COGENT COMMUNICATIONS GROUP INC
Form PRE 14C
April 15, 2004

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SCHEDULE 14C INFORMATION

**Information Statement Pursuant to Section 14(c) of
the Securities Exchange Act of 1934**

Check the appropriate box:
ý Preliminary Information Statement
o **Confidential, for use of the Commission only (as permitted by Rule 14c-5(d)(2))**
o Definitive Information Statement

COGENT COMMUNICATIONS GROUP, INC.

(Name of Registrant as Specified In Its Charter)

Payment of Filing Fee (Check the appropriate box):
ý No fee required.
o Fee computed on table below per Exchange Act Rules 14c-5(g) and 0-11.
(1) Title of each class of securities to which transaction applies:

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

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

1015 31st Street N.W.
Washington, D.C. 20007
(202) 295-4200

INFORMATION STATEMENT

This Information Statement is being furnished to the stockholders of Cogent Communications Group, Inc., a Delaware corporation (the "Company" or "Cogent") in connection with the amendment of the Company's Fourth Amended and Restated Certificate of Incorporation ("Existing Charter") to increase the number of shares of Common Stock to 600 million, to amend the antidilution provisions of the Company's existing Series G Participating Convertible Preferred Stock (the "Series G Preferred Stock") and Series H Participating Convertible Preferred Stock (the "Series H Preferred Stock") and to authorize 50,000 additional shares of authorized but unissued and undesignated preferred stock (the "Undesignated Preferred Stock"). The Company has issued shares of its Series I Participating Convertible Preferred Stock (the "Series I Preferred Stock") and Series J Participating Convertible Preferred Stock (the "Series J Preferred Stock") and these shares will become convertible into shares of Common Stock upon the amendment of the Company's Existing Charter.

The Series I Preferred Stock was issued in the merger of Symposium Gamma, Inc. ("Gamma") with and into a wholly-owned merger subsidiary of the Company (the "Gamma Merger"). The Series J Preferred Stock was issued in the merger of Symposium Omega, Inc. ("Omega") with and into a wholly-owned merger subsidiary of the Company (the "Omega Merger," and collectively with the Gamma Merger, the "Mergers"). This amendment to the Existing Charter and the Mergers are described in more detail in this Information Statement. This Information Statement will be first mailed to stockholders on or about April 26, 2004.

As a result of the issuance of Series I Preferred Stock in connection with the Gamma Merger and the issuance of Series J Preferred Stock in connection with the Omega Merger, and as described more fully in the proposal and set forth on the table on page 8, the current holders of the Company's Common Stock will be substantially diluted. As of March 31, 2004, assuming the conversion of all of the Company's convertible preferred stock (including the conversion of the Series I and Series J Preferred Stock at the conversion rates that will be applicable to such shares at the time that the proposed amendment to the Existing Charter becomes effective), the Series I and Series J Preferred Stock would represent approximately 26.5% of the total issued and outstanding equity of the Company, and the equity securities of the Company outstanding prior to the Omega and Gamma Mergers would represent approximately 73.4% of the total issued and outstanding equity of the Company.

WE ARE NOT ASKING YOU FOR A PROXY AND
YOU ARE REQUESTED NOT TO SEND A PROXY.

Consent Date; Outstanding Shares; Voting Rights

It is anticipated that prior to the mailing of this information statement (the "Consent Date"), certain of the Company's stockholders will act by written consent to approve the proposal described in this Information Statement. It is anticipated that on the Consent Date, the Company's issued and outstanding capital stock will consist of:

13,995,164 shares of common stock, par value $.001 per share (the "Common Stock"), which was held by approximately 460 holders of record;

- 11,000 shares of Series F Participating Convertible Preferred Stock, par value $.001 per share (the "Series F Preferred Stock");
- 41,030 shares of Series G Preferred Stock, par value $.001 per share;
- 52,023 shares of Series H Preferred Stock, par value $.001 per share;
- 2,575 shares of Series I Preferred Stock, par value $.001 per share; and
- 3,891 shares of Series J Preferred Stock, par value $.001 per share.

Holders of shares of our Common Stock are entitled to one vote for every share held, and holders of our Series F Preferred Stock, Series G Preferred Stock, Series H Preferred Stock, Series I Preferred Stock and Series J Preferred Stock are entitled to a number of votes per share equal to the number of shares of Common Stock issuable upon conversion of such shares of preferred stock. Each share of Series F Preferred Stock is convertible into 6,200 shares of Common Stock; each share of Series G Preferred Stock is convertible into between 5,759 and 19,617 shares of Common Stock (depending on the specific terms of the sub-series); and each share of Series H Preferred Stock is convertible into 769 shares of Common Stock. Prior to the amendment of the Existing Charter, neither the Series I Preferred Stock nor the Series J Preferred Stock are convertible into shares of our Common Stock, and as a result, holders of shares of our Series I Preferred Stock and Series J Preferred Stock currently are not entitled to vote. After the amendment of the Existing Charter, each share of Series I Preferred Stock will be convertible into 6,200 shares of Common Stock and each share of Series J Preferred Stock will be convertible into 30,998 shares of Common Stock.

