Cincinnati Bell

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Bank of America Merrill Lynch – 2013 Leveraged Finance Conference

December 3, 2013

Cincinnati Bell℠

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 within this presentation and in the earnings release materials on our website at www.cincinnatibell.com within the Investor Relations section.

Overview & Strategy

Cincinnati Bell

Cincinnati Bell Inc.

- Access lines: 541K
- Broadband subs: 266K
- Fioptics video subs: 70K
- Fiber route miles: 5,500
- Buildings lit with fiber: 4,100
- Wireless subs: 355K

Our Strategy for the Future

- Accelerate Fiber Investment
- Focus on CyrusOne monetization strategies
- Maximize Wireless cash flows and profitability
- Focus on building a healthy company with:
  - 2x – 3x Leverage
  - Growing Revenues and Profits
  - Strong, sustainable cash flow

CyrusOne Investment

($ in millions)

	Q3 2013	Q3 2012	YTD 2013	YTD 2012
Revenue	$68	$57	$191	$163
Adjusted EBITDA *	37	30	99	87

- Investment valued at approximately $845 million as of September 30, 2013
- 2013 revenue and Adjusted EBITDA guidance were largely unchanged
- Debt leverage as adjusted for CONE investment is 3.4x, in line with prior quarter
- Key considerations for monetization:
  - Retaining upside appreciation potential for a portion of the investment
  - Taking risk “off the table” with a portion of the investment
  - CBB’s NOLs of approx. $1.0 billion will be used to offset gains from monetization

* Adjusted EBITDA is defined as net (loss) income before noncontrolling interests as defined by U.S. GAAP plus interest expense, other income, income tax (benefit) expense, depreciation and amortization, restructuring charges, legal claim costs, transaction costs and transaction-related compensation, including acquisition pursuit costs, loss on sale of receivables to affiliate, non-cash compensation, (gain) loss on extinguishment of debt, asset impairments, (gain) loss on sale of real estate improvements, and other special items.

Third Quarter Results

Third Quarter Highlights

Cincinnati Bell

Revenue from strategic products increased 18% compared to Q3 2012

- Fioptics subscribers up 36% year-over-year
- Strategic business revenue up 9% compared to prior year

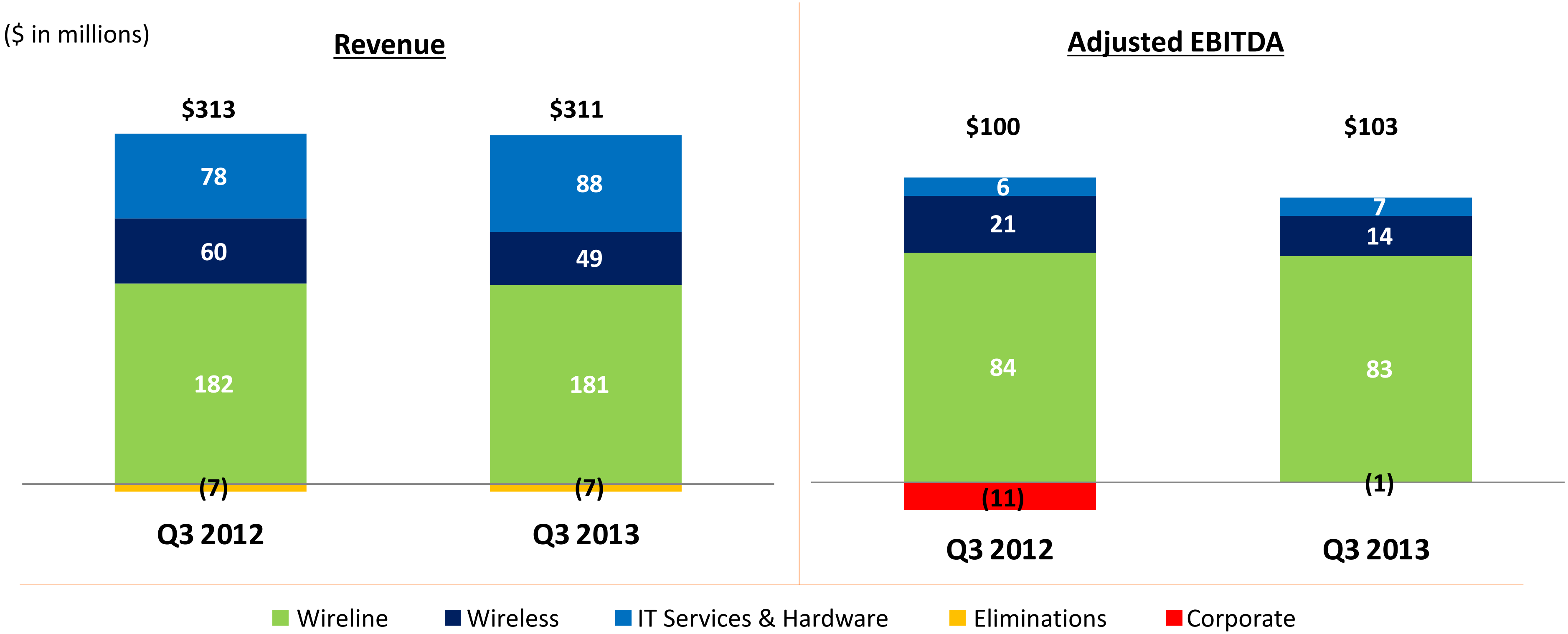
Increased full-year Adjusted EBITDA Guidance range to $400 - $410 million

