate in cash and shares of CoreComm Holdco common stock. The exchange was completed in December 2001, including the payment of the $4.8 million by the Company.

On December 28, 2001, CoreComm Holdco completed the first phase of the Holdco recapitalization, which was the exchange of shares of its common stock for substantial amounts of the outstanding indebtedness of CoreComm Holdco, substantial amounts of the outstanding indebtedness of the Company and CoreComm

Holdco as co-obligors and all of the outstanding preferred stock of the Company.

The following summarizes the indebtedness and preferred stock that was exchanged for shares of CoreComm Holdco's common stock in December 2001:

DESCRIPTION	DATE ISSUED	ISSUER	PR STAT
10.75% Unsecured Convertible PIK Notes due 2011	April 2001	CoreComm Holdco and the Company	$
10.75% Senior Unsecured Convertible PIK Notes Due 2010	December 2000	CoreComm Holdco and the Company	$
Senior Unsecured Notes Due September 29, 2003	September 2000	The Company	$
6% Convertible Subordinated Notes Due 2006	October 1999	The Company	$
Series A and Series A-1 Preferred Stock	September 2000	The Company	$
Series B Preferred Stock	September 2000	The Company	$

(1) $164.75 million was outstanding as of December 2001, of which $160 million was exchanged.

NOTE 2. HOLDCO RECAPITALIZATION (CONTINUED)

As a result of the completed exchanges in December 2001, approximately 87% of CoreComm Holdco's outstanding shares, or 26,056,806 shares, are owned by the former holders of indebtedness of the Company and CoreComm Holdco and the former holders of preferred stock of the Company, and approximately 13% of CoreComm Holdco's outstanding shares, or 3,943,248 shares, continue to be held by the Company.

As part of the second phase of the Holdco recapitalization, on February 8, 2002, CoreComm Holdco launched registered public exchange offers whereby it is offering to exchange shares of CoreComm Holdco common stock which will have been registered under the Securities Act of 1933, as amended, pursuant to a Form S-4 registration statement to all holders of the Company's common stock and all remaining holders of the Company's 6% Convertible Subordinated Notes due 2006 for their shares of the Company's common stock and their notes, respectively. As soon as practicable after accepting at least 90% of the oustanding shares of the Company's common stock in the exchange offers, CoreComm Holdco plans to transfer all such shares to a newly formed, wholly-owned subsidiary and to merge this subsidiary into the Company with the Company surviving the merger as a wholly-owned subsidiary of CoreComm Holdco.

As a result of the first phase of the Holdco recapitalization, CoreComm Holdco holds $160 million principal amount of the Company's 6% Convertible Subordinated Notes, approximately $105.7 million principal amount of the Company's Senior Unsecured Notes and all of the Company's outstanding preferred stock. The Company has agreed that it will surrender to CoreComm Holdco the number of shares of CoreComm Holdco common stock that CoreComm Holdco issues in the exchange offers and the merger. (Therefore, if the merger is completed, the Company will own no common stock of CoreComm Holdco, and thus will own no material assets, since CoreComm Holdco common stock is the Company's only material asset.) In exchange for the Company surrendering such shares of CoreComm Holdco common stock, the Company and CoreComm Holdco have agreed to waivers and amendments to delay the Company from having to make any payments with respect to these securities. If such a merger does not occur, the Company does not anticipate that it will have the financial resources to meet the obligations under its notes and preferred stock if CoreComm Holdco requires it to do so.

Under the exchange offers, those shareholders and noteholders who exchange their shares and notes, respectively, will receive shares of CoreComm Holdco, and would no longer have securities of the Company.

The Company may lack the resources to meet the obligations of the remaining $4.75 million principal amount of 6% Convertible Subordinated Notes that are not held by CoreComm Holdco. The Company also remains a party liable under the $156.1 million senior secured credit facility, has no right to withdraw any additional money under that facility, and does not expect to be able to raise additional financing in the foreseeable future.

NOTE 2. HOLDCO RECAPITALIZATION (CONTINUED)

On December 17, 2001, Nasdaq granted the Company an exception to Nasdaq's stockholder approval requirements permitting the Holdco recapitalization to proceed without a vote of the Company's stockholders because requiring a stockholder vote would seriously jeopardize the Company's financial viability. Pursuant to conversations with Nasdaq, the Company and CoreComm Holdco intend to transfer the Company's current listing to CoreComm Holdco following successful completion of the exchange offers. The Company cannot predict whether remaining shares of the Company's common stock will continue to trade publicly thereafter.

On February 14, 2002, the Company received written notification from Nasdaq indicating that it failed to comply with the minimum market value of publicly held shares and minimum bid price requirements for continued listing on the Nasdaq National Market. The Company has until May 15, 2002 to regain compliance. If the Holdco recapitalization is not successfully completed and the Company does not regain compliance by this date, Nasdaq stated that it will then provide the Company with written notification that its common stock will be delisted from the Nasdaq National Market. The Company has not yet determined what actions will be taken if it receives this written notification. If the Company's common stock is delisted from the Nasdaq National Market, shares may trade in the over-the-counter market and price quotations may be reported by other sources. The extent of the public market and the availability of quotations for shares of the Company's common stock would, however, depend upon the number of holders of shares remaining at that time, the interest in maintaining a market in shares of the common stock on the part of securities firms, the possible termination of registration of the shares under the Securities Exchange Act of 1934, and other factors.

NOTE 3. RECENT ACCOUNTING PRONOUNCEMENTS

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

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

NOTE 3. RECENT ACCOUNTING PRONOUNCEMENTS (CONTINUED)

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

NOTE 4. ASSET IMPAIRMENTS

At March 31, 2001, the Company reduced the carrying amount of goodwill related to two of its acquisitions by $167,599,000. In connection with the reevaluation of its business plan and the decision to sell its non-CLEC assets and business announced in April 2001, the Company was required to report all long-lived assets and identifiable intangibles to be disposed of at the lower of carrying amount or estimated fair value less cost to sell. The carrying amount of goodwill related to these acquisitions was eliminated before reducing the carrying amounts of other assets. The estimated fair value of these businesses was determined based on information provided by the investment bank retained for the purpose of conducting this sale.

NOTE 5. INVESTMENT IN CORECOMM HOLDCO

Effective with the completion of the first phase of the Holdco recapitalization on December 28, 2001, the Company began accounting for its ownership of approximately 13% of the outstanding shares of CoreComm Holdco using the equity method. The Company consolidated CoreComm Holdco prior to that date.