Dissenters' Rights of Appraisal

Under the laws of the State of Delaware and the Company's governing documents, stockholders will not have the right to dissent and obtain payment for their shares in connection with the proposals described in this Information Statement.

Note Regarding Share and Per Share Data

In connection with the completion of the merger of Allied Riser Communications Corporation ("Allied Riser") with a subsidiary of the Company, which is discussed in the footnotes to the financial statements accompanying this Information Statement, the Company completed a ten-for-one reverse stock split with respect to its Common Stock. All share and per-share information contained in and accompanying this Information Statement reflects the occurrence of that reverse stock split.

PROPOSAL
AMENDMENT OF THE COMPANY'S CERTIFICATE OF INCORPORATION

The Board of Directors has adopted, subject to stockholder approval, Amendment No. 1 to the Fourth Amended and Restated Certificate of Incorporation of the Company, a copy of which is attached hereto as Appendix A (the "Charter Amendment"). It is anticipated that on the Consent Date, stockholders holding capital stock of the Company representing a number of votes sufficient to approve the proposal will give their written consent to approve the adoption of the Charter Amendment.

The Charter Amendment will:

- increase the number of authorized shares of the Company's Common Stock from 395 million shares to 600 million shares by authorizing 205 million additional shares of authorized but unissued common stock;
- increase the number of authorized shares of the Undesignated Preferred Stock from 120,000 shares to 170,000 shares by authorizing 50,000 additional shares of authorized but unissued Undesignated Preferred Stock; and

amend each of the certificates of designation of the Series G Preferred Stock and the Series H Preferred Stock to exclude from the definition of "Additional Shares of Common Stock" the issuance of Series I Preferred Stock and Series J Preferred Stock.

The Charter Amendment will become effective upon its filing with the Secretary of State of the State of Delaware. Except as described herein, the Company has no current plan, proposal or arrangement, written or otherwise, to issue the additional Common Stock or the Undesignated Preferred Stock. However, the Company may from time to time issue some or all of the additional Common Stock or Undesignated Preferred Stock in connection with one or more acquisitions, financings or other transactions deemed to be in the Company's best interests.

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DESCRIPTION OF OUR BUSINESS

We provide high-speed Internet access to businesses and other telecommunications service providers. These customers are located in buildings directly connected to Cogent's fiber optic network. Services are provided in these locations to our customers utilizing Ethernet interfaces. We call these services our "on-net" services. We also offer services to customers utilizing leased circuits providing more traditional Internet access speeds of T1, E1, E3, and T3. We call these services our "off-net" services. The discussion below includes information on our French and Spanish and related European operations. However, because our French and Spanish operations were acquired in January 2004, the financial statements and other financial information included in our annual report reflect the results of operation of only our U.S. and Canadian operations.

In the buildings in which we offer our on-net services, we typically place a rack of equipment allowing us to terminate our optical signal from the metropolitan network and provide interconnection to our end customers either through cross connects within carrier-neutral facilities or riser facilities that we own, operate and terminate in our customer's suite.

We also provide high speed Internet access and rack co-location in approximately 27 data centers in the United States and Europe.

In the United States and Canada, our network is linked to approximately 860 buildings in more than 20 metropolitan markets. In these markets, our network is constructed of dark fiber that we control pursuant to long-term supply agreements. This dark fiber connects at hubs (or central office locations) that we have constructed in each key market. Within these hub facilities, we deploy our metropolitan optical equipment, our core routing technology and a physical interconnection to our intercity long haul fiber-optic network. In Europe our network links approximately 39 markets, primarily in France and Spain, in which we have 42 on-net buildings.

Our intercity network is comprised of approximately 12,500 route-miles and 25,000 fiber-miles in North America and approximately 10,000 route-kilometers and 20,000 fiber-kilometers in France and Spain (and an additional 5,000 route-kilometers and 10,000 fiber-kilometers in Germany upon delivery and integration of the German network). Our North American and European networks are interconnected via two leased high capacity STM-16 circuits. We interconnect our network at approximately 30 locations worldwide with over 400 other Internet service providers providing for our internetworking capacity. Our network has been optimized for transmission using Internet Protocol, or "IP". Our network has been designed to offer these services at speeds that we believe have not been generally and commercially available from our competitors. In addition to the core services described above, we also support a number of non-core products. These products include email, shared web hosting, managed web hosting, and dial up Internet access. We continue to support these products as customer contracts require.

Our network incorporates assets that we have purchased and deployed in connection with the nine major corporate acquisitions we have completed. Our acquisition strategy has focused on targets that employ technology that is complementary to the technology that we have deployed. The network equipment and infrastructure we acquired in these transactions have generally been re-deployed in an architecture meeting our network design criteria.

