

BROADWING INC
Form DEF 14A
March 31, 2003

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**SCHEDULE 14A
(RULE 14a-101)**

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES

EXCHANGE ACT OF 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-11c or Section 240.14a-12

Broadwing Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

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Broadwing Inc.

201 East Fourth Street
P. O. Box 2301
Cincinnati, Ohio 45202

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD APRIL 29, 2003

To Our Shareholders:

The 2003 Annual Meeting of Shareholders of Broadwing Inc. (the Company) will be held on Tuesday, April 29, 2003 at 11:00 a.m. Eastern Daylight Savings Time at Reakirt Auditorium, Cincinnati Museum Center at Union Terminal, 1301 Western Avenue, Cincinnati, Ohio, 45203 for the following purposes:

1. To elect three (3) Class I directors to serve three-year terms ending in 2006; and
2. Consider any other matters that may properly come before the meeting or any adjournments or postponements of the meeting.

The Board of Directors has established the close of business on March 20, 2003, as the record date (the Record Date) for determining the shareholders entitled to notice of, and to vote at, the Annual Meeting or any adjournment or postponement of the meeting. Only shareholders of record at the close of business on the Record Date are entitled to vote on matters to be presented at the Annual Meeting.

YOUR VOTE IS IMPORTANT. PLEASE TAKE A FEW MINUTES TO READ THE ENCLOSED MATERIAL AND VOTE YOUR SHARES. YOU CAN VOTE BY THE INTERNET, BY TELEPHONE, OR BY MAILING YOUR COMPLETED AND SIGNED PROXY OR VOTING INSTRUCTION CARD(S) IN THE ENCLOSED POSTAGE-PAID ENVELOPE. IF YOU ARE THE SHAREHOLDER OF RECORD FOR YOUR SHARES, YOU CAN ALSO VOTE AT THE ANNUAL MEETING.

Your prompt response will also help reduce proxy costs and will help you avoid receiving follow-up telephone calls or mailings. Voting by the Internet or telephone will help reduce proxy costs even further.

We have enclosed the Proxy Statement with this notice of the Annual Meeting.

By Order of the Board of Directors
/s/ Jeffrey C. Smith
Jeffrey C. Smith
Secretary

April 4, 2003

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BROADWING INC.

201 East Fourth Street

P.O. Box 2301
Cincinnati, Ohio 45202

PROXY STATEMENT

For the Annual Meeting of Shareholders

to be held on Tuesday, April 29, 2003

This Proxy Statement and the accompanying proxy or voting instruction card are furnished to the shareholders of Broadwing Inc., an Ohio corporation (the "Company"), in connection with the solicitation of proxies by the Board of Directors for use at the 2003 Annual Meeting of Shareholders. The Annual Meeting will be held on Tuesday, April 29, 2003 at 11:00 a.m. Eastern Daylight Savings Time at Reakirt Auditorium, Cincinnati Museum Center at Union Terminal, 1301 Western Avenue, Cincinnati, Ohio, 45203. The Notice of Annual Meeting of Shareholders, this Proxy Statement, the accompanying proxy or voting instruction card, and the annual report of the Company for the year ended December 31, 2002 are first being mailed to the shareholders on or about April 4, 2003.

The Company's Board of Directors has established March 20, 2003, as the record date (the "Record Date") for determining shareholders entitled to vote at the Annual Meeting or any adjournment or postponement of the Annual Meeting. Only shareholders of record at the close of business on the Record Date will be entitled to vote on matters to be presented at the Annual Meeting.

The agenda for the Annual Meeting is as follows:

1. Elect three (3) Class I directors to serve three-year terms ending in 2006; and
2. Consider any other matters that may properly come before the meeting or any adjournments or postponements of the meeting.

PLEASE VOTE YOUR VOTE IS IMPORTANT

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Broadwing Inc. is a full-service local and national provider of data and voice communications services, and a regional provider of wireless communications services. The Company seeks to provide world-class telecommunications services through its well-regarded brand name and reputation for service. The Company currently operates in four business segments: Broadband, Local, Wireless and Other.

QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING

Q: Why am I receiving these proxy materials?

A: The Company's Board of Directors (the Board) is providing these proxy materials to you in connection with the Annual Meeting of Shareholders, which will take place on April 29, 2003. As a shareholder, you are invited to attend the meeting and are entitled to vote on the proposal described in this Proxy Statement.

Q: What information is contained in these materials?

A: This Proxy Statement includes information relating to the proposal to be voted on at the meeting, the voting process, the compensation of directors and certain officers, and certain other information required by the rules and regulations of the Securities and Exchange Commission. Also enclosed is a proxy card or voting instruction card for your use in voting. Our 2002 Annual Report, including our full 2002 consolidated financial statements, is also enclosed.