Following is the Company's investment in CoreComm Holdco:

Balance at December 31, 2001	$3,863,000
Equity in net loss of CoreComm Holdco (unaudited)	(1,627,000)
Balance at March 31, 2002 (unaudited)	$2,236,000

NOTE 5. INVESTMENT IN CORECOMM HOLDCO (CONTINUED)

Following is the condensed financial information of CoreComm Holdco and subsidiaries as of March 31, 2002 and December 31, 2001 and for the three months ended March 31, 2002 and 2001:

Condensed Consolidated Balance Sheets

	MARCH 31, 2002 (UNAUDITED)	DECEMBER 31, 2001
ASSETS		
Current assets	$ 64,587,000	$ 61,556,000
Fixed assets, net	80,339,000	86,722,000
Intangible assets, net	182,462,000	183,749,000
Other assets, net	14,746,000	15,256,000
	$342,134,000	$347,283,000
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	$152,312,000	$145,350,000
Long-term debt and capital lease obligations	172,943,000	172,541,000
Shareholders' equity	16,879,000	29,392,000
	$342,134,000	$347,283,000

Condensed Consolidated Statements of Operations
(unaudited)

	THREE MONTHS ENDED MARCH 31, 2002	2001
REVENUES	$ 74,311,000	$ 72,811,000
COSTS AND EXPENSES		
Operating	48,038,000	63,520,000
Selling, general and administrative	22,313,000	30,795,000
Corporate	1,698,000	2,098,000
Non-cash compensation	--	3,234,000
Recapitalization costs	1,182,000	--
Other charges	--	119,000
Asset impairments	--	167,599,000
Depreciation	8,881,000	12,012,000
Amortization	1,287,000	31,509,000
	83,399,000	310,886,000
Operating loss	(9,088,000)	(238,075,000)
OTHER INCOME (EXPENSE)		
Interest income and other, net	134,000	664,000
Interest expense	(3,559,000)	(4,141,000)
Net loss	$ (12,513,000)	$(241,552,000)

CoreComm Limited and Subsidiaries

Notes to Condensed Consolidated Financial Statements (continued)
(Unaudited)

NOTE 6. FIXED ASSETS

Fixed assets consist of:

	MARCH 31, 2002 (Unaudited)	DECEMBER 31, 2001
Computer hardware and software	$ 386,000	$ 386,000
Other equipment	10,000	10,000
	396,000	396,000
Accumulated depreciation	(283,000)	(250,000)
	$ 113,000	$ 146,000

NOTE 7. ACCRUED EXPENSES

Accrued expenses consist of:

	MARCH 31, 2002 (Unaudited)	DECEMBER 31, 2001
Taxes, including income taxes	$205,000	$205,000
Interest	143,000	214,000
	$348,000	$419,000

NOTE 8. LONG-TERM DEBT

Long-term debt consists of:

	MARCH 31, 2002 (Unaudited)	DECEMBER 31, 2001
6% Convertible Subordinated Notes	$164,750,000	$164,750,000
Senior Unsecured Notes Due 2003, less unamortized discount of $7,592,000 (2002) and $8,805,000 (2001)	98,087,000	96,874,000
	262,837,000	261,624,000
Less current portion	4,750,000	--
	$258,087,000	$261,624,000

At March 31, 2002, all of the Senior Unsecured Notes Due 2003 and $160,000,000 aggregate principal amount of the 6% Convertible Subordinated Notes were held by CoreComm Holdco.

The interest payment that was due under the outstanding 6% Convertible Subordinated Notes on April 1, 2002 has not been made and the Company is in default under these notes. The consideration we are offering in our exchange offer for the 6% Convertible Subordinated Notes includes $30.00 in cash, which represents the April 1, 2002 interest payment, for each $1,000 in principal amount outstanding.

NOTE 9. RELATED PARTY TRANSACTIONS

The balance due to CoreComm Holdco at March 31, 2002 includes 6% Convertible Subordinated Notes and Senior Unsecured Notes Due 2003 interest payable of $8,238,000 and preferred stock dividends payable of $23,850,000, net of other amounts due from CoreComm Holdco of $254,000.

Some of the officers and directors of the Company are also officers or directors of NTL Incorporated, referred to as NTL. NTL provided CoreComm Holdco with management, financial, legal and technical services, access to office space and equipment and use of supplies. Amounts charged to CoreComm Holdco by NTL consisted of salaries and direct costs allocated to CoreComm Holdco where identifiable, and a percentage of the portion of NTL's corporate overhead, which cannot be specifically allocated to NTL. It is not practicable to determine the amounts of these expenses that would have been incurred had the Company operated as an unaffiliated entity. In the opinion of management, this allocation method is reasonable. For the three months ended March 31, 2001, NTL charged CoreComm Holdco $104,000, which is included in corporate expenses. NTL did not provide any services to the Company during the three months ended March 31, 2002.

Until August, 2001, CoreComm Holdco provided NTL with access to office space and equipment and the use of supplies. It is not practicable to determine the amounts of these expenses that would have been incurred had CoreComm Holdco operated as an unaffiliated entity. In the opinion of management, this allocation method is reasonable. For the three months ended March 31, 2001, CoreComm Holdco charged NTL $67,000, which reduced corporate expenses.

CoreComm Holdco provides billing and software development services to subsidiaries of NTL. General and administrative expenses were reduced by $467,000 for the three months ended March 31, 2001, as a result of these charges.

NOTE 10. OTHER CHARGES

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

NOTE 11. NON-CASH COMPENSATION

In April 2000, the Compensation and Option Committee of the Board of Directors approved the issuance of options to purchase approximately 2,747,000 shares of the Company's common stock to various employees at an exercise price of $14.55, which was less than the fair market value of the Company's common stock on the date of the grant. In accordance with APB Opinion No. 25, "Accounting for Stock Issued to Employees," in April 2000, the Company recorded a non-cash compensation expense of approximately $29.0 million and a non-cash deferred expense of approximately $31.3 million. From January 1, 2001 to March 31, 2001, $3.2 million of the deferred non-cash compensation was charged to expense.

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CoreComm Limited and Subsidiaries

Notes to Condensed Consolidated Financial Statements (continued)
(Unaudited)

NOTE 12. NET LOSS PER COMMON SHARE

The following table sets forth the computation of basic and diluted net loss per common share:

	THREE MONTHS ENDED MARCH 31, 2002	2001
Numerator:		
Net loss	$ (7,264,000)	$(249,661,000)
Preferred stock dividend	(4,512,000)	(4,417,000)
Preferred stock accretion to Redemption value	(1,192,000)	(1,117,000)
Loss available to common Shareholders	(12,968,000)	(255,195,000)
Denominator for basic and diluted net loss per common share	140,327,000	71,232,000
Basic and diluted net loss per common share	$ (0.09)	$ (3.58)

The shares issuable upon the exercise of stock options and warrants and upon the conversion of convertible securities are excluded from the calculation of net loss per common share as their effect would be antidilutive. At March 31, 2002, the Company had 93.4 million shares issuable upon the exercise of stock options and warrants and the conversion of convertible securities.

