Cincinnati Bell

Morgan Stanley Technology, Media, and Telecommunications Conference

February 28, 2012

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, free cash flow and net debt. 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, free cash flow and net debt can be found in the Appendix section of this presentation.

Company & Strategy Overview

Cincinnati Bell Overview

135 year old full-service provider of data and voice communications services over wireline and wireless networks in the Greater Cincinnati and Dayton areas

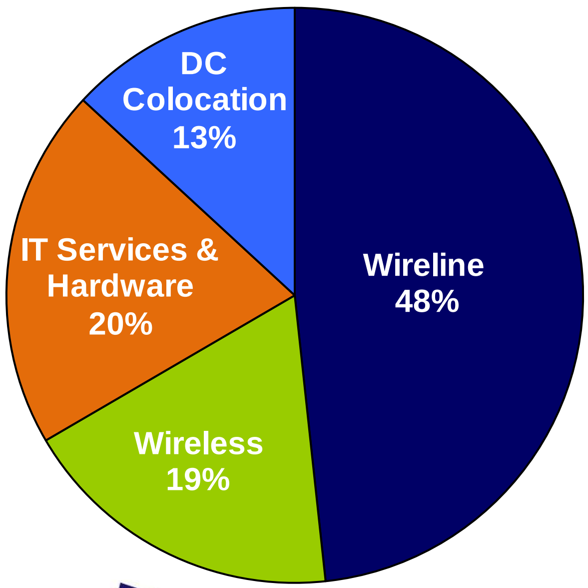
Provides business customers with outsourced data center colocation operations in world class, state-of-the-art data center facilities

Strong brand recognition and reputation for service

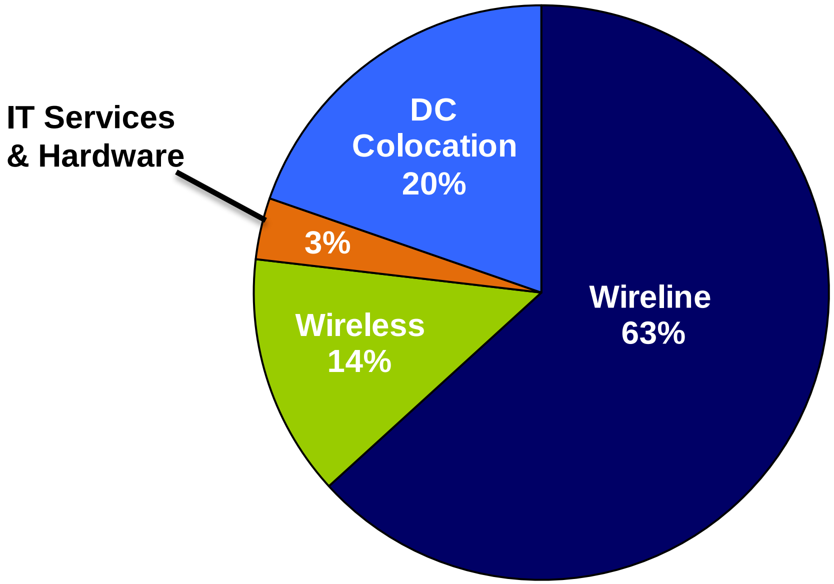
Proven capabilities with track record of delivering results

Well positioned for growth in the Data Center industry

Revenue - Q4 2011



Adjusted EBITDA - Q4 2011



Note: Excludes intercompany and corporate expenses

Cincinnati Bell

Cincinnati Bell Communications

As of December 31, 2011:

Wireline: 621K access lines

Wireless: 459K wireless subscribers

Broadband: 257K high-speed internet subscribers

Entertainment: 40K Fioptics subscribers

Regional market leader offering full bundle of integrated telecommunications services

Successfully defending market share in the face of intense competition

Now offering digital television and faster internet through a rapidly expanding fiber network

Cincinnati Bell Data Center Colocation

Locations: Cincinnati, Houston, Dallas, Austin, Chicago, South Bend, London and Singapore

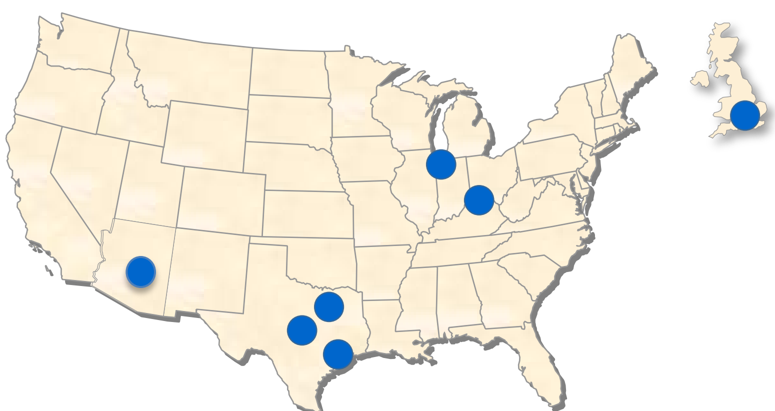
As of December, 2011, total square footage was 763K square feet and utilization was 88%