- Strong Adjusted EBITDA of $103 million in the quarter

Successfully completed refinancing activities

- Expect interest savings of approximately $20 million in 2014

Third Quarter Financial Summary (excluding CyrusOne)



- Total revenue of $311 million in the quarter, down $2 million from the prior year
- Strong Adjusted EBITDA of $103 million in the quarter
  - Corporate was improved $10 million from the year primarily due to mark-to-market adjustments
  - Wireless Adjusted EBITDA was down $7 million from prior year
- Net income for the quarter totaled $9 million and resulted in EPS of $0.03

Financial Position

Free Cash Flow (excluding CyrusOne)

($ in millions)

	Q3 2013	YTD 2013
Adjusted EBITDA	$ 103	$ 317
Interest Payments	(30)	(118)
Capital Expenditures	(46)	(134)
Pension and OPEB Payments	(34)	(52)
Dividends from CyrusOne	7	14
Working Capital and Other	(10)	(48)
Free Cash Flow	$ (10)	$ (21)

- Issued $540 million Tranche B Term Loan - proceeds were used in October 2013 to redeem 8 ¼% Senior Notes due 2017
  - Expect refinancing to improve 2014 FCF by approximately $20 million
  - $30 million loss on extinguishment of debt recorded in Q4 2013

Net Debt & Leverage

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in millions, except for Leverage ratio		As of September 30, 2013
Revolving Facilities *	$	-
8 1/4% Senior Notes due 2017 *		500
8 3/4% Senior Subordinated Notes due 2018		625
Corporate Credit Agreement - Tranche B Term Loan		540
8 3/8% Senior Notes due 2020		684
7 1/4% Senior Notes due 2023		40
Various Cincinnati Bell Telephone notes		134
Capital leases and other debt		104
Net unamortized discount		(10)
Total debt		2,617
Less: Cash and cash equivalents *		414
Net Debt	**$**	**2,203**
Less: CBB Equity value of CONE shares		**845**
Net Debt - As Adjusted		**1,358**
Adjusted EBITDA - Revised 2013 Guidance (mid-point)	**$**	**405**
Leverage - Unadjusted		**5.4x**
Leverage - As Adjusted for CONE investment		**3.4x**

* On October 15, 2013, the company used the proceeds from the Tranche B Term Loan to fully repay the 8 1/4% Senior Notes due 2017. In September 2013, prior to the October 15, 2013 call date, the proceeds temporarily increased cash and were used to temporarily pay down the Corporate Credit Agreement and Receivables Facility.