NOTE 13. COMMITMENTS AND CONTINGENT LIABILITIES

Fiberstream, Inc. ("FiberCo"), a wholly-owned subsidiary of the Company, has an obligation under an agreement with the City of New York to pay an annual franchise fee in the amount of the greater of (a) 5% of gross revenue (as defined in the agreement) or (b) $200,000. Estimated quarterly payments begin the earlier of (a) the date that FiberCo completes construction of its initial backbone or (b) November 2002. Additionally, FiberCo has an obligation to provide equipment, cash or services to the City of New York with a value of not more than $100,000 over 15 years.

LEGAL PROCEEDINGS

The Company is involved in various disputes, arising in the ordinary course of its business, which may result in pending or threatened litigation. None of these matters are expected to have a material adverse effect on the Company's financial position, results of operations or cash flows. However, certain of these matters, if resolved unfavorably to us, could have a material adverse effect on the Company's business, financial condition and/or results of operations:

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CoreComm Limited and Subsidiaries

Notes to Condensed Consolidated Financial Statements (continued)
(Unaudited)

NOTE 13. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

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

  On July 5, 2001, Ameritech filed a claim with the PUCO seeking payment from the Company of approximately $8,600,000 allegedly owed under the contract. On August 8, 2001, Ameritech filed a second claim against CoreComm Limited in Ohio state court, seeking an additional approximately $4,300,000 in allegedly improperly withheld amounts. On August 28, 2001, the Company exercised its right to remove the state court claim to the United States District Court for the Northern District of Ohio, and the parties then stipulated to a consolidation of both of Ameritech's claims in the United States District Court. To consolidate the two claims, on October 9, 2001, Ameritech filed an amended complaint in the United States District Court, seeking a total of approximately $14,400,000.

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

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

CoreComm Limited and Subsidiaries

Notes to Condensed Consolidated Financial Statements (continued)
(Unaudited)

NOTE 13. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

- On March 7, 2002, CoreComm Massachusetts, Inc. (an operating subsidiary of CoreComm Holdco) filed a complaint and request for temporary restraining order against Verizon New England d/b/a Verizon Massachusetts seeking to prevent Verizon from proceeding with its threat to implement an embargo on the ability of CoreComm Massachusetts to place orders for new services pending the resolution of a dispute between the parties over the legitimacy of various charges billed by Verizon in that state. On March 13, 2002, the court denied CoreComm's request for a TRO and Verizon proceeded to implement the threatened service embargo. On April 1, 2002 Verizon filed an answer to CoreComm's complaint along with counterclaims seeking approximately $1.4 million in payment for allegedly past due charges. On April 10, 2002, CoreComm Massachusetts filed an answer to these counterclaims denying the accuracy of Verizon's contentions. The Company does not believe that the embargo will have a material adverse affect on its business, financial condition and/or operating results, and CoreComm Massachusetts intends to defend itself vigorously and pursue all available claims and defenses. However, it is impossible at this time to predict the outcome of this litigation.

- On December 3, 2001, General Electric Capital Corp. filed a lawsuit in the Circuit Court of Cook County, Illinois against the Company and MegsINet, Inc., an indirect subsidiary of CoreComm Holdco, seeking approximately $8 million in allegedly past due amounts and the return of equipment under a capital equipment lease agreement between Ascend and MegsINet. GECC is seeking all amounts allegedly owed under the lease as well as repossession of the equipment. On February 19, 2002, the defendants filed a motion to dismiss several of GECC's claims. In response, GECC withdrew its original complaint and on May 1, 2002 filed an amended complaint, naming CoreComm Holdco as an additional defendant. Defendants' response to dismiss the amended complaint is presently due on June 5, 2002. Concurrently, on April 12, 2002, GECC filed a second complaint in the Circuit Court of Cook County, Illinois against MegsINet, the Company and CoreComm Holdco seeking a court order allowing it to take repossession of its alleged equipment. After a hearing on the matter following defendants' opposition, GECC withdrew its complaint and filed a new action on May 3, 2002, in an effort to supply the court with additional information regarding its alleged rights to the equipment. Defendant's response to dismiss the May 3 complaint is currently due on or before May 23, 2002. Defendants intend to defend themselves vigorously against both complaints and to pursue all available claims and defenses. However, it is impossible at this time to predict the outcome of the litigation.

CoreComm Limited and Subsidiaries

Notes to Condensed Consolidated Financial Statements (continued)
(Unaudited)

NOTE 13. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

- On May 25, 2001, KMC Telecom, Inc. and some of its operating subsidiaries filed an action in the Supreme Court of New York for New York County against the Company, Cellular Communications of Puerto Rico, Inc., CoreComm New York, Inc. and MegsINet, Inc. On that same date, KMC filed the same cause of action in the Circuit Court of Cook County, IL. Upon defendant's Motion to Stay the New York action, KMC voluntarily dismissed the Illinois litigation and the matter is currently proceeding in New York. KMC contends that it is owed approximately $2 million, primarily in respect of alleged early termination liabilities, under a services agreement and a co-location agreement with MegsINet. The defendants have denied KMC's claims and have asserted that the contracts at issue were signed without proper authorization, that KMC failed to perform under the alleged contracts, and that the termination penalties are not enforceable. The defendants have served discovery and intend to defend themselves in coordination with one of their insurance carriers. On March 27, 2002, certain of the defendants initiated litigation against several former principals of MegsINet seeking indemnification and contribution against KMC's claims.

- On March 1, 2002, Easton Telecom Services, LLC., referred to as Easton LLC, initiated litigation in the Northern District of Ohio against CoreComm Internet Group, Inc. asserting that Easton LLC is the assignee of several rights of Easton Telecom Services, Inc., referred to as Easton, Inc., under an asset purchase agreement approved as part of the bankruptcy disposition of Teligent, Inc., and demanding payment of approximately $4.9 million, primarily in respect of alleged early termination penalities, for telecommunications services purportedly provided under alleged contracts between Easton and MegsINet, Inc.. Subsequently, on April 18, 2002, Easton filed an amended complaint in the above-referenced matter naming Voyager Information Networks, Inc. as an additional defendant and increasing the amount in dispute to approximately $5.1 million. On May 7, 2002, defendants' filed their answer denying Easton LLC's allegations and asserting multiple defenses, including defenses challenging the validity of the alleged contracts and plaintiffs claims as to alleged damages. Defendants intend to defend themselves vigorously and pursue all available claims and defenses. However, it is impossible at this time to predict the outcome of this litigation.