Q: What proposals will be voted on at the meeting?

A: There is currently one proposal scheduled to be voted on at the meeting:
The election of three (3) Class I directors to serve three-year terms ending in 2006.

Q: What is the Board of Directors' voting recommendation?

A: The Board recommends that you vote your shares FOR each of the nominees to the Board.

Q: What shares can I vote?

A: You may vote all Company common shares and 6 3/4% Cumulative Convertible Preferred Shares that you own as of the close of business on the Record Date. These shares include: (1) shares held directly in your name as the shareholder of record, including common shares purchased through Broadwing's Employee Stock Ownership Plan (ESOP), Employee Stock Purchase Plan (ESPP), Retirement Savings Plan, or Savings and Security Plan and credited to your account under any of such plans; and (2) shares held for you as the beneficial owner through a stockbroker or bank.

Q: What is the difference between holding shares as a shareholder of record and as a beneficial owner?

A: Many Broadwing shareholders hold their shares through a stockbroker, bank or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Shareholder of Record

If your shares are registered directly in your name with Broadwing's transfer agent, The Fifth Third Bank, you are considered the shareholder of record for those shares, and Broadwing is sending these proxy materials directly to you. As a shareholder of record, you may grant your voting proxy directly to Broadwing to vote your shares or vote your shares in person at the meeting. Broadwing has enclosed a proxy card for your use in voting by proxy.

Beneficial Owner

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name, and your broker or nominee is considered to be the shareholder of record. If you are a beneficial owner, your broker or nominee has forwarded these proxy materials to you. As the beneficial owner, you may direct your broker to vote, and are also invited to attend the meeting. However, since you are not the shareholder of record, you may not vote these shares in person at the meeting unless you obtain a

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signed proxy from the record holder giving you the right to vote the shares. Your broker

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or nominee has provided a voting instruction card for you to use in directing the broker or nominee on how to vote your shares.

Q: How can I vote my shares at the meeting?

A: Shares held directly in your name as the shareholder of record may be voted in person at the Annual Meeting. Shares you own beneficially, in street name, cannot be voted at the Annual Meeting unless you obtain a proxy from the shareholder of record authorizing you to vote these shares at the Annual Meeting. If you choose to attend the meeting and vote in person, please bring the enclosed proxy card and proof of identification.

Q: How can I vote my shares without attending the meeting?

A: Whether you hold shares directly as the shareholder of record, or beneficially in street name, you may direct your vote without attending the meeting. For shares held directly as the shareholder of record, you may vote by granting a proxy. For shares held in street name, you may vote by submitting voting instructions to your broker or nominee. You may also vote over the Internet, or by telephone. Please refer to the summary instructions below and those included on your proxy or voting instruction card.

By Internet If you have Internet access, you may submit your vote from any location by following the **Vote by Internet** instructions on your proxy or voting instruction card.

By telephone If you live in the United States or Canada, you may submit your vote by following the **Vote by Phone** instructions on the proxy card.

By mail You may vote by mail by completing and signing your proxy or voting instruction card and mailing it in the accompanying enclosed, pre-addressed envelope.

Q: If I own shares through a Broadwing or Convergys employee or director plan managed by Fidelity how will my shares be voted?

A: If you are a participant in the Broadwing Executive Deferred Compensation Plan, Broadwing Retirement Savings Plan, Cincinnati Bell Inc. Savings and Security Plan, Broadwing Outside Director Executive Deferred Compensation Plan or the Convergys Corporation Retirement and Savings Plan, you have the right to direct Fidelity Management Trust Company (**Fidelity**) to vote any Broadwing Inc. shares credited to your account. For director nominations, you should follow the instructions on your proxy card. If no direction is made, or, if voting by mail, your proxy card is not signed or has not been received by close of business on April 24, 2003, the shares credited to your account will not be voted.

Q: Can I change my vote?

A: Yes. You may change your voting instructions at any time prior to the vote at the Annual Meeting. For shares you hold as the shareholder of record, you may change your vote by either: (i) granting a new proxy bearing a later date (which automatically revokes the earlier proxy); (ii) notifying the Company's Secretary in writing that you want to revoke your earlier proxy; or (iii) attending the Annual Meeting, giving notice of your proxy revocation in open meeting and voting in person. Please note that mere attendance at the meeting will not cause your previously granted proxy to be revoked; at the Annual Meeting you must specifically request to revoke your previous proxy. For shares held beneficially by you in street name, you may change your vote by submitting new voting instructions to your broker or nominee.

Q: How are votes counted?