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DESCRIPTION OF THE MERGERS

Each of the Mergers was entered into as part of a multi-step transaction through which the Company was able to expand its operations into Europe. The structure of each of the Mergers was essentially the same. The Company's principal stockholders, together with BNP Europe Telecom & Media Fund II, LP and Natio Vie Developpement 3, FCPR (collectively, the "Gamma/Omega Investors"), invested funds in the Delaware corporations Symposium Gamma, Inc. and Symposium Omega, Inc., which each acquired the European assets that the Company wished to acquire. The Company negotiated the terms under which the assets would be acquired by Gamma and Omega then acquired the assets using the funds invested in each of them. After acquiring the assets, Gamma and Omega merged into subsidiaries of the Company in return for the issuance of the Series I Preferred Stock and the Series J Preferred Stock of the Company, respectively, to their stockholders.

The Gamma Merger

In the third quarter of 2003, the Company became aware that LNG Holdings SA ("LNG") might be available for purchase. LNG and its operating subsidiaries operated a European telecommunications network and were on the verge of insolvency. The Company initially determined that it did not want to acquire the entire LNG operations at that time. However, the Company was interested in certain aspects of the LNG businesses and, given the Company's history of acquiring troubled assets, reconsidered and undertook further discussions with the owners of LNG with a view towards some type of transaction. The owners of LNG rejected any proposal other than a transaction in which they could transfer their entire ownership in LNG to a new owner. In order to prevent LNG from liquidating and to preserve the Company's ability to structure an acceptable acquisition, in November 2003, the Company's chief executive officer formed and became the sole stockholder of Symposium, Inc. ("Symposium"), which acquired a 90% interest in LNG in return for the indemnification and release of the former owners from any liabilities associated with LNG and the commitment on the part of Symposium to cause at least $2 million to be invested in the LNG subsidiaries.

In January 2004, LNG transferred its interest in Firstmark Communications Participations S.à.r.l. ("FMCP") to Gamma in return for a commitment by Gamma to invest at least $2 million in the operations of LambdaNet France, one of FMCP's subsidiaries. Gamma also undertook to obtain the release of LNG from certain guarantees of obligations of FMCP's French operating subsidiary. In January 2004, Gamma merged with a wholly-owned subsidiary of the Company. Under the merger agreement all of the issued and outstanding shares of Gamma common stock were converted into 2,575 shares of the Company's Series I Preferred Stock. The 2,575 shares of the Series I Preferred Stock will be convertible into approximately 16.0 million shares of the Company's common stock upon approval of the Charter Amendment.

The Omega Merger

LNG also had a subsidiary operating company that provides telecommunications service in Germany. The Company explored the possibility of acquiring the German operations, however, it was unable to reach an acceptable agreement with the creditors of the German subsidiary, primarily a consortium of German banks. When it became apparent that the Company would not likely acquire the German operations of LNG, it began to pursue other opportunities in Germany. In the first quarter of 2004, the Company identified as an attractive acquisition certain telecommunication assets formerly operated as part of the Carrier One network. In March 2004, Gamma signed a binding term sheet to acquire from the owner of the former Carrier One network, GLH GmbH, a German fiber optic network, two strands of fiber optic cable by means of a pre-paid lease and certain equipment in Germany for approximately 2.3 million euros. The German network includes a pair of single mode fibers under a fifteen-year prepaid lease (known as an indefeasible right of use or IRU), network equipment, and the co-location rights to facilities in approximately thirty-five points of presence in

Germany. The agreement includes monthly service fees of approximately 85,000 euros for co-location, power and maintenance of the pair of single mode fibers. In conjunction with this transaction, the Gamma/Omega Investors purchased shares in Omega in return for $19.5 million. Omega then merged into the Company with the Gamma/Omega Investors receiving 3,891 shares of Series J Preferred Stock. The Series J Preferred Stock will be convertible into approximately 120.6 million shares of our Common Stock upon approval of the Charter Amendment. It is anticipated that the network will be delivered in full by May 2004. The Company intends to integrate this German network into its existing European networks and introduce point-to-point transport, transit services and its North American product set in Germany.

Terms of the Series I Preferred Stock and Series J Preferred Stock

A summary of certain of the rights and preferences of the Series I Preferred Stock and Series J Preferred Stock is set forth below. The complete designation of the rights and preferences of the Series I Preferred Stock and Series J Preferred Stock is set forth in the certificates of designation in the forms attached hereto as Appendices B and C, respectively. The rights and preferences of the Series I Preferred Stock and Series J Preferred Stock are independent from and not related to one another except as described below under "Antidilution."

Dividends

The holders of the Series I Preferred Stock and the Series J Preferred Stock will be entitled to receive out of legally available funds, dividends (on an as-converted-to-Common-Stock basis) payable when and if dividends are declared by the Board of Directors with respect to the Common Stock. The Company has no current plan, proposal or arrangement, written or otherwise, to pay dividends with respect to the Common Stock.

Conversion

Each share of the Series I Preferred Stock and the Series J Preferred Stock may be converted into shares of Common Stock at the election of its holder at any time after the Charter Amendment becomes effective (the "Convertibility Date").