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CoreComm Limited and Subsidiaries

Notes to Condensed Consolidated Financial Statements (continued)
(Unaudited)

NOTE 13. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

- Fiberstream, Inc., a direct subsidiary of the Company, has been in communications with Metromedia Fiber Networks, Inc., referred to as MFN, regarding a dispute between the parties under a General Agreement dated September 29, 2000 and a related Product Order of the same date. The dispute centers around the accuracy of certain statements that were made by MFN concerning the nature of its network at the time of contracting, the timeliness of the installation of the circuits by MFN under the agreement, and Fiberstream's obligation, if any, to make payments in respect of those circuits. MFN has indicated that unless payment is made for the circuits, it may initiate arbitration under the agreement and seek early termination penalties in excess of approximately $1.1 million. Fiberstream has rejected MFN's demands and has advised that it will defend itself vigorously and pursue all available counterclaims, including claims for fraudulent inducement relating to the execution of the contract and damages arising from MFN's alleged failure to perform under the contract. The parties have discussed the prospect of settling their respective claims without resort to litigation and those discussions are presently ongoing.

- On October 9, 2001, Enavis Networks, Inc. filed an action in the Circuit Court of Pinellas County, Florida against the Company asserting that Enavis is owed approximately $420,000 relating to the alleged sale and installation of telecommunications equipment by Enavis. The Company filed a motion to dismiss this action for lack of personal jurisdiction over the Company in Florida and this motion is still pending. Upon resolution of the motion to dismiss in Florida and assuming that the matter proceeds in litigation, the Company intends to defend this action vigorously and assert counterclaims against Enavis arising from Enavis' failure to provide equipment complying with CoreComm's specifications.

- On or about September 14, 2001, a lawsuit was filed by WXII/Far Yale Gen-Par, LLC, as General Partner of WXII/Far Yale Real Estate Limited Partnership, referred to as Yale, against CoreComm Communications, Inc., a direct, wholly-owned subsidiary of CoreComm Holdco, and the Company seeking approximately $172,500 in unpaid rent, interest and other charges allegedly owed under a commercial real estate lease between Yale and CoreComm Communications as to which the Company is the guarantor. On or about February 5, 2002, Yale filed a motion with the court requesting permission to amend the complaint to specify a revised figure of $404,290.87 as the amount allegedly due under the lease and to add an additional count asking the court to issue a preliminary injunction preventing the defendants from transferring, selling, assigning, encumbering or otherwise hypothecating any of their assets, including any debt or equity interests in their subsidiaries, except for usual and ordinary expenses paid in the usual and ordinary course of business. On February 27, 2002, Yale's motion for a preliminary injunction was denied subject to the substitution of CoreComm Holdco for the Company as guarantor on the lease and Yale's motion to specify the revised figure of $404,290.87 was granted. The defendants are currently proceeding to make the substitution relating to the guarantee and are litigating the matter vigorously.

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition.

LIQUIDITY AND CAPITAL RESOURCES

As a result of the first phase of the Holdco recapitalization, we, who formerly owned 100% of CoreComm Holdco's outstanding capital stock, now own only approximately 13% of CoreComm Holdco's outstanding capital stock. CoreComm Holdco owns substantially all of the business operations, which we formerly owned indirectly through CoreComm Holdco. However, we remain a party liable under the $156.1 million senior secured credit facility and have no right to withdraw any additional money under that facility. Additionally, we are co-obligors with CoreComm Holdco for its 10.75% Unsecured Convertible PIK Notes due April 2011 of $16,599,000, including accrued PIK interest. In addition, as of March 31, 2002, we had obligations of approximately $591 million of debt and preferred securities now held by CoreComm Holdco, the $4.75 million principal amount of public notes that are not held by CoreComm Holdco, and other liabilities. In addition, the senior secured credit facility does not allow CoreComm Holdco to pay any dividends or distribute assets to us. As a result of these financial conditions, we currently lack the resources to meet our obligations as they become due.

Our auditors included a going concern explanatory paragraph in their audit report for the year ended December 31, 2001, which states that our liquidity conditions raise substantial doubt about our ability to continue as a going concern.

We do not contemplate raising any additional financing in the foreseeable future.

As a result of the first phase of the Holdco recapitalization, CoreComm Holdco holds $160 million principal amount of our public notes, approximately $105.7 million principal amount of our Senior Unsecured Notes and all of our outstanding preferred stock. We do not have the financial resources to meet the obligations under these notes and preferred stock if CoreComm Holdco requires us to do so. We have agreed that we will surrender to Holdco the number of shares of Holdco common stock that Holdco issues in the exchange offers and the merger. Therefore, if the merger is completed, we will own no common stock of Holdco, and thus will own no material assets, since Holdco common stock is our only material asset. In exchange for surrendering such shares of Holdco common stock, both CoreComm Holdco and us have agreed to waivers and amendments to delay our having to make any payments with respect to these securities.

Under the exchange offers, those stockholders and noteholders who exchange their shares and notes, respectively, will receive shares of CoreComm Holdco, and would no longer hold our securities.

We may lack the resources to meet the obligations of the remaining $4.75 million in principal amount of public notes that are not held by CoreComm Holdco. We did not pay any interest that was due on the public notes on October 1, 2001 until December 2001 at which time we paid such interest to the parties that entered into public note agreements in connection with the first phase of the Holdco recapitalization. On March 28, 2002, the October 1, 2001 interest payment, together with interest accrued thereon, was paid on the $4.75 million in principal amount of public notes that did not receive the October 1, 2001 interest payment in December 2001. The April 1, 2002 interest payment on the public notes has not yet been paid and we are in default under those notes. The consideration we are offering in our exchange offer for the 6% Convertible Subordinated Notes includes $30.00 in cash, which represents the April 1, 2002 interest payment, for each $1,000 in principal amount outstanding.

On February 14, 2002, we received written notification from Nasdaq indicating that we failed to comply with the minimum market value of publicly held shares and minimum bid price requirements for continued listing on the Nasdaq National Market and that we would have until May 15, 2002 to regain compliance. If the Holdco recapitalization is not successfully completed and we do not regain compliance by this date, Nasdaq stated that it will then provide us with written notification that our common stock will be delisted from the Nasdaq National Market. We have not yet determined what actions will be taken if we receive this written notification. If our common stock is delisted from the Nasdaq National Market, shares may trade in the over-the-counter market and price quotations may be reported by other sources. The extent of the public market and the availability of quotations for shares of our common stock would, however, depend upon the number of holders of shares remaining at that time, the interest in maintaining a market in shares of our common stock on the part of securities firms, the possible termination of registration of the shares under the Securities Exchange Act of 1934, and other factors.