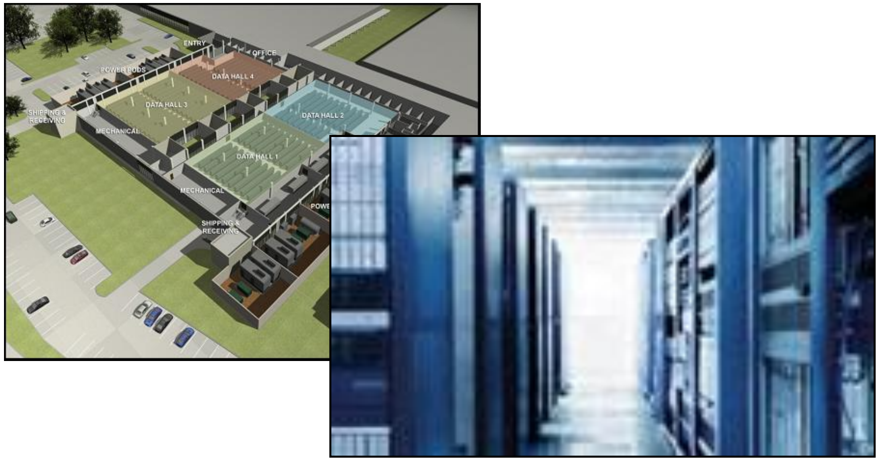
Sold 43K and added 27K square feet of DC space in Q4 2011; sold 90% of space built in 2011

Plans in progress to construct state-of-the-art data center facilities in Phoenix, San Antonio and Dallas

Premier regional facilities with growing domestic and international presence

Path forward to become preferred global provider of data center colocation to Fortune 1000

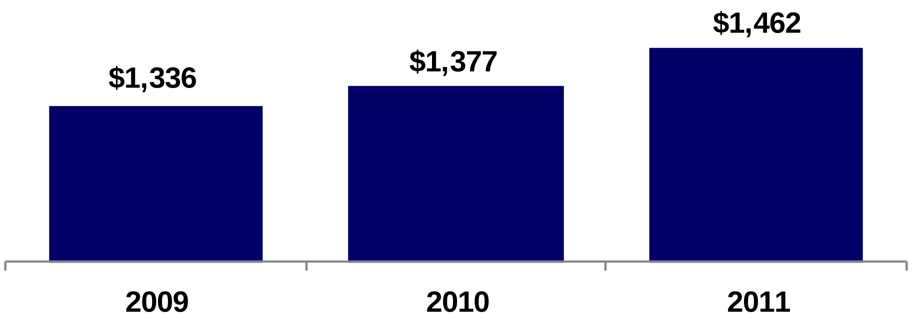




Proven Performance Track Record

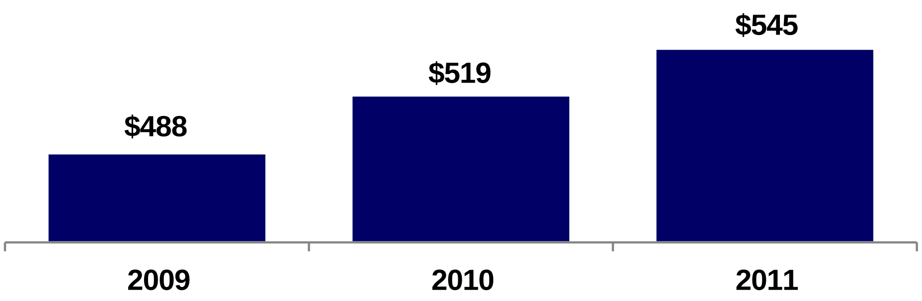
Revenue

($MM)



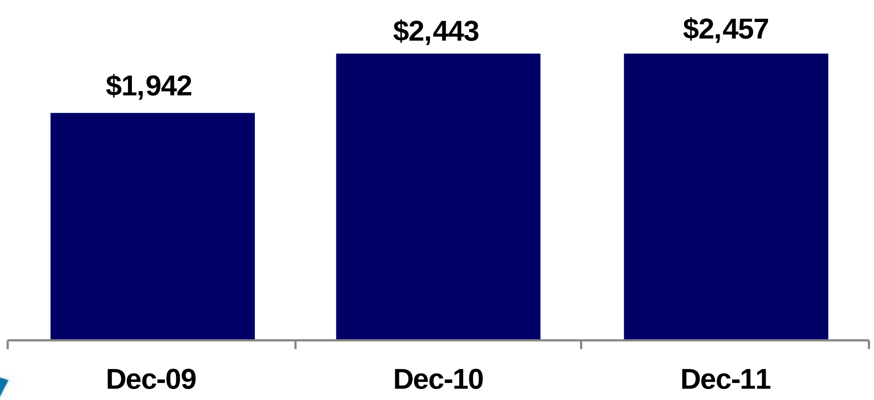
Adjusted EBITDA

($MM)