After the Convertibility Date, each share of the Series I Preferred Stock will be automatically converted into approximately 6,200 shares of Common Stock upon the affirmative election of the holders of at least 80% of the outstanding shares of the Series I Preferred Stock. Each share of the Series I Preferred is convertible into approximately 6,200 shares of Common Stock and will be convertible into an aggregate of approximately 16.0 million shares of Common Stock representing 3.1% of the fully diluted authorized and outstanding shares of Common Stock as of the completion of the Gamma Merger (assuming conversion of all of the Company's issued and outstanding securities that are convertible into Common Stock and exercise of all outstanding options and warrants or any other rights to purchase or acquire other equity interests in the Company).

After the Convertibility Date, each share of the Series J Preferred Stock will be automatically converted into approximately 30,998 shares of Common Stock upon the affirmative election of the holders of at least 80% of the outstanding shares of the Series J Preferred Stock. Each share of the Series J Preferred is convertible into approximately 30,998 shares of Common Stock and will be convertible into an aggregate of approximately 120.6 million shares of Common Stock representing 23.4% of the fully diluted authorized and outstanding shares of Common Stock after as of the completion of the Omega Merger (assuming conversion of all of the Company's issued and outstanding securities that are convertible into Common Stock and exercise of all outstanding options and warrants or any other rights to purchase or acquire other equity interests in the Company).

The conversion price will be subject to adjustment as provided in the paragraph below (relating to antidilution). The Series I Preferred Stock and the Series J Preferred Stock will be automatically converted into Common Stock, at their then applicable conversion rates in the event of an underwritten public offering of shares of the Company at a total offering of not less than $50 million at a post-money valuation of the Company of $500 million (a "Qualifying PO").

Sinking Fund Provisions

Neither the Series I Preferred Stock nor the Series J Preferred Stock are subject to sinking fund provisions.

Restrictions on Alienability

Neither the Series I Preferred Stock nor the Series J Preferred Stock are subject to restrictions on alienability.

Antidilution

Proportional adjustments will be made for stock splits, stock dividends, recapitalizations, and the like. The conversion prices of the Series I Preferred Stock and the Series J Preferred Stock will be adjusted on a weighted average basis for issuances of additional equity securities at a purchase price below the then-effective applicable conversion prices of the Series I Preferred Stock and the Series J Preferred Stock (subject to exceptions). In addition, if there is an adjustment to the conversion price of the Series F Preferred Stock, the Series G Preferred Stock, the Series H Preferred Stock, the Series I Preferred Stock or the Series J Preferred Stock, then all such series of preferred stock shall receive the same proportional adjustment.

Voting Rights and Protective Provisions

After the Convertibility Date, the Series I Preferred Stock and the Series J Preferred Stock will vote together with the Common Stock and not as separate classes, except as required by law with respect to any amendment or waiver of any provisions of the Company's proposed Charter Amendment or Bylaws that adversely affects the rights, preferences and privileges of the Series I Preferred Stock or the Series J Preferred Stock. Each share of the Series I Preferred Stock and the Series J Preferred Stock will have a number of votes equal to the number of shares of

Common Stock then issuable upon conversion of such share on all matters except for the election of directors for which the Series J Preferred Stock will have no vote.

Liquidation Preference; Participation

Upon an acquisition, dissolution, liquidation, or winding up of the Company, the holders of the Series I Preferred Stock, the Series J Preferred Stock and the other holders of preferred stock of the Company shall be entitled to receive, out of the assets of the Company remaining after all of the Company's debts and liabilities have been paid or otherwise provided for, but before any payments have been made to the holders of Common Stock, an amount payable in cash on account of each share of Series I Preferred Stock and each share of Series J Preferred Stock plus any declared but unpaid dividends amounts equal to and with the preference as follows: (1) the holders of the Series F Preferred Stock, Series G Preferred Stock, Series I Preferred Stock and Series J Preferred Stock will be entitled to receive on a pari passu basis a return of an amount equal to the amount paid, or deemed to have been paid, for such preferred stock; (2) the holders of the Series G Preferred Stock will be entitled to $82 million, the holders of Series I Preferred Stock will be entitled to receive $5.2 million, the Series J Preferred Stock will be entitled to receive $38.9 million and the holders of the Series H Preferred Stock will receive $8.8 million; (3) the holders of the Series F Preferred Stock shall receive $18.1 million; and (4) the holders of the Series F Preferred Stock, Series G Preferred Stock, Series H

Preferred Stock, Series I Preferred Stock and Series J Preferred Stock will be entitled to share with the holders of Common Stock in any remaining proceeds on an as converted to Common Stock basis.

An "acquisition" includes a merger, consolidation, or sale of all or substantially all of the assets of the Company in any transaction or series of related transactions in which the stockholders of the Company do not own 50% of the voting power of the surviving corporation.

Redemption

Neither the Series I Preferred Stock nor the Series J Preferred Stock will be redeemable.

Registration Rights Agreement and Stockholders Agreement

The holders of the Series F Preferred Stock, Series G Preferred Stock, Series I Preferred Stock and Series J Preferred Stock have entered into a Fourth Amended and Restated Registration Rights Agreement with the Company, that provides for, among other things, registration rights with respect to Common Stock issued to the parties to the agreement. The holders of the Series F Preferred Stock, Series G Preferred Stock, Series I Preferred Stock and Series J Preferred Stock have also entered into a Third Amended and Restated Stockholders Agreement, that provides for, among other things, an agreement by these parties to vote shares of Common Stock held by them for directors of the Company so as to elect as directors of the Company persons designated by certain of the parties to such agreement as well as the right to participate on a proportional basis in any future equity offerings by the Company.