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

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

Contractual Obligations	Total	Payments Due by Period Less than 1 Year	1-3 Years	4-5 Years	After 5 Years
	(in thousands)				
Long-Term Debt (1)	$ 270,429	$ 4,750	$105,679	$160,000	$ --
Capital Lease Obligations	none	--	--	--	--
Operating Leases	none	--	--	--	--
Unconditional Purchase Obligations	none	--	--	--	--
Other Long-Term Obligations	none	--	--	--	--
Total Contractual Cash Obligations	$ 270,429	$ 4,750	$105,679	$160,000	$ --

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

Other Commercial Commitments	Total Amounts Committed	Less than 1 year	1 - 3 years	4 - 5 years	Over 5 years
		Amount of Commitment Expiration Per Period			
		(in thousands)			
Guarantees (2)	$172,699	$ --	$15,600	$81,900	$75,199
Lines of Credit	None	--	--	--	--
Standby Letters of Credit	None	--	--	--	--
Standby Repurchase Obligations	None	--	--	--	--
Other Commercial Commitments (3)	None	--	--	--	--
Total Commercial Commitments	$172,699	$ --	$15,600	$81,900	$75,199

(1) Long-term debt includes $164,750,000 principal amount of 6% Convertible Subordinated Notes and $105,679,000 principal amount of Senior Unsecured Notes due 2003, before unamortized discount of $7,592,000.

(2) Guarantees include CoreComm Holdco's senior secured credit facility of $156,100,000, which is unconditionally guaranteed by us and CoreComm Holdco, and CoreComm Holdco's 10.75% Unsecured Convertible PIK Notes due April 2011 of $16,599,000 including accrued PIK interest for which CoreComm Holdco and us are co-obligors.

(3) Fiberstream Inc.'s obligations to the City of New York have been excluded.

RESULTS OF OPERATIONS

The first phase of the Holdco recapitalization was completed on December 28, 2001. As a result of the completion of the first phase of the Holdco recapitalization, our only material asset is its ownership of approximately 13% of the outstanding capital stock of CoreComm Holdco. Our operating results for the three months ended March 31, 2001 include the operations of CoreComm Holdco.

For the three months ended March 31, 2002, we accounted for all of CoreComm Holdco's operations using the equity method. We do not have any significant operations of our own.

The following table includes the condensed consolidated statement of operations for the three months ended March 31, 2001 for CoreComm Holdco and Subsidiaries, CoreComm Limited with the operations of CoreComm Holdco deconsolidated and CoreComm Limited and Subsidiaries as reported in our quarterly financial statements.

	CORECOMM HOLDCO AND SUBSIDIARIES	CORECOMM LIMITED WITHOUT CORECOMM HOLDCO	CORECOMM LIMITE AND SUBSIDIARIE
REVENUES	$ 72,811,000	$ 126,000	$ 72,937,000
COSTS AND EXPENSES			
Operating	63,520,000	--	63,520,000
Selling, general and administrative	30,795,000	804,000	31,599,000
Corporate	2,098,000	1,796,000	3,894,000
Non-cash compensation	3,234,000	--	3,234,000
Other charges	119,000	--	119,000
Asset impairments	167,599,000	--	167,599,000
Depreciation	12,012,000	33,000	12,045,000
Amortization	31,509,000	2,000	31,511,000
	310,886,000	2,635,000	313,521,000
Operating (loss)	(238,075,000)	(2,509,000)	(240,584,000)
OTHER INCOME (EXPENSE)			
Interest income and other, net	664,000	112,000	776,000
Interest expense	(4,141,000)	(5,697,000)	(9,838,000)
Loss before income tax provision	(241,552,000)	(8,094,000)	(249,646,000)
Income tax (provision)	--	(15,000)	(15,000)
Net (loss)	$(241,552,000)	$ (8,109,000)	$(249,661,000)

As the table above indicates, the changes between our results for the three months ended March 31, 2002 and 2001 primarily relate to the deconsolidation of CoreComm Holdco's operations on December 28, 2001. All other significant changes between our operating results for the three months ended March 31, 2002 and our operating results (excluding CoreComm Holdco's operations) for the three months ended March 31, 2001 are discussed herein.

THREE MONTHS ENDED MARCH 31, 2002 AND 2001

One of our subsidiaries provides information technology consulting and billing services to an unaffiliated wireless company. Revenues decreased to $108,000 from $126,000 as a result of a reduction in these services during the three months ended March 31, 2002.

Selling, general and administrative expenses decreased to $68,000 from $804,000 primarily due to the following: In the three months ended March 31, 2001, we incurred legal and other professional fees of approximately $363,000 due to our financing related activities that culminated in additional financing in April 2001. Also in the three months ended March 31, 2001, our wholly owned subsidiary Fiberstream, Inc. incurred costs of $367,000. We substantially reduced Fiberstream's operations as a result of the modifications to our business plan in April 2001. Finally, in the three months ended March 31, 2001, our billing services subsidiary incurred costs of $74,000. In the three months ended March 31, 2002, selling, general and administrative expenses include $60,000 from our billing services subsidiary and $8,000 from Fiberstream.

Corporate expenses included the costs of our officers and headquarters staff, the costs of operating the headquarters and costs incurred for strategic planning and evaluation of business opportunities. In 2002, CoreComm Holdco incurs all corporate expenses other than those directly related to us. We did not incur any corporate expenses in the three months ended March 31, 2002. In the three months ended March 31, 2001, a significant portion of our corporate expenses was due to our financing related activities.

Interest income and other, net, decreased to $7,000 from $112,000 primarily as a result of declining cash balances.

Interest expense of $5,651,000 and $5,697,000 for the three months ended March 31, 2002 and 2001, respectively, was related to interest accrued on our 6% Convertible Subordinated Notes and our Senior Unsecured Notes Due 2003.

The income tax provision of $15,000 in 2001 was for state and local income tax.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended March 31, 2002, cash provided by operating activities was $363,000, which consisted primarily of proceeds received from a note receivable on behalf of CoreComm Holdco. We have limited operations and do not expect to generate any significant cash from operations in the future.

For the three months ended March 31, 2002, we did not have any cash flow from investing activities. Our operations did not require any capital expenditures during the three months ended March 31, 2002. No significant capital expenditures are anticipated in the future.

For the three months ended March 31, 2002, we did not have any cash flow from financing activities. We do not contemplate raising any additional financing in the foreseeable future.

For the three months ended March 31, 2002 we had a cash flow deficit of $1,351,000 (excluding Corecomm Holdco's cash deficit).