A: For the election of directors, you may vote **FOR** all of the nominees, or you may withhold your vote with respect to one or more of the nominees. To do so, you must follow the instructions on your proxy card or voting instruction card or, if voting by Internet or phone, by following the instructions when prompted. If you sign your proxy or broker voting instruction card and do not provide instructions concerning your vote, your shares will be voted in accordance with the recommendation of the Board (**FOR** all of the Company's nominees to the Board and in the discretion of the proxy holders on any other matters that properly come before the meeting), except that common shares you hold through a Broadwing or Convergys employee or director plan managed by Fidelity will be voted as specified above.

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Q: What is the voting requirement to approve the proposal?

A: In the election of directors, the three persons receiving the highest number of FOR votes will be elected. If you are a beneficial owner and do not respond to your broker or nominee's request for voting instructions or do not sign your voting instruction card, your shares will constitute broker non-votes, as described in "What is the quorum requirement for the meeting?" below. In tabulating the voting result, broker non-votes are not considered entitled to vote. There are no cumulative voting rights for either the common shares or 6 3/4% Cumulative Convertible Preferred Shares.

Q: What does it mean if I receive more than one proxy or voting instruction card?

A: It means your shares are registered differently or are in more than one account. Please provide voting instructions for all proxy and voting instruction cards you receive.

Q: Where can I find the voting results of the meeting?

A: We will announce preliminary voting results at the meeting and publish final results in our quarterly report on Form 10-Q for the second quarter of fiscal year 2003.

Q: What happens if additional proposals are presented at the meeting?

A: Other than the proposals described in this Proxy Statement, we do not expect any matters to be presented for a vote at the Annual Meeting. If you grant a proxy, the persons named as proxy holders, Lawrence J. Bouman, J. Taylor Crandall and John M. Zrno, will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting. If for any unforeseen reason any of the nominees is not available as a candidate for director, the persons named as proxy holders will vote your proxy for such other candidate or candidates as may be nominated by the Board of Directors.

Q: What classes of shares are entitled to be voted?

A: Each common share and each 6 3/4% Cumulative Convertible Preferred Share outstanding as of the close of business on the Record Date is entitled to vote on all items being voted upon at the Annual Meeting. You are entitled to one vote for each common share and for each 6 3/4% Cumulative Convertible Preferred Share you own on the Record Date. The 6 3/4% Cumulative Convertible Preferred Shares will vote with the common shares as one class on the proposal described in this Proxy Statement. On the Record Date, we had 218,952,904 common shares and 155,250 6 3/4% Cumulative Convertible Preferred Shares issued and outstanding.

Q: What is the quorum requirement for the meeting?

A: The quorum requirement for holding the meeting and transacting business is a majority of the shares of common and preferred shares issued and outstanding and entitled to vote at such meeting. However, even if a quorum is present, if any particular action requires other than a simple majority under either the law, the Company's Amended Articles of Incorporation or the Company's Amended Regulations, that particular action will not be taken unless the required percentage of affirmative votes has been obtained.

Both abstentions and broker non-votes are counted as present for the purpose of determining the presence of a quorum. Abstentions are also counted as shares present and entitled to be voted. Broker non-votes, however, are not counted as shares present and entitled to be voted with respect to the matter on which the broker has expressly not voted. Thus, broker non-votes will not affect the outcome of any of the matters being voted upon at the meeting.

Q: Who will count the votes?

A: A representative of The Fifth Third Bank, Broadwing's transfer agent and registrar, will tabulate the votes and act as the inspector of election.

Q: Is my vote confidential?

A: Proxy instructions, ballots and voting tabulations that identify individual shareholders are handled in a manner that protects voting privacy. Your vote will not be disclosed either within Broadwing or to third

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parties except (1) as necessary to meet applicable legal requirements, (2) to allow for the tabulation of votes and certification of the vote, or (3) to facilitate a successful proxy solicitation by the Board. Occasionally, shareholders provide written comments on their proxy card, which are then forwarded to Broadwing's management.

Q: Who will bear the cost of soliciting votes for the meeting?

A: Broadwing is making this solicitation and will pay the entire cost of preparing, assembling, printing, mailing and distributing these proxy materials. If you choose to access the proxy materials and/or vote over the Internet, however, you are responsible for Internet access charges you may incur. In addition to the mailing of these proxy materials, the solicitation of proxies or votes may be made in person, by telephone or by electronic communication by our directors, officers and employees, who will not receive any additional compensation for such solicitation activities. We also have hired Georgeson Shareholder Communications Inc. to assist us in the distribution of proxy materials and the solicitation of votes. We will pay Georgeson Shareholder Communications Inc. a fee of \$10,000 plus expenses for these services. We will also reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to shareholders.

Q: What percentage of the Company's issued and outstanding shares of voting stock do our directors and executive officers own?

A: Our directors and executive officers owned approximately 2.77% of our voting stock as of the Record Date. See page 15 for more details.