Dilutive Effect on Existing Equity Securities

Due to the issuance of the Series I Preferred Stock in connection with the Gamma Merger and the issuance of the Series J Preferred Stock in connection with the Omega Merger, our existing Common Stock and Preferred Stock, as a percentage of the total number of shares of the Company's equity securities assuming conversion of the Preferred Stock, has been substantially diluted.

	Percentage of Outstanding Common Stock Owned (Assuming Conversion of Preferred Stock)	
Existing Class of Equity Securities	**Before Issuance of Series I Preferred Stock and Series J Preferred Stock**	**After Issuance of Series I Preferred Stock and Series J Preferred Stock**
Common Stock	3.7%	2.7%
Existing Preferred Stock	96.2%	70.7%
Series I Preferred Stock		3.1%
Series J Preferred Stock		23.4%

Additionally, in the event of any dissolution, liquidation, or winding up of the Company, at least $7.7 million will be paid in cash to holders of the Series I Preferred Stock, at least $58.4 million will be paid in cash to holders of the Series J Preferred Stock, at least $29.1 million will be paid in cash to the holders of the Series F Preferred Stock, at least $123.0 million will be paid in cash to the holders of the Series G Preferred Stock and at least $8.8 million will be paid in cash to the holders of the Series H Preferred Stock before any payment is made to the holders of Common Stock.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information with respect to the beneficial ownership of shares of the Company's capital stock as of March 31, 2004, (1) assuming conversion of all of the shares of Series F Preferred Stock, Series G Preferred Stock and Series H Preferred Stock into common stock at their then-effective conversion rates, and (2) assuming that the Series I Preferred Stock and the Series J Preferred Stock were convertible on that date and assuming conversion of all of the shares of the Series F Preferred Stock, Series G Preferred Stock, Series H Preferred Stock, Series I Preferred Stock and Series J Preferred Stock into Common Stock at their then effective conversion rates, by:

each stockholder known to us to be a beneficial owner of more than 5% of any class of voting capital stock;

each of our directors;

each of our named executive officers; and

all of our executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares subject to options, warrants and securities convertible into common stock held by that person that are exercisable as of March 31, 2004 or exercisable within 60 days thereof are deemed beneficially owned. Except as indicated in the footnotes to this table, we believe that each stockholder named in the following table has sole voting and investment power with respect to the shares set forth opposite such stockholder's name, except to the extent shared by a spouse under applicable law. This table is based on information supplied by officers, directors and principal stockholders. As of March 31, 2004, assuming conversion of all of the Series F Preferred Stock, Series G Preferred Stock and Series H Preferred Stock into Common Stock at their then effective conversion rates, there would have been 377,999,564 shares of Common Stock outstanding. If the Series I Preferred Stock and Series J Preferred Stock had been convertible as of March 31, 2004, and assuming conversion of all of the outstanding preferred stock of the Company, including the Series I Preferred Stock and Series J Preferred Stock, into Common Stock at their then effective conversion rates, there would have been 514,567,326 shares of Common Stock outstanding.

Unless otherwise noted, the address for each stockholder below is: c/o Cogent Communications Group, Inc., 1015 31st Street, N.W., Washington D.C. 20007.

Name and Address	Number of Shares	Percent Ownership as of March 31, 2004	Number of Shares after convertibility of Series I Preferred Stock and Series J Preferred Stock	Percent Ownership after convertibility of Series I Preferred Stock and Series J Preferred Stock
Entities affiliated with Jerusalem Venture Partners Building One Mahla, Jerusalem 91487(1)	80,015,134	21.18%	98,632,617	19.18%

Name and Address	Number of Shares	Percent Ownership as of March 31, 2004	Number of Shares after convertibility of Series I Preferred Stock and Series J Preferred Stock	Percent Ownership after convertibility of Series I Preferred Stock and Series J Preferred Stock
Entities affiliated with Worldview Technology Partners 435 Tasso Street, #120 Palo Alto, CA 94301(2)	59,903,503	15.86	66,105,487	12.85
Entities affiliated with Oak Investment Partners IX, LP One Gorham Island Westport, CT 06880(3)	60,702,017	16.07	79,300,901	15.42
Entities affiliated with Broadview Capital Partners One Bridge Plaza(4) Fort Lee, NJ 07024	33,051,668	8.75	40,230,837	7.82
Entities affiliated with BNP Europe Telecom and Media Fund II, L.P.(5)			77,495,350	15.07
Cisco Systems Capital Corporation(6)	68,199,901	18.05	68,199,901	13.26
David Schaeffer(7)	16,940,378	4.48	16,940,378	3.29
H. Helen Lee(8)	1,817,693	*	1,817,693	*
Erel Margalit	80,015,134	21.18	98,632,617	19.18
Edward Glassmeyer	60,702,017	16.07	79,300,901	15.42
Timothy Weingarten	59,903,503	15.86	66,105,487	12.85
Steven Brooks	33,051,668	8.75	40,230,837	7.82
Mark Schleifer(9)	210,000	*	210,000	*
Robert Beury(10)	210,000	*	210,000	*
Directors and executive officers as a group persons) (11)	253,481,250	67.10	304,078,770	59.12

