

Morgan Stanley Technology, Media & Telecom Conference

March 2, 2015

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Cincinnati BellSM

Safe Harbor

This presentation and the documents incorporated by reference herein contain forward-looking statements regarding future events and our future results that are subject to the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, are statements that could be deemed forward-looking statements. These statements are based on current expectations, estimates, forecasts, and projections about the industries in which we operate and the beliefs and assumptions of our management. Words such as “expects,” “anticipates,” “predicts,” “projects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “continues,” “endeavors,” “strives,” “may,” variations of such words and similar expressions are intended to identify such forward-looking statements. In addition, any statements that refer to projections of our future financial performance, our anticipated growth and trends in our businesses, and other characterizations of future events or circumstances are forward-looking statements. Readers are cautioned these forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties, which could cause our actual results to differ materially and adversely from those reflected in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in this release and those discussed in other documents we file with the Securities and Exchange Commission (SEC). More information on potential risks and uncertainties is available in our recent filings with the SEC, including Cincinnati Bell’s Form 10-K report, Form 10-Q reports and Form 8-K reports. Actual results may differ materially and adversely from those expressed in any forward-looking statements. We undertake no obligation to revise or update any forward-looking statements for any reason.

Non GAAP Financial Measures

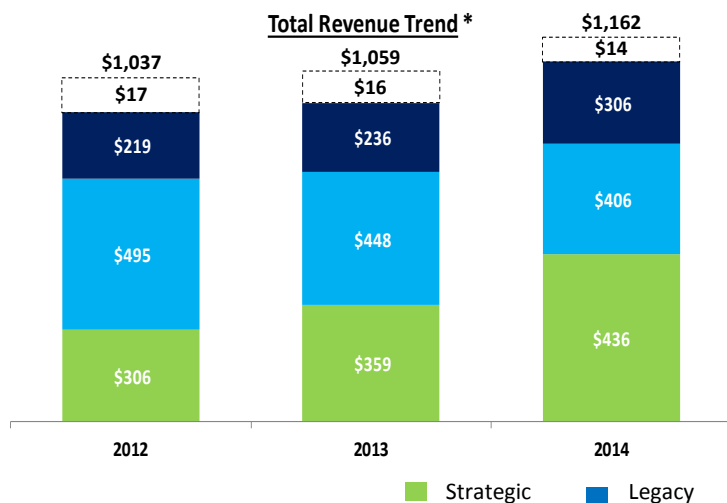
This presentation contains information about adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA), Adjusted EBITDA margin, net debt and free cash flow. These are non-GAAP financial measures used by Cincinnati Bell management when evaluating results of operations and cash flow. Management believes these measures also provide users of the financial statements with additional and useful comparisons of current results of operations and cash flows with past and future periods. Non-GAAP financial measures should not be construed as being more important than comparable GAAP measures. Detailed reconciliations of Adjusted EBITDA, net debt and free cash flow (including the Company's definition of these terms) to comparable GAAP financial measures can be found in the earnings release on our website at www.cincinnati-bell.com within the Investor Relations section.

Cincinnati Bell - Today

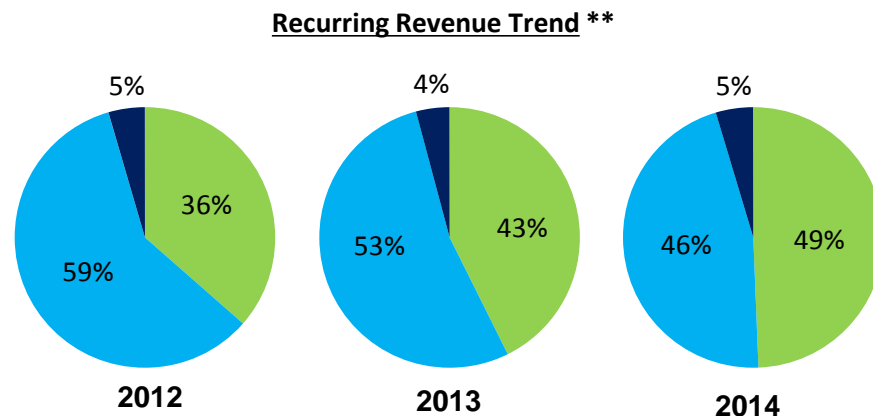
- 140 years of Industry Leadership and Innovation
- Diversified Portfolio of strategic products
- Creating a company with unparalleled fiber assets, growing revenues, growing profits, a healthy balance sheet and strong sustainable cash flows