Recent Refinancing Activity

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Issued $540 million Tranche B Term Loan in September 2013

- $20 million positive cash flow impact for 2014
- Net proceeds of $530 million after deducting discount, fees and expenses
- 4% Variable interest rate (Libor + 300 with a 1% floor)
- 0.75% original issue discount
- 1.0% annual amortization with remainder due 2020

Proceeds used to redeem $500M 8.25% Senior Notes due 2017

- $20.6 million of call premiums paid
- Recorded a debt extinguishment loss of $30 million in October 2013

Liquidity Position

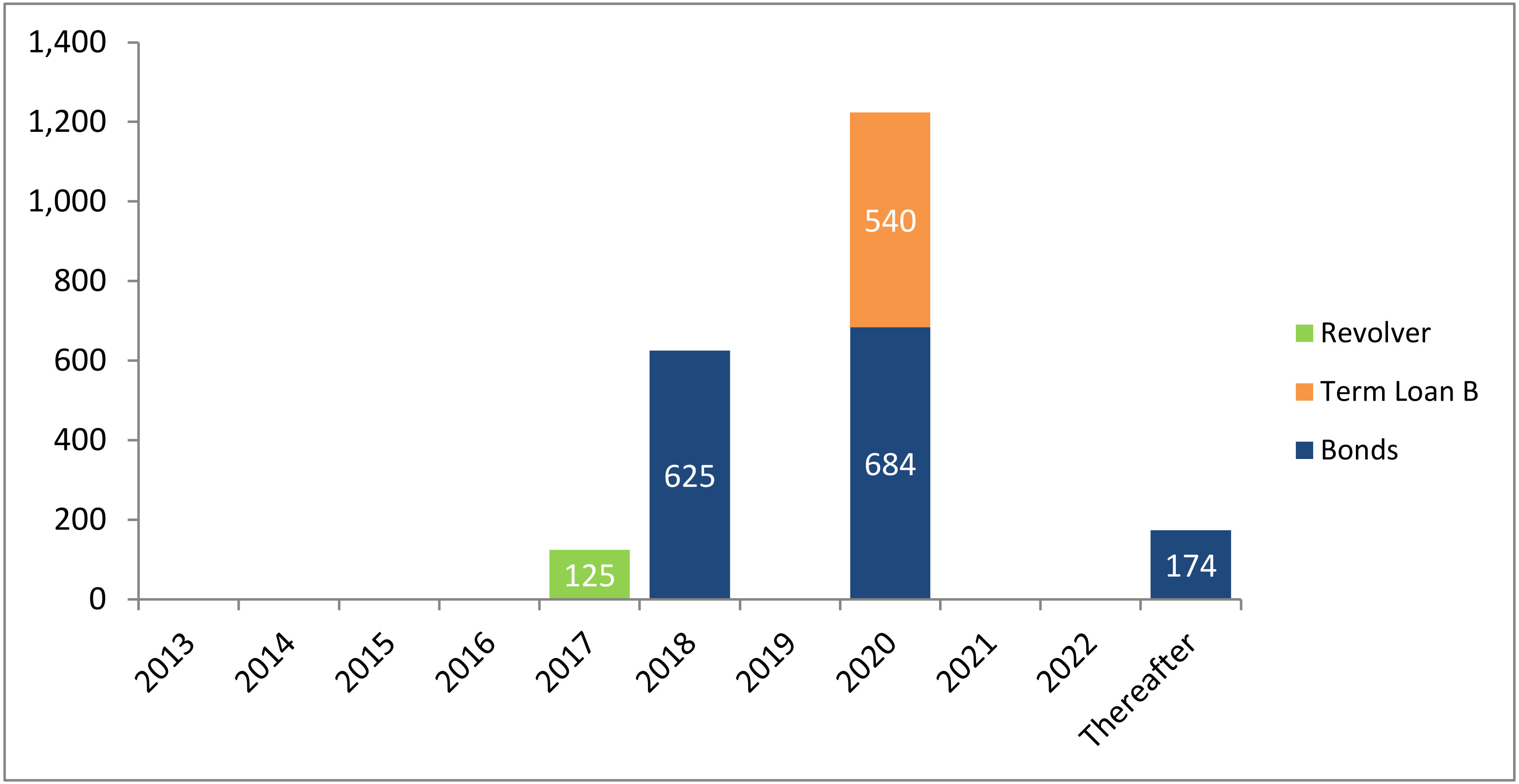
As of September 30, 2013

($ in millions)

	Credit Facility	AR Facility	Total Liquidity
Total Borrowing Capacity	$ 200	$ 108	$ 308
Principal Outstanding	-	-	-
Letters of Credit Outstanding	-	(5)	(5)
Undrawn Availability	$ 200	$ 103	$ 303
Total Cash on Hand			414
Cash Reserved for Debt Call			(521)
Total Liquidity			$ 196

No Significant Maturities until 2018…

($ in millions)



…$200M Revolver steps down to $125M.