Q: Do any of our shareholders hold more than 5% of the issued and outstanding shares of any class of the Company's voting stock?

A: As of October 28, 2002, various persons, entities and funds associated with Marc J. Gabelli and Mario J. Gabelli (collectively the Gabelli Entities) collectively owned 14,032,741 or 6.41%, of the issued and outstanding shares of common stock. As of December 31, 2002, various persons, entities, and funds associated with Legg Mason, Inc. collectively owned 33,021,171 or 15.10%, of the issued and outstanding shares of common stock. As of December 31, 2002, various persons, entities and funds associated with Shapiro Capital Management Co., Inc. collectively owned 15,579,915 or 7.12% of the issued and outstanding shares of common stock. See page 15 for more details.

Q: What is householding?

A: Householding is a process that allows the Company to reduce costs and increase efficiencies by mailing only one copy of Company communications, such as this Proxy Statement, to multiple shareholders who reside at the same household mailing address. If you and other shareholders at the same householding address are currently receiving only one copy of Company communications at your mailing address, but would like to receive separate copies, please see the instructions on page 30. If you and other shareholders at the same mailing address are currently receiving multiple copies of Company communications, but would like to participate in our Householding program, please see the instructions on page 30.

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Our Board currently has 11 directors and the following four committees: (1) Audit and Finance, (2) Compensation, (3) Executive, and (4) Governance and Nominating. The members and function of each committee are described below. During fiscal year 2002, the Board held 15 meetings and no director attended less than 75% of all Board and applicable committee meetings.

| Name of Director | Audit & Finance | Compensation | Executive | Governance & Nominating |
|--|-----------------|--------------|-----------|-------------------------|
| <i>Non-Employee Directors</i> | | | | |
| Lawrence J. Bouman | X | | X | X* |
| Phillip R. Cox | X(1) | X | | X |
| J. Taylor Crandall | | X | | X |
| Karen M. Hoguet | X | | | |
| Daniel J. Meyer | X* | | X* | |
| Mary D. Nelson | X | | | |
| Carl Redfield | | X | | X |
| David B. Sharrock | | X* | X | X |
| John M. Zrno | | X | | X |
| <i>Employee Directors</i> | | | | |
| John F. Cassidy | | | | |
| Kevin W. Mooney | | | X | |
| Number of Meetings in Fiscal Year 2002 | 8 | 5 | 3 | 3 |

X = Committee member; * = Chair

(1) Mr. Cox became a member of the Audit & Finance Committee on October 21, 2002.

Committees of the Board

Audit and Finance Committee: The Audit and Finance Committee consists of five persons, none of whom is an officer of the Company. The committee oversees the Company's financial reporting process, evaluates the adequacy of the Company's internal controls, reviews the Company's compliance with federal, state and local laws and regulations, and monitors the legal and ethical conduct of Company management and employees. In addition, the committee reviews the Company's financial affairs, including its capital structure, borrowing limits, financing of corporate acquisitions and the performance of its benefit plans.

Pursuant to Securities and Exchange Commission (SEC) regulations, effective December 15, 2000, the audit committee of every company subject to the Securities Exchange Act of 1934 is required to have a written charter. The Audit Committee Charter is currently being revised consistent with the requirements of the Sarbanes-Oxley Act of 2002 and certain other related SEC and New York Stock Exchange (NYSE) rule changes. A revised Audit Committee Charter will be made available on the Company's website when the applicable SEC and NYSE rules have been finalized.

Compensation Committee: The Compensation Committee consists of five persons, none of whom is an officer. The committee reviews the Company's executive compensation and employee benefit plans and programs, including their establishment, modification and administration.

Executive Committee: The Executive Committee consists of four persons, one of whom is an officer. The committee acts on behalf of the Board in certain matters when necessary during the intervals between Board meetings.

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Governance and Nominating Committee: The Governance and Nominating Committee consists of five persons, none of whom is an officer. The committee recommends nominees for the election of directors and officers, monitors the performance of the other Board committees, and informs the Board of shareholder concerns. The Governance and Nominating Committee will also consider nominees from shareholders; see page for details.

Director Compensation Arrangements

Compensation for Employee Directors

Directors who are also employees of the Company (or any subsidiary of the Company) receive no additional compensation for serving on the Board or its committees other than their normal salaries.

General Compensation Rules for Non-Employee Directors

Directors who are not employees of the Company or any subsidiary of the Company (non-employee directors) received a \$22,500 annual retainer plus \$1,500 for each Board and committee meeting attended. Also, in 2002 the chairpersons of the Audit and Finance Committee and the Compensation Committee were paid an additional \$3,000. Mr. Meyer, effective upon his appointment as Chairman of the Board, is to receive total compensation of \$250,000 on an annual basis.