- Fioptics video subs: **91K**
- Internet subs: **270K**
- Access lines: **481K**
- Fiber route miles: **6,600**
- Sites lit with fiber: **5,800**

Total Revenue Trend *



Recurring Revenue Trend **



* Revenue results are presented net of intercompany

** Recurring revenue excludes hardware

2014 Highlights



Achieved full year financial guidance (excluding Wireless)

- Revenue and Adjusted EBITDA totaled \$1.1 billion and \$335 million, respectively
- Generated Wireline revenue growth for the first time since 2007
- Strategic revenues totaled \$436 million, up 21% year-over-year
- Produced \$12 million positive free cash flow

Completed sale of wireless spectrum licenses on September 30, 2014

- Proceeds of \$194 million
- Transfer of certain lease liabilities and other assets valued at approximately \$25 million (no later than April 6, 2015)
- Adjusted EBITDA totaled \$44 million
- Generated free cash flow of approximately \$35 million

Sold 16 million CyrusOne partnership units

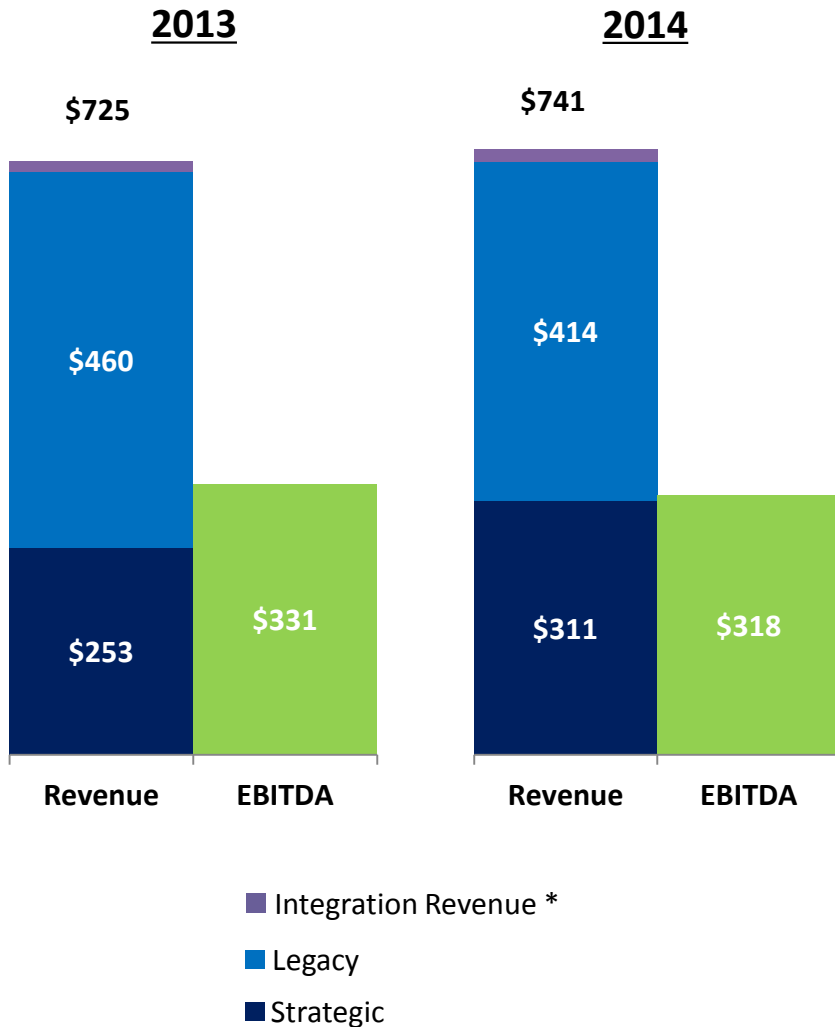
- Proceeds of \$356 million of cash used to repay debt
- CyrusOne announced a 50% increase in quarterly dividend for Q1 2015
- Remaining 44% ownership value at approximately \$785 million (Dec. 31, 2014)

Accelerating Fiber Investment

- Fiber is a superior long-term asset
- Financial and operational success
- Progressive change in customer expectations for bandwidth
- Unique competitive advantage
- Strategy based on strong ROI