RECENT ACCOUNTING PRONOUNCEMENTS

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

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

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

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Certain statements contained herein, specifically excluding references to the exchange offers, constitute "forward-looking statements" as that term is defined under the Private Securities Litigation Reform Act of 1995. When used herein, the words, "believe," "anticipate," "plan," "will," "expects," "estimates," "projects," "positioned," "strategy," and similar expressions identify such forward-looking statements. All references in this Safe Harbor legend to the Company shall be deemed to include CoreComm Limited and its subsidiaries and affiliates. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from those contemplated, projected, forecasted, estimated or budgeted, whether expressed or implied, by such forward-looking statements. Such factors include the following: The Company's ability to continue as a going concern; the Company's continued viability if the Holdco recapitalization is not consummated on a timely basis; the Company's ability to obtain trade credit shipments and terms with vendors and service providers for current orders; the Company's ability to maintain contracts that are critical to its operations; potential adverse developments with respect to the Company's liquidity or results of operations; the Company's ability to fund and execute its business plan; the Company's ability to attract, retain and compensate key executives and employees; the Company's ability to attract and retain customers; the potential delisting of the Company's common stock from the Nasdaq National Market; general economic and business conditions; industry trends; technological developments; the Company's ability to continue to design and build its network, install facilities, obtain and maintain any required governmental licenses or approvals and finance construction and development, all in a timely manner, at reasonable costs and on satisfactory terms and conditions; assumptions about customer acceptance, churn rates, overall market penetration and competition from providers of alternative services; the impact of restructuring and integration actions; the impact of new business opportunities requiring significant up-front investment; interest rate fluctuations; and availability, terms and deployment of capital. The Company assumes no obligation to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting such statements.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The SEC's rule related to market risk disclosure requires that we describe and quantify our potential losses from market risk sensitive instruments attributable to reasonably possible market changes. Market risk sensitive instruments include all financial or commodity instruments and other financial instruments, such as investments and debt, that are sensitive to future changes in interest rates, currency exchange rates, commodity prices or other market factors. We are not exposed to market risks from changes in foreign currency exchange rates or commodity prices. We do not hold derivative financial instruments nor do we hold securities for trading or speculative purposes. Under our current policies, we do not use interest rate derivative instruments to manage our exposure to interest rate changes.

The fair market value of long-term fixed interest rate debt is subject to interest rate risk. Generally the fair market value of fixed interest rate debt will increase as interest rates fall and decrease as interest rates rise.

INTEREST RATE SENSITIVITY
AS OF MARCH 31, 2002
PRINCIPAL AMOUNT BY EXPECTED MATURITY
AVERAGE INTEREST RATE

	FOR THE NINE MONTHS ENDING DECEMBER 31, 2002	2003	FOR THE YEARS ENDING DECEMBER 31, 2004	2005	2006	T
Long-term debt, including current Portion						
Fixed rate	$ 4,750	$105,679	$ -	$ -	$164,000	
Average interest rate	6.00%	6.47%			6.00%	

(a) Amount not determinable because of financial difficulty of CoreComm Limited.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is involved in various disputes, arising in the ordinary course of its business, which may result in pending or threatened litigation. None of these matters are expected to have a material adverse effect on the Company's financial position, results of operations or cash flows. However, certain of these matters, if resolved unfavorably to us, could have a material adverse effect on the Company's business, financial condition and/or results of operations:

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

  On July 5, 2001, Ameritech filed a claim with the PUCO seeking payment from CoreComm Limited of approximately $8,600,000 allegedly owed under the contract. On August 8, 2001, Ameritech filed a second claim against CoreComm Limited in Ohio state court, seeking an additional approximately $4,300,000 in allegedly improperly withheld amounts. On August 28, 2001, CoreComm Limited exercised its right to remove the state court claim to the United States District Court for the Northern District of Ohio, and the parties then stipulated to a consolidation of both of Ameritech's claims in the United States District Court. To consolidate the two claims, on October 9, 2001, Ameritech filed an amended complaint in the United States District Court, seeking a total of approximately $14,400,000.

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

- On March 7, 2002, CoreComm Massachusetts, Inc. (an operating subsidiary of CoreComm Holdco) filed a complaint and request for temporary restraining order against Verizon New England d/b/a Verizon Massachusetts seeking to prevent Verizon from proceeding with its threat to implement an embargo on the ability of CoreComm Massachusetts to place orders for new services pending the resolution of a dispute between the parties over the legitimacy of various charges billed by Verizon in that state. On March 13, 2002, the court denied CoreComm's request for a TRO and Verizon proceeded to implement the threatened service embargo. On April 1, 2002 Verizon filed an answer to CoreComm's complaint along with counterclaims seeking approximately $1.4 million in payment for allegedly past due charges. On April 10, 2002, CoreComm Massachusetts filed an answer to these counterclaims denying the accuracy of Verizon's contentions. We do not believe that the embargo will have a material adverse affect on our business, financial condition and/or operating results, and CoreComm Massachusetts intends to defend itself vigorously and pursue all available claims and defenses. However, it is impossible at this time to predict the outcome of this litigation.

- On December 3, 2001, General Electric Capital Corp. filed a lawsuit in the Circuit Court of Cook County, Illinois against CoreComm Limited and MegsINet, Inc., an indirect subsidiary of CoreComm Holdco, seeking approximately $8 million in allegedly past due amounts and the return of equipment under a capital equipment lease agreement between Ascend and MegsINet. GECC is seeking all amounts allegedly owed under the lease as well as repossession of the equipment. On February 19, 2002, the defendants filed a motion to dismiss several of GECC's claims. In response, GECC withdrew its original complaint and on May 1, 2002 filed an amended complaint, naming CoreComm Holdco as an additional defendant. Defendants' response to dismiss the amended complaint is presently due on June 5, 2002. Concurrently, on April 12, 2002, GECC filed a second complaint in the Circuit Court of Cook County, Illinois against MegsINet, CoreComm Limited and CoreComm Holdco seeking a court order allowing it to take repossession of its alleged equipment. After a hearing on the matter following defendants' opposition, GECC withdrew its complaint and filed a new action on May 3, 2002, in an effort to supply the court with additional information regarding its alleged rights to the equipment. Defendant's response to dismiss the May 3 complaint is currently due on or before May 23, 2002. Defendants intend to defend themselves vigorously against both complaints and to pursue all available claims and defenses. However, it is impossible at this time to predict the outcome of the litigation.

- On May 25, 2001, KMC Telecom, Inc. and some of its operating subsidiaries filed an action in the Supreme Court of New York for New York County against CoreComm Limited, Cellular Communications of Puerto Rico, Inc., CoreComm New York, Inc. and MegsINet, Inc. On that same date, KMC filed the same cause of action in the Circuit Court of Cook County, IL. Upon defendant's Motion to Stay the New York action, KMC voluntarily dismissed the Illinois litigation and the matter is currently proceeding in New York. KMC contends that it is owed approximately $2 million, primarily in respect of alleged early termination liabilities, under a services agreement and a co-location agreement with MegsINet. The defendants have denied KMC's claims and have asserted that the contracts at issue were signed without proper authorization, that KMC failed to perform under the alleged contracts, and that the termination penalties are not enforceable. The defendants have served discovery and intend to defend themselves in coordination with one of their insurance carriers. On March 27, 2002, certain of the defendants initiated litigation against several former principals of MegsINet seeking indemnification and contribution against KMC's claims.