* Less than 1%

(1) Includes shares held by entities affiliated with Jerusalem Venture Partners, of which Mr. Margalit is Managing General Partner and Mr. Carus is a General Partner and CFO, including: (a) JVP III, LP, (b) JVP III (Israel) LP, (c) JVP Entrepreneurs Fund LP, (d) JVP IV, LP, (e) JVP-IV-A LP, and (f) JVP IV (Israel) LP. Messrs. Margalit and Carus disclaim beneficial ownership of such shares.

(2) Includes shares held by entities affiliated with Worldview Technology Partners, including: (a) Worldview Technology Partners III, LP, (b) Worldview Technology International III, LP, (c) Worldview Strategy III, LP, (d) Worldview III Carrier Fund, LP, (e) Worldview Technology Partners IV, LP, (f) Worldview Technology International IV, LP, and (g) Worldview Strategic Partners IV, LP. Mr. Weingarten disclaims beneficial ownership of such shares.

(3) Includes shares of preferred stock held by: Oak Investment Partners IX, LP, Oak IX Affiliates Fund, LP, and Oak IX Affiliates (Annex), LP. Mr. Glassmeyer disclaims beneficial ownership of such shares.

(4) Includes shares held by entities affiliated with Broadview Capital Partners, including: (a) BCI Holdings LP, (b) Broadview Holdings LLP, (c) Broadview BCPSBS Fund, (d) Broadview Capital Partners Affiliates Fund, (e) Broadview Capital Partners Management and (f) Broadview Capital Partners Qualified Purchaser Fund.

(5)

Includes shares held by Natio Vie Developpement 3, Fonds Commun de Placement a Risque ("NVD3"), and BNP Europe Telecom & Media Fund II ("BNP ETMF"). BNP ETMF may be deemed to beneficially own the shares held by NVD3 by virtue of their relationship, whereby BNP Private Equity SA ("BNP PE") is the management company of NVD3 and BNP PE shares certain common directors with General Business Finance and Investments Ltd. ("GBFI"), the general partner of BNP ETMF. Pursuant to the terms of the merger agreement pursuant to which the Series I and Series J Preferred Stock were issued, Jean Jacques Bertrand became a member of the Company's Board of Directors on April 8, 2004. Mr. Bertrand is a member of the Board of Directors of BNP PE and is a director and one of the shareholders of GBFI. Mr. Bertrand disclaims beneficial ownership of the shares held by NVD3 and BNP ETMF except to the extent of any indirect pecuniary interest in such entity.

(6) Includes 11,000 shares of Series F Preferred Stock, convertible into 68,199,901 shares of Common Stock.

(7) Includes 295,424 shares of Common Stock, 160,424 of which are owned directly by Mr. Schaeffer and 135,000 shares of which are held by the Schaeffer Descendant's Trust. Mr. Schaeffer disclaims beneficial ownership of such shares. Also includes 16,538 shares of Series H Preferred Stock, convertible into 12,721,545 shares of Common Stock.

(8) Includes 2,363 shares of Series H Preferred Stock, convertible into 1,817,693 shares of Common Stock.

(9) Includes 273 shares of Series H Preferred Stock, convertible into 210,000 shares of Common Stock.

(10) Includes 273 shares of Series H Preferred Stock, convertible into 210,000 shares of Common Stock.

(11) See footnotes (1) through (6) above. Consists of David Schaeffer, H. Helen Lee, Mark Schleifer, Robert Beury, Erel Margalit, Edward Glassmeyer, Timothy Weingarten, Steven Brooks, Michael Carus, R. Brad Kummer, Timothy O'Neill and Thaddeus Weed.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION

You should read this Information Statement together with the financial statements and related notes and other information accompanying this Information Statement. The results discussed therein are not necessarily indicative of the results to be expected in any future periods. Certain matters discussed therein are forward-looking statements. This Information Statement may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws, including any projections of earnings, revenues or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing. Forward-looking statements may include the words "may," "will," "estimate," "intend," "continue," "believe," "expect" or "anticipate" and other similar words. Such forward-looking statements may be contained in "Management's Discussion and Analysis of Financial Condition and Results of Operations," (attached to this Information Statement in Appendix D) among other places.

Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and to inherent risks and uncertainties. Key risks to our Company are described in our annual report for the fiscal year ended December 31, 2002 on Form 10-K and our other documents filed from time to time with the Securities and Exchange Commission. We do not intend, and undertake no obligation, to update any forward-looking statement.

FINANCIAL INFORMATION REGARDING THE COMPANY

Financial Statements

The Company's audited balance sheets as of December 31, 2003 and 2002 and audited statements of operations, statements of stockholders' equity and statements of cash flows for the years ended 2003, 2002 and 2001 and related notes to the financial statements are attached to this Information Statement in Appendix E (the "Audited Financial Statements").