Wireline Update

(\$ in millions)



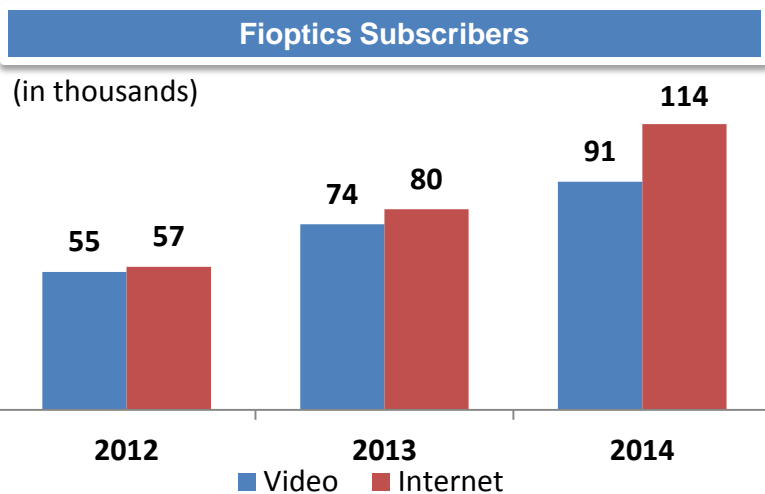
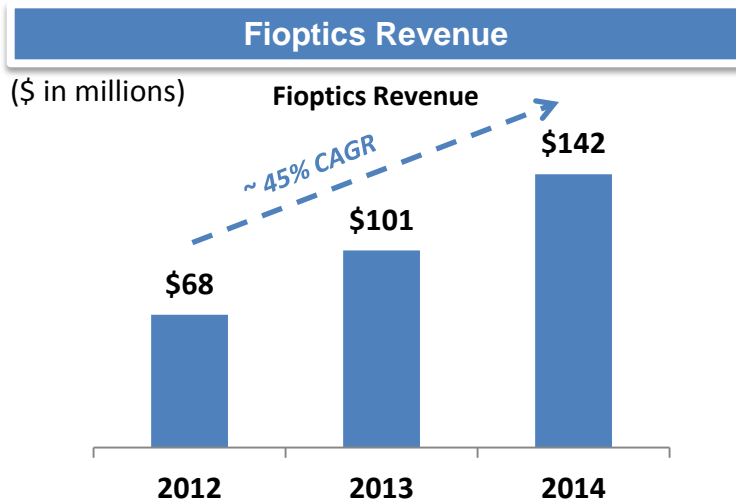
- **Generated year-over-year revenue growth for the first time since 2007**
 - Revenue from Fioptics totaled \$142 million , up 41% from 2013
 - Strategic revenue from business customers totaled \$166 million, up 12% from 2013

- **Solid Adjusted EBITDA Margin of 43%**

- **Wireline margins in 2015 expected to be pressured by the following:**
 - Costs associated with accelerating our fiber investments, approximately \$15 million
 - Wireless costs to be absorbed by core business, approximately \$25 million

* Integration revenue totaled \$12 million in YTD 2013 and \$16 million in YTD 2014