Effect of Directors Deferred Compensation Plan on Compensation of Non-Employee Directors

The Broadwing Inc. Deferred Compensation Plan for Outside Directors (the Directors Deferred Compensation Plan) allows each non-employee director of the Company to choose to defer receipt of all or a part of his or her director fees and annual retainers and to have such deferred amounts credited to an account of the director under the plan. Directors may choose to have deferrals among a number of investment options managed by Fidelity Investments and such amounts are also credited with investment experience. A non-employee director is fully vested at all times in the amounts of the director fees and annual retainers that are credited to his or her account under the plan.

Each person who was a non-employee director of the Company on January 2, 2003 also had his or her account under the Directors Deferred Compensation Plan credited on such date with an amount equal to the value of 1,500 common shares. A non-employee director will be vested in the share amounts credited to his or her account under the plan only if he or she completes at least five years of active service as a non-employee director of the Company (with a fraction of a year of service as a non-employee director being rounded up or down to the nearest whole year).

Except as is noted below, in the event of a change in control of the Company, when a non-employee director of the Company terminates his or her position as a non-employee director, the vested amounts then credited to his or her account under the Directors Deferred Compensation Plan (including certain amounts credited prior to 1998 or attributable to pre-1998 credits) are paid to him or her (or, in the case of his or her death, to a beneficiary of such non-employee director) in a lump sum payment of stock or in annual installments of stock (up to ten such installments), as the director may elect under the provisions of the plan. However, if a change in control of the Company (as such term is defined in the Directors Deferred Compensation Plan) occurs prior to the non-employee director terminating his or her position as a director of the Company, the amounts credited to his or her account are generally fully vested without regard to any forfeiture provisions in the plan, and such amounts will generally be paid to the non-employee director in one lump sum payment of stock as of the day next following the date on which the change in control occurs.

Until paid, all amounts credited to a non-employee director s account under the Directors Deferred Compensation Plan are not funded or otherwise secured, and all payments under the plan are made from the general assets of the Company and its subsidiaries.

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Effect of Directors Stock Option Plan on Compensation of Non-Employee Directors

The Company grants its non-employee directors stock options to purchase common shares under the Broadwing Inc. 1997 Stock Option Plan for Non-Employee Directors (The 1997 Stock Option Plan for Non-Employee Directors, together with certain predecessor non-employee director stock option plans of the Company, the Directors Stock Option Plan). Pursuant to the current terms of the Directors Stock Option Plan, each non-employee director is granted:

a stock option for 25,000 common shares on the first day of his or her term of office as a director; and

a stock option for 9,000 common shares on the date of each annual meeting, if such director first became a non-employee director before the date of such annual meeting and continues in office as a non-employee director after such meeting.

Each stock option granted to a non-employee director under the Directors Stock Option Plan requires that the price to be paid upon the exercise will equal 100% of the fair market value of the shares underlying the option (as determined at the time the option is granted).

Other Compensation for Non-Employee Directors

The Company also provides its non-employee directors who live in the Cincinnati area with certain telecommunications services. The average annual cost of such services was approximately \$797.00 per non-employee director in 2002 who received such services.

COMPENSATION INTERLOCKS AND INSIDER PARTICIPATION

As more fully set forth in the section entitled Certain Transactions on page 29, J. Taylor Crandall, a director and member of the Board's Compensation Committee, is affiliated with Oak Hill Capital Management and its affiliates, to which the Company is indebted.

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ELECTION OF DIRECTORS

(Item 1 on the Proxy Card)

The Board of the Company presently consists of eleven members, two of whom are officers of the Company. The Company's Amended Articles of Incorporation provide for the directors to be divided into three classes. At each annual meeting of shareholders, directors constituting a class are elected for three-year terms. Upon election, the terms of the three directors in Class I expire in 2006. The terms of the four directors in Class II expire in 2004. The terms of the three directors in Class III expire in 2005. The directors of each class will serve until their respective successors are elected and qualified. Mary D. Nelson will retire as a Class III Director of the Board of Directors effective at the close of the 2003 Annual Meeting.

The Board has nominated Karen M. Hoguet, Carl Redfield and David B. Sharrock, all of whom are incumbent directors, as Class I directors, to serve until the 2006 annual meeting of shareholders. Information regarding the business experience of each nominee is provided below.

Pursuant to an Investment Agreement dated July 21, 1999 between the Company and Oak Hill Capital Management, Inc., as long as Oak Hill and its affiliated entities hold at least two-thirds of the common shares issued or issuable upon conversion of the Company's convertible subordinated debentures, Oak Hill has the right to designate one director. Mr. Crandall is currently the designee of Oak Hill and is serving as a Class III director.