Included in this Information Statement is an unaudited pro forma consolidated balance sheet as of December 31, 2003 and unaudited pro forma consolidated statements of operations for the twelve months ending December 31, 2003 and the related notes to the unaudited pro forma consolidated balance sheet and the unaudited pro forma consolidated statements of operations (the "Pro Forma Financial Statements"). The Pro Forma Financial Statements give effect to the Gamma Merger (including the Company's January 2004 acquisition of FMCP) and the Omega Merger.

Supplementary Financial Information

The following tables present unaudited quarterly financial information for eight quarters ended December 31, 2003. The Company believes this information reflects all adjustments (consisting only of normal recurring adjustments) that it considers necessary for a fair presentation of such information in accordance with generally accepted accounting principles. The results for any quarter are not necessarily indicative of results for any future period (in thousands, except per share data):

	Three months ended			
	March 31, 2003	**June 30, 2003**	**September 30, 2003**	**December 31, 2003**
	(in thousands, except share and per share amounts)			
Net service revenue	$ 14,233	$ 15,519	$ 15,148	$ 14,522
Cost of network operations, including amortization of deferred compensation	10,739	12,282	12,067	13,236
Operating loss	(14,880)	(16,568)	(15,901)	(33,878)
Gain Cisco credit facility troubled debt restructuring			215,432	
Gain Allied Riser note exchange	24,802			
Net (loss) income	1,914	(22,796)	196,462	(34,837)
Net (loss) income applicable to common stock	1,914	(22,796)	144,462	(34,837)
Net (loss) income per common share basic	0.55	(6.54)	18.48	(2.64)
Net (loss) income per common share diluted	0.14	(6.54)	0.86	(2.64)
Weighted-average number of shares outstanding basic	3,483,838	3,483,838	10,628,612	13,204,582
Weighted-average number of shares outstanding diluted	13,845,149	3,483,838	228,595,536	13,204,582

	Three months ended			
	March 31, 2002	**June 30, 2002**	**September 30, 2002**	**December 31, 2002**
	(in thousands, except share and per share amounts)			
Net service revenue	$ 3,542	$ 18,578	$ 15,960	$ 13,833
Cost of network operations, including amortization of deferred compensation	6,908	16,007	14,243	12,166
Operating loss	(16,684)	(15,523)	(16,875)	(13,192)
Net loss	(17,959)	(24,562)	(25,409)	(23,914)
Net loss applicable to common stock	(17,959)	(24,562)	(25,409)	(23,914)
Net loss per common share	(6.81)	(7.18)	(7.34)	(6.86)
Weighted-average number of shares outstanding	2,637,951	3,419,582	3,463,995	3,483,838

Management's Discussion and Analysis of Financial Condition and Results of Operations

Attached to this Information Statement in Appendix D is management's discussion and analysis of the Company's financial condition, changes in financial condition and results of operations for each of the fiscal years and interim periods covered by the Audited Financial Statements and the Unaudited Financial Statements. We encourage you to read the full text of Appendix D to gain a better understanding of the Company's historical financial statements.

Quantitative and Qualitative Disclosures About Market Risk

All of our financial interests that are sensitive to market risk are entered into for purposes other than trading. Our primary market risk exposure is related to our marketable securities. We place our marketable securities investments in instruments that meet high credit quality standards as specified in our investment policy guidelines. Marketable securities were approximately $12.0 million at December 31, 2003, $7.9 million of which are considered cash equivalents and mature in 90 days or less and $4.1 million are short-term investments consisting of commercial paper and certificates of deposit. Approximately $0.8 million of these investments are restricted for collateral against letters of credit totaling $0.8 million.

We also own approximately $1.6 million of commercial paper investments ($ 0.7 million) and a Canadian treasury bill ($ 0.9 million) that are classified as other long-term assets. These investments are restricted for collateral against letters of credit totaling approximately $1.6 million.

As described in Item 2 in our annual report on Form 10-K, effective on July 31, 2003, we restructured our debt with Cisco Capital and reduced the principal amount outstanding to $17.0 million. The restructured debt is evidenced by an amended and restated note (the "New Note") for $17.0 million payable to Cisco Capital. The New Note was issued under the current credit agreement that is to be repaid in three installments. No interest is payable on the New Note for the first 30 months unless we default under the terms of the Amended and Restated Credit Agreement. Principal and interest is paid as follows: a $7.0 million principal payment is due after 30 months, a $5.0 million principal payment plus interest accrued is due in 42 months, and a final principal payment of $5.0 million plus interest is due in 54 months. When the New Note accrues interest, interest accrues at the 90-day LIBOR rate plus 4.5%.

If market rates were to increase immediately and uniformly by 10% from the level at December 31, 2003, the change to our interest sensitive assets and liabilities would have an immaterial effect on our financial position, results of operations and cash flows over the next fiscal year. A 10% increase in the weighted-average interest rate for the year ended December 31, 2003 would have increased our interest expense for the period by approximately $1.7 million.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

The following unaudited condensed combined pro forma financial statements ("the pro forma financial statements") and explanatory notes have been prepared to give effect to the mergers between the Company and Gamma and the Company and Omega using the purchase method of accounting for business combinations. The mergers are being accounted for as purchase business combination as defined by Statement of Financial Accounting Standards ("SFAS") No. 141. The Company is the acquiring enterprise for purposes of accounting for the merger.