- On March 1, 2002, Easton Telecom Services, LLC., referred to as Easton LLC, initiated litigation in the Northern District of Ohio against CoreComm Internet Group, Inc. asserting that Easton LLC is the assignee of several rights of Easton Telecom Services, Inc., referred to as Easton Inc., under an asset purchase agreement approved as part of the bankruptcy disposition of Teligent, Inc., and demanding payment of approximately $4.9 million, primarily in respect of alleged early termination penalities, for telecommunications services purportedly provided under alleged contracts between Easton and MegsINet, Inc. Subsequently, on April 18, 2002, Easton filed an amended complaint in the above-referenced matter naming Voyager Information Networks, Inc. as an additional defendant and increasing the amount in dispute to approximately $5.1 million. On May 7, 2002, defendants' filed their answer denying Easton LLC's allegations and asserting multiple defenses, including defenses challenging the validity of the alleged contracts and plaintiffs claim to alleged damages. Defendants intend to defend themselves vigorously and pursue all available claims and defenses. However, it is impossible at this time to predict the outcome of this litigation.

- On or about September 14, 2001, a lawsuit was filed by WXII/Far Yale Gen-Par, LLC, as General Partner of WXII/Far Yale Real Estate Limited Partnership, referred to as Yale, against CoreComm Communications, Inc., a direct, wholly-owned subsidiary of CoreComm Holdco, and the Company seeking approximately $172,500 in unpaid rent, interest and other charges allegedly owed under a commercial real estate lease between Yale and CoreComm Communications as to which the Company is the guarantor. On or about February 5, 2002, Yale filed a motion with the court requesting permission to amend the complaint to specify a revised figure of $404,290.87 as the amount allegedly due under the lease and to add an additional count asking the court to issue a preliminary injunction preventing the defendants from transferring, selling, assigning, encumbering or otherwise hypothecating any of their assets, including any debt or equity interests in their subsidiaries, except for usual and ordinary expenses paid in the usual and ordinary course of business. On February 27, 2002, Yale's motion for a preliminary injunction was denied subject to the substitution of CoreComm Holdco for the Company as guarantor on the lease and Yale's motion to specify the revised figure of $404,290.87 was granted. The defendants are currently proceeding to make the substitution relating to the guarantee and are litigating the matter vigorously.

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CoreComm Limited and Subsidiaries

- Fiberstream, Inc., a direct subsidiary of CoreComm Limited, has been in communications with Metromedia Fiber Networks, Inc., referred to as MFN, regarding a dispute between the parties under a General Agreement dated September 29, 2000 and a related Product Order of the same date. The dispute centers around the accuracy of certain statements that were made by MFN concerning the nature of its network at the time of contracting, the timeliness of the installation of the circuits by MFN under the agreement, and Fiberstream's obligation, if any, to make payments in respect of those circuits. MFN has indicated that unless payment is made for the circuits, it may initiate arbitration under the agreement and seek early termination penalties in excess of approximately $1.1 million. Fiberstream has rejected MFN's demands and has advised that it will defend itself vigorously and pursue all available counterclaims, including claims for fraudulent inducement relating to the execution of the contract and damages arising from MFN's alleged failure to perform under the contract. The parties have discussed the prospect of settling their respective claims without resort to litigation and those discussions are presently ongoing.

- On October 9, 2001, Enavis Networks, Inc. filed an action in the Circuit Court of Pinellas County, Florida against CoreComm Limited asserting that Enavis is owed approximately $420,000 relating to the alleged sale and installation of telecommunications equipment by Enavis. The Company filed a motion to dismiss this action for lack of personal jurisdiction over the Company in Florida and this motion is still pending. Upon resolution of the motion to dismiss in Florida and assuming that the matter proceeds in litigation, the Company intends to defend this action vigorously and assert counterclaims against Enavis arising from Enavis' failure to provide equipment complying with CoreComm's specifications.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Since March 31, 2001, the Company has failed to declare dividends on any series of preferred stock. Thus, no quarterly dividends have been paid on the 8.5% Senior Convertible Preferred Stock, Series A (the "Series A Preferred"), or the Company's Series B Senior Convertible Exchangeable Preferred Stock (the "Series

B Preferred") since December 31, 2000. The total arrearage on the unpaid dividends on the Series A Preferred is equal to $5.7 million which would have been payable either in the form of additional shares of preferred or common stock, at the Company's option; the total arrearage on the unpaid dividends on the Series B Preferred is equal to $18.2 million, which would have been payable either in the form of common stock or cash, at the Company's option. The unpaid dividends on each class of preferred stock continue to accrue until paid. These securities are currently held by CoreComm Holdco.

ITEM 5. OTHER INFORMATION

(a) On February 14, 2002, the Company received written notification from Nasdaq indicating that it failed to comply with the minimum market value of publicly held shares and minimum bid price requirements for continued listing on the Nasdaq National Market and that it would have until May 15, 2002 to regain compliance. If the Holdco recapitalization is not successfully completed and the Company does not regain compliance by this date, Nasdaq stated that it will then provide the Company with written notification that its common stock will be delisted from the Nasdaq National Market. The Company has not yet determined what action it will take if it receives this written notification. If the Company's common stock is delisted from the Nasdaq National Market, shares may trade in the over-the-counter market and price quotations may be reported by other sources. The extent of the public market and the availability of quotations for shares of the Company's common stock would, however, depend upon the number of holders of shares remaining at that time, the interest in maintaining a market in shares of the Company's common stock on the part of securities firms, the possible termination of registration of the shares under the Securities Exchange Act of 1934, and other factors.

(b) The CoreComm Holdco, Inc. and Subsidiaries Consolidated Financial Statements, Management's Discussion and Analysis of Results of Operations and Financial Condition and Quantitative and Qualitative Disclosures about Market Risk are included in Item 5 of Part II-see the Index on page S-1.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits.

None

(b) Reports on Form 8-K.

During the quarter ended March 31, 2002, the Company filed the following reports on Form 8-K:

(i) Report dated January 8, 2002, reporting under Item 5, Other Events, that CoreComm issued a press release announcing closing of recapitalization transactions, which it had announced on December 18, 2001.

(ii) Report dated January 18, 2002, reporting under Item 5, Other Events, that CoreComm issued a press release voicing its strong support for the FCC's action proposing a $6 million fine against SBC Communications for refusing to provide competitors with non-discriminatory access to SBC's shared transport network.