Except for shares owned through a Broadwing or Convergys employee or director plan managed by Fidelity, the shares represented by the accompanying proxy or voting instruction card will be voted FOR the election of the Class I director nominees, unless contrary instructions are indicated as provided on the proxy or voting instruction card. For shares owned through a Broadwing or Convergys employee or director plan managed by Fidelity, shares will be voted as set forth on page 3 above. (If you do not wish your shares to be voted for particular nominees, please so indicate on the proxy or voting instruction card, or if voting over the Internet or telephone follow the voting instructions provided to you.) If one or more of the nominees should at the time of the meeting be unavailable or unable to serve as a candidate, the shares represented by the proxies will be voted to elect the remaining nominees and any substitute nominee or nominees designated by the Board. The Board knows of no reason why any of the nominees will be unavailable or unable to serve.

Our Recommendation

The three director nominees who receive the greatest number of votes will be elected to the Board of Directors. Votes against a candidate, abstentions and broker non-votes will have no legal effect. The Board recommends election of each of the nominees.

For each director of the Company, including those nominated for election, there follows a brief listing of principal occupation during at least the past five years, other major affiliations and age on the date of this Proxy Statement.

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NOMINEES FOR CLASS I DIRECTORS

(Terms Expire in 2006)

Karen M. Hoguet

Ms. Hoguet is Chief Financial Officer and Senior Vice President of Federated Department Stores, Inc. (owner and operator of retail department stores). At Federated Department Stores, she has served as a Senior Vice President since 1991; as Treasurer from 1992-1999; and as Chief Financial Officer since 1997. Director since 1999. Age 46.

Carl Redfield

Mr. Redfield has been Senior Vice President of Worldwide Manufacturing/Logistics at Cisco Systems, Inc. since 1997; Vice President, Manufacturing/Logistics of Cisco Systems, Inc., from 1993-1999. Before that, he served as Senior Director, Manufacturing/Logistics Personal Computer Group, Digital Equipment Corporation, from 1975-1993. He is a director of VA Software Corporation. Director since 2000. Age 56.

David B. Sharrock

Mr. Sharrock has been a consultant since 1994. Prior to that, he served as Executive Vice President and Chief Operating Officer of Marion Merrell Dow Inc. (a researcher, manufacturer and seller of pharmaceutical products) from 1989-1993. He served as President and Chief Operating Officer of Merrell Dow Pharmaceuticals Inc. from 1988-1989. He is a director of Interneuron Pharmaceuticals Inc., Incara Pharmaceuticals, Inc., Praecis Pharmaceuticals, Inc., and MGI Pharma, Inc. Director since 1987. Age 66

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CLASS II Directors

(Terms Expire in 2004)

Lawrence J. Bouman

Mr. Bouman has been a consultant since 1999. Prior to that, he served as Executive Vice President-Product Development of Qwest from 1998-1999. He served as Chief Technology Officer of LCI International, Inc. from 1995-1998. He is a director of Metasolv Software Inc. Director since 2001. Age 56.

Phillip R. Cox

Mr. Cox has been President and Chief Executive Officer of Cox Financial Corporation (a financial planning services company) since 1972. He is a director of Federal Reserve Bank of Cleveland, Cinergy Corp., Touchstone Mutual Funds, and Long Stanton Manufacturing Company. Director since 1993. Age 56.

Kevin W. Mooney

Chief Executive Officer and Director of the Company since September 2002, Chief Operating Officer of the Company from November 2001 to September 2002; Executive Vice President and Chief Financial Officer of the Company from September 1998 to November 2001; Senior Vice President and Chief Financial Officer of Cincinnati Bell Telephone since January 1998; Vice President and Controller of the Company, 1996-1998. Director since 2002. Age 45.

John M. Zrno

Mr. Zrno is retired. He was President and Chief Executive Officer of IXC Communications, Inc. from June 1999-November 1999. He served as President and Chief Executive Officer of ALC Communications Corporation from 1988-1995. He is a director of BullsEye Telecom. Director since 1999. Age 64.

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CLASS III Directors

(Terms Expire in 2005)

John F. Cassidy

Chief Operating Officer and Director of the Company and President of Cincinnati Bell since September 2002, President and Chief Operating Officer of Cincinnati Bell since May 2000; President of Cincinnati Bell Enterprises since August, 1999; President of Cincinnati Bell Wireless since 1996; Senior Vice President, National Sales & Distribution of Rogers Cantel in Canada from 1992-1996; Vice President, Sales and Marketing, Ericsson Mobile Communications from 1990-1992; Vice President, Sales and Marketing, General Electric Company from 1988-1990. Director since 2002. Age 48.