In accordance with Article 11 of Regulation S-X under the Securities Act, an unaudited condensed combined pro forma balance sheet ("the pro forma balance sheet") as of December 31, 2003, and unaudited condensed combined pro forma statement of operations ("the pro forma statement of operations") for the year ended December 31, 2003, have been prepared to reflect, for accounting purposes, the mergers of Gamma, Omega and the Company. The Gamma Merger resulted in Firstmark Communications Participations S.à.r.l. becoming a indirect subsidiary of the Company and the Omega Merger resulted in the Company's acquisition of certain network assets in Germany, each as more fully described in "Description of the Mergers" on page 5.

The following pro forma financial statements have been prepared based upon the historical financial statements of the Company, FMCP and Omega. The pro forma financial statements should be read in conjunction with (a) the historical consolidated financial statements of the Company as of December 31, 2003 and 2002, for the years ended December 31, 2003, 2002 and 2001, and (b) the historical consolidated financial statements and related notes thereto of FMCP filed in the Company's amendment to Form 8-K filed on March 30, 2004.

The pro forma balance sheet as of December 31, 2003, assumes that the January 5, 2004 acquisition of FMCP and the March 30, 2004 acquisition of Omega, were completed on December 31, 2003. The pro forma balance sheet includes historical audited consolidated balance sheet data of the Company and FMCP. Omega was formed in March 2004, accordingly there is no historical unaudited consolidated balance sheet data for Omega as of December 31, 2003.

The pro forma statement of operations assumes that the mergers occurred on January 1, 2003. The pro forma statements of operations for the year ended December 31, 2003, include the historical audited consolidated statements of operations data of the Company and FMCP. Omega was formed in March 2004, accordingly there is no historical unaudited statement of operations data for Omega for the year ended December 31, 2003.

The pro forma financial statements are provided for illustrative purposes only, and are not necessarily indicative of the operating results or financial position that would have occurred if these transactions had been consummated at the beginning of the period or on the date indicated, nor are they necessarily indicative of any future operating results or financial position. The pro forma financial statements do not include any adjustments related to any restructuring charges, profit improvements, potential costs savings, or one-time charges which may result from these transactions or the final result of valuations of property, plant and equipment, intangible assets, debt, and other obligations. The Company is currently integrating the operations of FMCP, which will involve additional costs.

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Unaudited Condensed Combined Pro Forma Balance Sheet
As of December 31, 2003
(dollars in thousands)

	Historical Cogent	Historical FMCP	FMCP and Omega Pro Forma Acquisition Adjustments	Cogent, FMCP & Omega Pro Forma Combined
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$ 7,875	$ 2,159	$ 2,575 (a) 19,454 (g)	$ 32,063
Short-term investments	4,115			4,115
Accounts receivable, net	5,066	6,782		11,848
Accounts receivable, related parties		143	(143)(b)	
Accounts receivable, other		2,872		2,872
Prepaid expenses and other current assets	905	2,987		3,892
Total current assets	17,961	14,943		54,790
PROPERTY AND EQUIPMENT, net	314,406	131,952	(75,494)(c)	370,864
GOODWILL AND OTHER INTANGIBLE ASSETS, net	8,109	909	(54)(d)	8,964
OTHER ASSETS, net	3,964	4,145		8,109
Total assets	$ 344,440	$ 151,949		$ 442,727
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES:				
Accounts payable	$ 7,296	15,043		22,339
Accounts payable related parties		9,751	(9,751)(b)	
Accounts payable other		1,737		1,737
Accrued liabilities	7,885	4,819	506 (e)	13,210
Current maturities of capital lease obligations	3,646			3,646

	Historical Cogent	Historical FMCP	FMCP and Omega Pro Forma Acquisition Adjustments	Cogent, FMCP & Omega Pro Forma Combined
Current maturities of debt		3,609		3,609
Total current liabilities	18,827	34,959		44,541
CAPITAL LEASE OBLIGATIONS, net of current maturities	58,107	48,429		106,536
LONG-TERM LIABILITIES:				
Amended and Restated Cisco Note	17,842			17,842
Convertible notes, net of discount	4,107			4,107
Advances from related parties		271,187	(269,932)(b)	1,255
Other long term liabilities	803	860		1,663
Total liabilities	99,686	355,435		175,944
STOCKHOLDERS' EQUITY:				
Convertible preferred stock, Series F	10,904			10,904
Convertible preferred stock, Series G	40,787			40,787
Convertible preferred stock, Series H	45,990			45,990
Convertible preferred stock, Series I			2,575 (a)	2,575
Convertible preferred stock, Series J			19,454 (g)	19,454
Common stock	14			14
Additional paid-in capital	232,461	16	(16)(f)	232,461
Warrants	764			764