(iii) Report dated February 8, 2002, reporting under Item 5, Other Events, that CoreComm issued a press release announcing that its formerly wholly-owned subsidiary CoreComm Holdco, Inc. had filed registration statements with the Securities and Exchange Commission, launched the previously announced registered public exchange offers and that the Companies had made changes in the management roles of certain of their senior executives.

(iv) Report dated March 8, 2002, reporting under Item 5, Other Events, that CoreComm issued a press release with its formerly wholly-owned subsidiary CoreComm Holdco, Inc. announcing the extension of the expiration date of the registered public exchange offers by CoreComm Holdco until 5 PM., New York City time, on April 8, 2002.

No financial statements were filed with these reports.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CORECOMM LIMITED

Date: May 15, 2002

By: /s/ Michael A. Peterson

Michael A. Peterson
Executive Vice President,
Chief Operating Officer and
Chief Financial Officer

Date: May 15, 2002

By: /s/ Gregg N. Gorelick

Gregg N. Gorelick
Senior Vice President-Controller and
Treasurer (Principal Accounting Officer)

CoreComm Holdco, Inc. and Subsidiaries

INDEX TO FINANCIAL INFORMATION

The following financial information of CoreComm Holdco, Inc. and Subsidiaries is included in Item 5 of Part II:

CoreComm Holdco, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets

	M

	(U
ASSETS	
Current assets:	
Cash and cash equivalents	$
Accounts receivable-trade, less allowance for doubtful accounts of $8,388,000 (2002) and $9,759,000 (2001)	
Due from CoreComm Limited	
Other	

Total current assets	
Fixed assets, net	
Investment in CoreComm Limited	
Goodwill	1
Intangible assets, net	
Other, net of accumulated amortization of $203,000 (2002) and none (2001)	

	$ 3
	===
LIABILITIES AND SHAREHOLDERS' EQUITY Current liabilities:	
Accounts payable	$
Accrued expenses	

Due to NTL Incorporated	
Due to CoreComm Limited	
Current portion of long-term debt and capital lease obligations	
Deferred revenue	

Total current liabilities	1
Long-term debt	1
Notes payable to related parties	
Capital lease obligations	
Commitments and contingent liabilities	
Shareholders' equity:	
Series preferred stock - $.01 par value, authorized 10,000,000 shares: issued and outstanding none	
Common stock - $.01 par value, authorized 250,000,000 shares; issued and outstanding 30,000,000 shares	
Additional paid-in capital	
Deficit	(

	$ 3
	===

Note: The balance sheet at December 31, 2001 has been derived from the audited balance sheet at that date.

See accompanying notes.

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CoreComm Holdco, Inc. and Subsidiaries

Condensed Consolidated Statements of Operations
(Unaudited)

	THREE MONTHS ENDED MARCH 31, 2002	2001
REVENUES	$ 74,311,000	$ 72,811,000
COSTS AND EXPENSES		
Operating	48,038,000	63,520,000
Selling, general and administrative	22,313,000	30,795,000
Corporate	1,698,000	2,098,000
Non-cash compensation	--	3,234,000
Recapitalization costs	1,182,000	--
Other charges	--	119,000
Asset impairments	--	167,599,000
Depreciation	8,881,000	12,012,000
Amortization	1,287,000	31,509,000
	83,399,000	310,886,000

Operating loss	(9,088,000)	(238,075,000)
OTHER INCOME (EXPENSE)		
Interest income and other, net	134,000	664,000
Interest expense	(3,559,000)	(4,141,000)
Net loss	$ (12,513,000)	$(241,552,000)
Basic and diluted net loss per common share	$ (.42)	$ (8.46)
Weighted average number of shares	30,000,000	28,542,000

See accompanying notes.

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CoreComm Holdco, Inc. and Subsidiaries

Condensed Consolidated Statement of Shareholders' Equity
(Unaudited)

	COMMON STOCK		ADDITIONAL	
	SHARES	PAR	PAID-IN CAPITAL	
Balance, December 31, 2001	30,000,000	$ 300,000	$ 29,092,000	$
Net loss				(
Balance, March 31, 2002	30,000,000	$ 300,000	$ 29,092,000	$(

The Condensed Consolidated Statement of Shareholders' Equity and shares outstanding for purposes of computing basic and diluted net loss per common share reflects on a retroactive basis the 3-for-1 stock split by way of a stock dividend paid on April 12, 2002.

See accompanying notes.

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CoreComm Holdco, Inc. and Subsidiaries

Condensed Consolidated Statements of Cash Flows
(Unaudited)

	THREE MONTHS ENDED MARCH 3	
	2002	20

Net cash provided by (used in) operating activities	$ 4,544,000	$(18,5
INVESTING ACTIVITIES		
Purchase of fixed assets	(2,405,000)	(5
Proceeds from sales of marketable securities	--	2,7
Net cash provided by (used in) investing activities	(2,405,000)	2,2
FINANCING ACTIVITIES		
Proceeds from borrowing, net of financing costs	--	9,7
Principal payments	--	(1,5
Principal payments of capital lease obligations	(264,000)	(4,5
Net cash provided by (used in) financing activities	(264,000)	3,6
Increase (decrease) in cash and cash equivalents	1,875,000	(12,7
Cash and cash equivalents at beginning of period	24,966,000	22,7
Cash and cash equivalents at end of period	$ 26,841,000	$ 10,0
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	$ 2,727,000	$ 1,1
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING ACTIVITIES		
Liabilities incurred to acquire fixed assets	$ 93,000	$ 3,6

See accompanying notes.

CoreComm Holdco, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements
(Unaudited)

NOTE 1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information pursuant to the rules and regulations of the SEC. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2002 are not necessarily indicative of the results that may be expected for the year ending December 31, 2002. For further information, refer to the consolidated financial statements and footnotes thereto included in Item 14(d) of CoreComm Limited's annual report on Form 10-K for the year ended December 31, 2001.

NOTE 2. HOLDCO RECAPITALIZATION

In April 2001, the Company and CoreComm Limited completed a reevaluation of their business plan in light of current market conditions and made significant modifications to the plans. The Company streamlined its strategy and operations to focus on its two most successful and promising lines of business. The first is integrated communications products and other high bandwidth/data/web-oriented services for the business market. The second is bundled local telephony and Internet products efficiently sold, serviced and provisioned via Internet-centric interfaces to the residential market.

Also in April 2001, the Company and CoreComm Limited commenced a process to potentially sell their assets and businesses (now owned by the Company) that are not directly related to their competitive local exchange carrier, referred to as CLEC, business, and retained advisors for the purpose of conducting this sale. The Company's CLEC assets and businesses include its local and toll-related telephone services that compete with the incumbent local exchange carrier, referred to as ILEC.

In October 2001, the Company and CoreComm Limited commenced the Holdco
rec