J. Taylor Crandall

Mr. Crandall is Managing Partner of Oak Hill Capital Management, Inc. and Chief Operating Officer of Keystone, Inc. He is a director of the American Skiing Company, U.S. Oncology Inc., Interstate Hotels Corporation and Meristar Hospitality Corporation. He serves on the Board of Advisors of Oak Hill Capital Partners and Oak Hill Strategic Partners, L.P. He is a member of Investment Committees of Insurance Partners, L.P. and Brazos Fund, L.P.; and a member of the Advisory Committees of Boston Ventures Limited Partnership V and B-K Capital Partners, L.P. Director since 1999. Age 49.

Daniel J. Meyer

Mr. Meyer is retired. He served as Chairman and Chief Executive Officer of Milacron, Inc. (a manufacturer of metal working and plastics processing machinery and systems) from 1991-2001. He is a director of AK Steel Holding Corporation and Hubbell Incorporated. Director since 1999. Age 66.

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Any general statement that incorporates this Proxy Statement into any filing under the Securities Act of 1933 or under the Securities Exchange Act of 1934 shall not be deemed to incorporate by reference this Audit and Finance Committee Report and related disclosure. Except to the extent the Company specifically incorporates such Report and related disclosure by reference, this information shall not otherwise be deemed to have been filed under such Acts.

AUDIT AND FINANCE COMMITTEE REPORT

The Audit and Finance Committee of the Board has reviewed and discussed the Company's audited financial statements with the management of the Company, and has obtained a report from management assessing the Company's internal controls. The Audit and Finance Committee has discussed with PricewaterhouseCoopers LLP, the Company's independent accountants, the matters required by SAS 61 (Codification of Statements on Auditing Standards, AU § 380) to be discussed. The Audit and Finance Committee has also received the written disclosures and letter from the independent accountants required by Independence Standards Board Standard No. 1 (Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees), has discussed with PricewaterhouseCoopers LLP the independence of such independent accounting firm and has considered the question of whether the auditors' provision of non-audit services was compatible with the auditors maintaining their independence.

Based on its review and discussions referred to in the preceding paragraph, the Audit and Finance Committee recommended to the Board that the audited financial statements for the Company's fiscal year ended December 31, 2002 be included in the Company's Annual Report on Form 10-K for the Company's fiscal year ended December 31, 2002.

Each of the members of the Audit and Finance Committee is independent within the meaning of Sections 303.01(B)(2)(a) and (3) of the listing standards of the New York Stock Exchange.

AUDIT AND FINANCE COMMITTEE:

Daniel J. Meyer, Chairman
Lawrence J. Bouman
Phillip R. Cox
Karen M. Hoguet
Mary D. Nelson

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INDEPENDENT PUBLIC ACCOUNTANTS

For the fiscal year 2003, the Board has selected PricewaterhouseCoopers LLP as its principal outside accountant.

Representatives of PricewaterhouseCoopers LLP are expected to be present at the Annual Meeting, will have the opportunity to make a statement if they desire to do so, and are expected to be available to respond to appropriate questions.

AUDIT FEES

The Company's independent accountants, PricewaterhouseCoopers LLP, disclosed that for services rendered by PricewaterhouseCoopers LLP to Broadwing in 2002 they have billed the following fees and expenses:

| | |
|--|-------------|
| Audit Fees for the Calendar Year 2002 Audit and review of annual and quarterly financial statements | \$ 986,575 |
| Audit Related Services (related to employee benefit plan audits and consultations concerning financial accounting and reporting standards) | \$ 107,654 |
| Financial Information Systems Design and Implementation Fees | \$ 0 |
| Tax Compliance and Consulting | \$ 241,835 |
| Accounting and Regulatory Related Support | \$ 0 |
| All Other Fees | \$ 0 |
| | <hr/> |
| Total | \$1,336,064 |

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The following table sets forth the beneficial ownership of common shares and 6 3/4% Cumulative Convertible Preferred Shares as of March 20, 2003 by (i) each beneficial owner of more than five percent (5%) of either class of stock, (ii) each director and each executive officer named in the Summary Compensation Table on page 19, and (iii) all directors and executive officers of the Company as a group.

Unless otherwise indicated, the address of each director and executive officer is care of Broadwing at Broadwing's address.