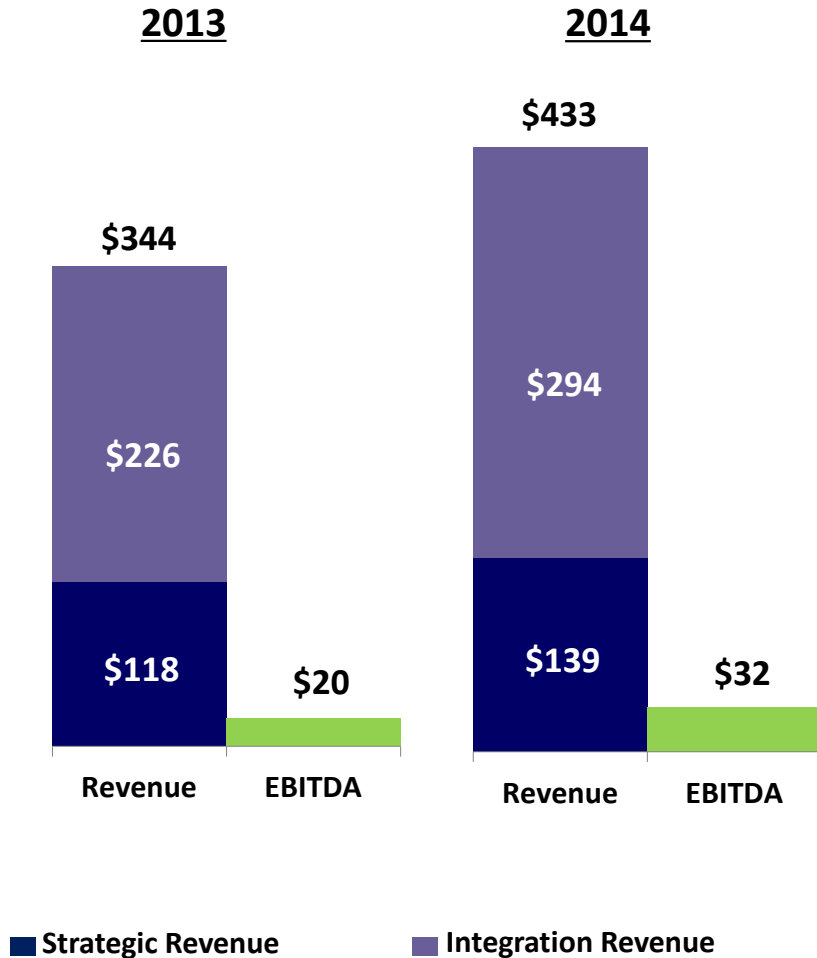
Fioptics Highlights



- **335K addresses passed with Fioptics - approximately 41% of Greater Cincinnati**
 - 59K new addresses passed in 2014
 - 4K addresses overbuilt with FTTH (previously FTTN) in 2014
- **Fioptics Penetration (as of December 31, 2014):**
 - Video – 27%
 - Internet – 34%
 - Voice – 18%
- **Fioptics annual ARPU was up approximately 7% from 2013. 2014 ARPUs are as follows:**
 - Video – \$76
 - Internet – \$38
 - Voice – \$31
- **Total video churn was 2.8% for the year**
 - Single-family churn was 2.3%
 - Apartment churn was 5.4%

IT Services & Hardware Update

(\$ in millions)



- Revenue totaled \$433 million in 2014, up 26% from 2013
 - Strategic Managed and Professional Services revenue totaled \$139 million, up 17% from prior year
 - Telecom & IT Equipment revenue of \$288 million, up 29% from 2013
- Adjusted EBITDA totaled \$32 million in 2014, up \$12 million from 2013
- Adjusted EBITDA margin was 7%, up slightly from prior year

Free Cash Flow

(\$ in millions)

	2014
Adjusted EBITDA	\$ 379
Interest Payments	(153)
Capital Expenditures	(182)
Pension and OPEB Payments	(31)
Dividends from CyrusOne	28
Working Capital and Other	(29)
Free Cash Flow	<u>\$ 12</u>

Certain 2015 Free Cash Flow Items

- Interest payments ~ \$120 million
- Pension and OPEB payments ~ \$30 million
- CyrusOne dividends ~ \$33 million
- Capital Expenditures: \$270 - \$280 million

2014 Capital Expenditures and Full Year 2015

(\$ in millions)

	2014		2015	
			<u>Low</u>	<u>High</u>
Construction	\$ 50	\$ 80	\$ 85	
Installation	24	40	40	
Value added	19	40	40	
Strategic Fioptics	<u>\$ 93</u>	<u>\$ 160</u>	<u>\$ 165</u>	
Other Strategic	37	50	55	
Total Strategic Investment	<u>130</u>	<u>210</u>	<u>220</u>	
Maintenance	46	60	60	
Wireless	6	-	-	
	<u><u>\$ 182</u></u>	<u><u>\$ 270</u></u>	<u><u>\$ 280</u></u>	

Investments in strategic products continue to be success based

- **Invested \$50 million for the construction of Fioptics in 2014:**
 - Passed 59,000 customer locations
 - Available to more than 40% of Greater Cincinnati

- **Plan to pass 100,000 homes with Fioptics in 2015:**
 - Fioptics expansion to cost between \$80 and \$85 million in 2015
 - Extends our coverage to approximately 55% of Greater Cincinnati
 - Core network upgrades expected to be approximately \$40 million in 2015 (benefits both residential and business customers)