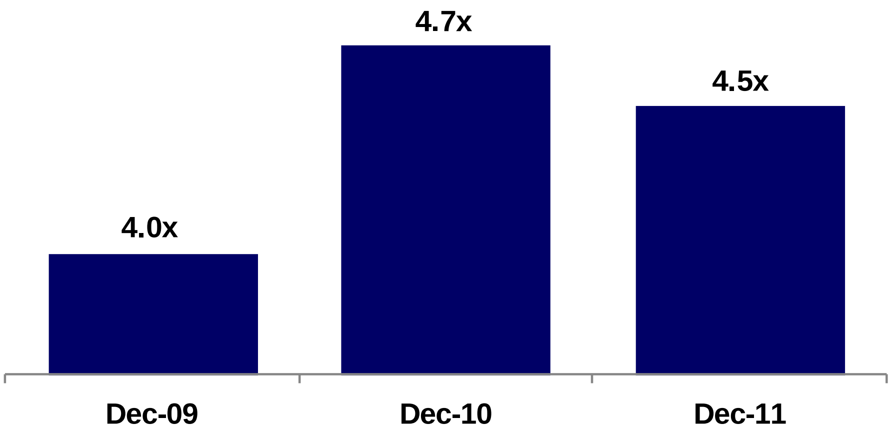


Net Debt

($MM)

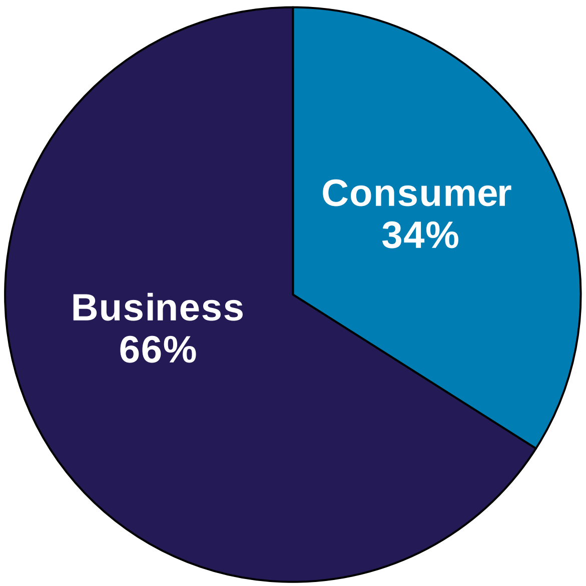


Net Debt / Adjusted EBITDA

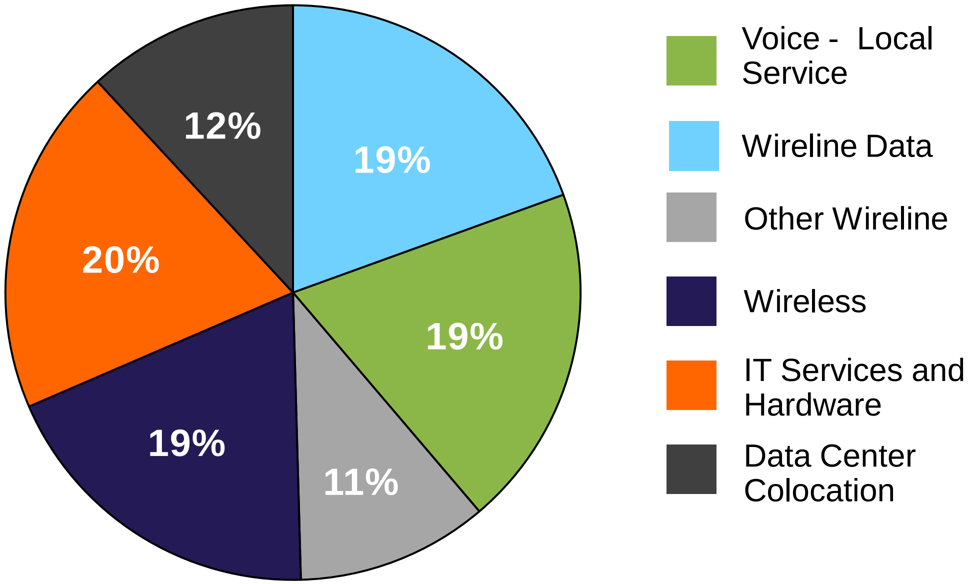


Revenue Diversification Strategy

Full Year 2011 Customer Channel Mix*



Full Year 2011 Product Mix By Revenues*



* Before intercompany eliminations

Clear Strategic Focus

Create Sustainable Shareholder Value	
Generate Strong Operating Cash Flows	Grow Data Center Colocation
Maintain profitability and cash flow of Communications through defending core business and aggressive cost reduction initiatives	Invest to establish national then global footprint to become preferred global provider to Fortune 1000 customers