| Name and Address of Beneficial Owner | Title of Class | Shares Beneficially Owned as of Mar. 20, 2003 (unless otherwise noted) | Percent of Common Shares | Percent of 6 3/4% Cumulative Convertible Preferred Shares |
|--|----------------|---|--------------------------------|--|
| Legg Mason, Inc.(a) 100 Light Street Baltimore, MD 21202 | Common | 33,021,171(b) | 15.10(b) | |
| various Gabelli Entities(c) c/o Gabelli Asset Management Inc. One Corporate Center Rye, NY 10580-1435 | Common | 14,032,741(d) | 6.41(d) | |
| Shapiro Capital Management Co., Inc.(e) 3060 Peachtree Road, Suite 1555 N.W. Atlanta, GA 30305 | Common | 15,579,915 | 7.12(f) | |
| Lawrence J. Bouman(g) | Common | 44,600 | .02 | |
| Michael J. Callaghan(g) | Common | 228,076 | .10 | |
| John F. Cassidy(g) | Common | 672,416 | .31 | |
| Phillip R. Cox(g) | Common | 76,586 | .03 | |
| J. Taylor Crandall(g) | Common | 52,000 | .02 | |
| Richard G. Ellenberger(g) | Common | 1,870,300 | .85 | |
| Karen M. Hoguet(g) | Common | 66,325 | .03 | |
| Daniel J. Meyer(g) | Common | 63,000 | .03 | |
| Kevin W. Mooney(g) | Common | 738,154 | .34 | |
| Mary D. Nelson(g) | Common | 81,250 | .04 | |
| Carl Redfield(g) | Common | 43,000 | .02 | |
| Thomas L. Schilling(g) | Common | 197,902 | .09 | |
| David B. Sharrock(g) | Common | 70,052 | .03 | |
| Jeffrey C. Smith(g)(h) | Common | 544,131 | .25 | |
| John M. Zrno(g) | Common | 1,040,990 | .48 | |
| All directors and executive officers as a group (consisting of 18 persons, including those named above) | Common | 6,066,324 | 2.77 | |

(a) As reported in the Form 13(G) filed on February 13, 2003 by Legg Mason, Legg Mason, Inc. is the parent holding company for, and shares voting and investment power for these shares with its investment advisory subsidiaries Legg Mason Funds Management, Inc., LMM LLC, Bartlett & Co., Bingham Legg Advisers LLC, Legg Mason Capitol Management, Inc., and Legg Mason Wood Walker, Inc. (investment advisor and broker/dealer with discretion). Shares may be placed in accounts which are managed by various investment advisory subsidiaries; of the total amount of shares owned by Legg Mason, one account, Legg Mason Special Investment Trust, Inc., owns 15,000,000 shares, or 6.85%, of the shares outstanding; and one account, Legg Mason Opportunity Trust, Inc., owns 14,944,000 shares, or 6.83%, of the shares outstanding.

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- (b) Share amounts are identified through December 31, 2002, as reported on Form 13(G) filed on February 13, 2003 by Legg Mason, Inc.
- (c) Ownership of the common shares is by the following respective Gabelli Entities or persons: Gabelli Funds, LLC; GAMCO Investors, Inc.; Gabelli International Limited; Gabelli Performance Partnership, L.P.; Gabelli & Company, Inc. Profit Sharing Plan; Gemini Capital Management, LLC; MJG Associates, Inc.; Gabelli Securities, Inc.; Gabelli Group Capital Partners, Inc.; Gabelli Asset Management Inc.; Marc J. Gabelli; and Mario J. Gabelli. Voting and investment power for the shares are retained by the respective identified owner and are not shared with other Gabelli Entities or persons.
- (d) Share amounts are identified through October 28, 2002, as reported on Form 13(D) filed on October 28, 2002, by Gabelli Asset Management, Inc.
- (e) As reported in the Form 13(G) filed on February 4, 2003 by Shapiro Capital Management Co., Inc. Shares may be placed in accounts which are managed by various investment advisory subsidiaries.
- (f) Share amounts are identified through December 31, 2002, as reported on Form 13(G) filed on February 4, 2003, by Shapiro Capital Management Co., Inc.
- (g) Includes common shares subject to outstanding options under the Broadwing Inc. 1997 Long Term Incentive Plan and the Directors Stock Option Plan that are exercisable by such individuals within 60 days. The following options are included in the totals: 44,600 common shares for Mr. Bouman; 196,200 common shares for Mr. Callaghan; 596,300 common shares for Mr. Cassidy; 73,525 common shares for Mr. Cox; 51,250 common shares for Mrs. Nelson; 62,625 common shares for Mrs. Hoguet; 179,400 common shares for Mr. Schilling; 63,240 common shares for Mr. Sharrock; 1,870,300 common shares for Mr. Ellenberger; 52,000 common shares for each of Messrs. Crandall and Meyer; 685,200 common shares for Mr. Mooney; 43,000 common shares for Mr. Redfield; 511,696 common shares for Mr. Smith; and 1,035,990 common shares for Mr. Zrno.
- (h) Includes common shares held directly by the director or executive officer or by a person with whom the director or officer has a duty of trust or confidence such as a spouse, parents, children or sibling, but as to which common shares the director or officer disclaims beneficial ownership: 4,400 for Mr. Smith and 210 for all others. Each of the above expressly declares that the filing of this Proxy Statement shall not be construed as an admission that s