- **Other strategic includes small cell deployment**

2015 Guidance

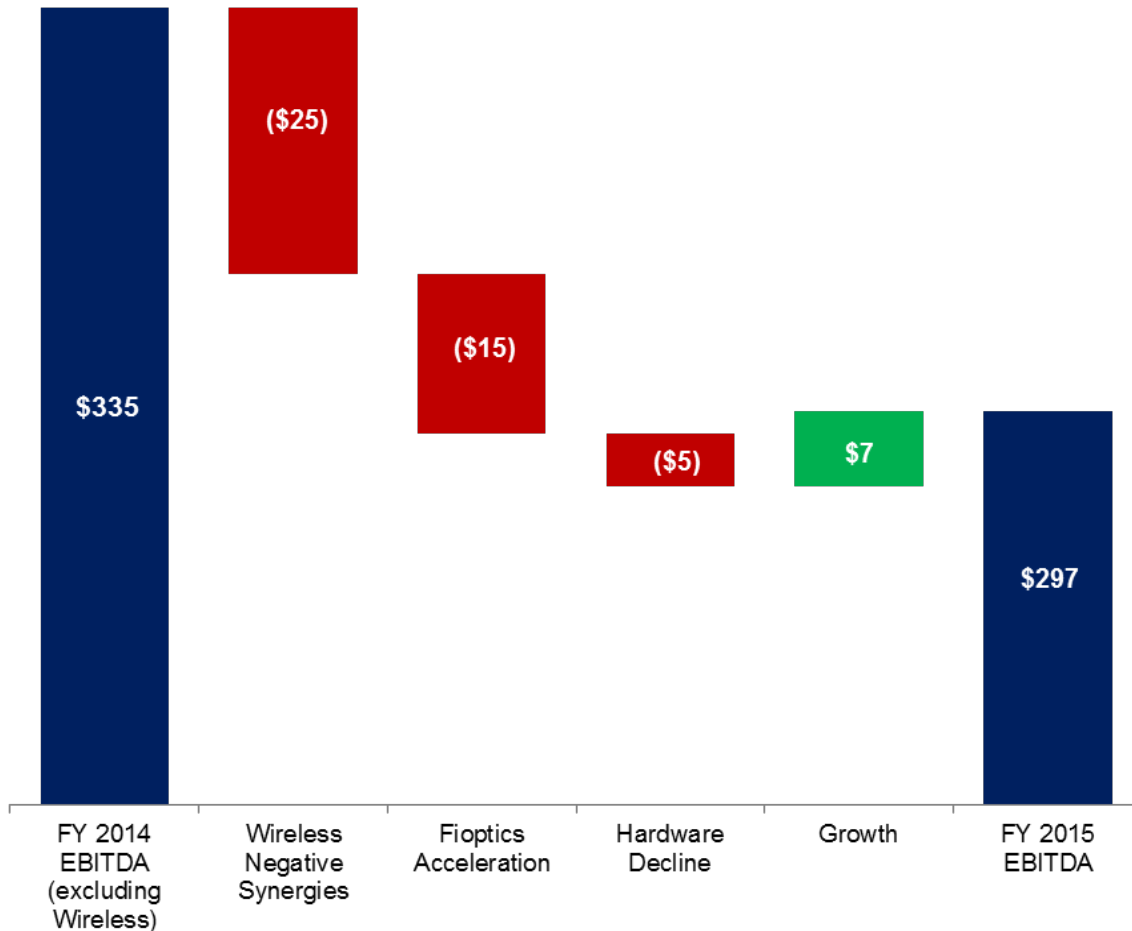
2015 Guidance	
Revenue	\$ 1.1 billion
Adjusted EBITDA	\$297 million*

** Plus or minus 2 percent*

Our objective is to transform Cincinnati Bell into a company with Growing Revenue, Growing Profits, Significant Sustainable Free Cash Flows, and a Healthy Balance Sheet

2015 Adjusted EBITDA Guidance

(\$ in millions)



- Growth in strategic revenue products continues to stabilize Adjusted EBITDA
- Year over year decline in Adjusted EBITDA due primarily to:
 - Wireless costs absorbed by the remaining core business
 - Costs associated with Fioptics acceleration
 - Forecasted decline in hardware sales