Key Credit Highlights

Cincinnati Bell℠

Operational Excellence

- Significant recurring revenue allows company to consistently deliver annual revenue and Adjusted EBITDA guidance
- Successful in managing expenses and maintaining margins.
- Opportunity to invest in high return fiber business
- Disciplined approach to capital - fiber investments are success based

Financial investment in growing data center business

- Current market value of $845 million; indicating adjusted leverage of 3.4x 2013 Adjusted EBITDA guidance
- CyrusOne 2013 guidance included 19% revenue growth and an Adjusted EBITDA range of $133 - $137 million
- Proceeds from monetization would be used to de-lever to an appropriate amount of debt for a Telco

Strong Balance Sheet

- No significant maturities until 2018
- Ample liquidity to achieve growth objectives
- Minimal cash taxes paid as a result of existing federal NOLs

Questions & Answers

Appendix

Non-GAAP Reconciliations –

Adjusted EBITDA

($ in millions)

	Three Months Ended September 30, 2013					
	Wireline	Wireless	IT Services & Hardware	Data Center Colocation	Corporate	Total Company
Operating Income (GAAP)	$ 47.8	$ 7.0	$ 4.4	$ -	$ (1.5)	$ 57.7
Add:						
Depreciation and amortization	29.7	7.4	2.5	-	0.2	39.8
Gain on sale or disposal of assets	(0.2)	-	-	-	-	(0.2)
Transaction costs	-	-	-	-	0.5	0.5
Pension and other retirement plan expenses	5.2	-	-	-	0.3	5.5
Adjusted EBITDA (Non-GAAP)	$ 82.5	$ 14.4	$ 6.9	$ -	$ (0.5)	$ 103.3
Adjusted EBITDA Margin	45%	29%	8%	-	-	33%

	Nine Months Ended September 30, 2013					
	Wireline	Wireless	IT Services & Hardware	Data Center Colocation	Corporate	Total Company
Operating Income (GAAP)	$ 146.8	$ 19.1	$ 6.6	$ 3.2	$ (52.0)	$ 123.7
Add:						
Depreciation and amortization	83.8	30.7	7.5	5.2	0.4	127.6
Transaction-related compensation	-	-	-	-	42.6	42.6
Restructuring charges	5.8	-	0.7	-	4.3	10.8
(Gain) loss on sale or disposal of assets	(0.9)	3.5	-	-	-	2.6
Transaction costs	-	-	-	-	1.6	1.6
Curtailment gain	(0.6)	-	-	-	-	(0.6)
Pension and other retirement plan expenses	16.3	-	-	-	1.0	17.3
Adjusted EBITDA (Non-GAAP)	$ 251.2	$ 53.3	$ 14.8	$ 8.4	$ (2.1)	$ 325.6
Adjusted EBITDA Margin	46%	35%	6%	54%	-	34%

Non-GAAP Reconciliations –

Free cash flow

($ in millions)

Reconciliation of GAAP Cash Flow to Free Cash Flow (as defined by the company)	**Three Months Ended September 30, 2013**	**Nine Months Ended September 30, 2013**
Net increase in cash and cash equivalents	$ 408.2	$ 390.1
Less adjustments:		
Proceeds from issuance of long-term debt	(536.0)	(536.0)
Decrease in corporate credit and receivables facilities, net	108.8	52.0
Cash divested from deconsolidation of CyrusOne	-	12.2
Repayment of debt	1.9	6.7
Debt issuance costs	6.4	6.4
Transaction-related compensation and other costs	0.5	44.2
Free cash flow	(10.2)	(24.4)
Less: CyrusOne's free cash flows*	-	(3.3)
Free cash flow excluding CyrusOne	$ (10.2)	$ (21.1)

* CyrusOne's free cash flows for the period ending January 23, 2013 were comprised of cash generated from operating activities of $4.0 million and cash used in investing activities of $7.3 million.

CBB Equity Value of CyrusOne shares

CBB Equity Value of CONE Shares (September 30, 2013)		
CONE shares owned by CBB		44,476,835
CONE stock price (Sep 30)	$	19.00
CBB Equity value of CONE shares	$	845,059,865