Q4 2011 Financial Performance

2011 Highlights –

Met or exceeded all financial targets for 2011

Net Revenue for the year of $1.46 billion is $85 million, or 6%, higher than 2010

Adjusted EBITDA was $545 million, up from $519 million in 2010

Data Center revenue for the year of $185 million is up 47% over 2010, while Adjusted EBITDA is up 45% over the same period

Adjusted EBITDA margins of legacy Wireline and Wireless businesses continue to hold steady despite subscriber losses

- Highest annual revenue and Adjusted EBITDA since 2003
- Constructed 124,000 sq feet of new data center space during 2011 and sold 110,000 sq feet
- IT Services & Hardware revenue for 2011 is up 18% over 2010 and is the highest annual revenue in 5 years
- Wireline EBITDA margin for the year was 49%, similar to 2010, and Wireless margin of 32% is up from 31% in 2010
- Revenue generated from Fioptics of $47 million, up 68% from 2010

2011 4th Quarter Segment Highlights

Data Center Colocation

- Revenue of $49 million increased 21% from Q4 2010 and Adjusted EBITDA of $27 million was up 16% year over year
- Sales outpaced construction again as we sold 43K sq ft of space and constructed 27K sq ft in the quarter
- Utilization rate of 88% at Q4 2011

Wireline

- Adjusted EBITDA of $88 million, consistent with Q4 2010 despite lower access line revenue
- Adjusted EBITDA margin of 49%, slightly improved from 48% in Q4 2010
- Passed 19,000 additional units with Fioptics during the fourth quarter, bringing total units passed to 134,000 at year-end

Wireless

- Adjusted EBITDA of $19 million and Adjusted EBITDA margin of 28%, up from $13 million and 19%, respectively, in Q4 2010
- Postpaid ARPU continues to be stable at $50.32 as increase in data ARPU fully offsets lower voice ARPU
- Added 5,000 net smartphone subscribers during the quarter

IT Services & Hardware

- Generated revenue of $76 million in the quarter, with managed and professional services revenue increasing 16% year over year
- Adjusted EBITDA was $5 million in the quarter while Adjusted EBITDA margin was 6%

Full Year 2011 Free Cash Flow

Cincinnati Bell

($'s in millions)

FCF of $11M exceeded guidance

FCF decrease of $138M year over year due to:

- Higher capital expenditures due to continued execution of data center strategy
- Higher interest payments due to timing of cash payments following the refinancing of debt in Q4 2010
- Higher pension and postretirement cash contributions during 2011

2012 Financial Guidance

Category	2011 Actual Results	2012 Guidance
Revenue	$ 1.5 billion	$ 1.5 billion
Adjusted EBITDA	$545 million	Approx. $530 million*
Free Cash Flow	$11 million	**

* Plus or minus 2 percent

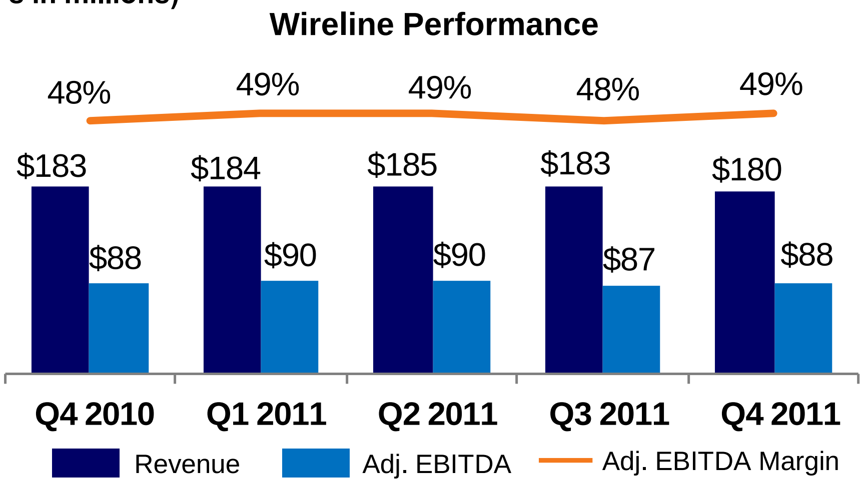
** Factors that will impact 2012 Free Cash Flow include:

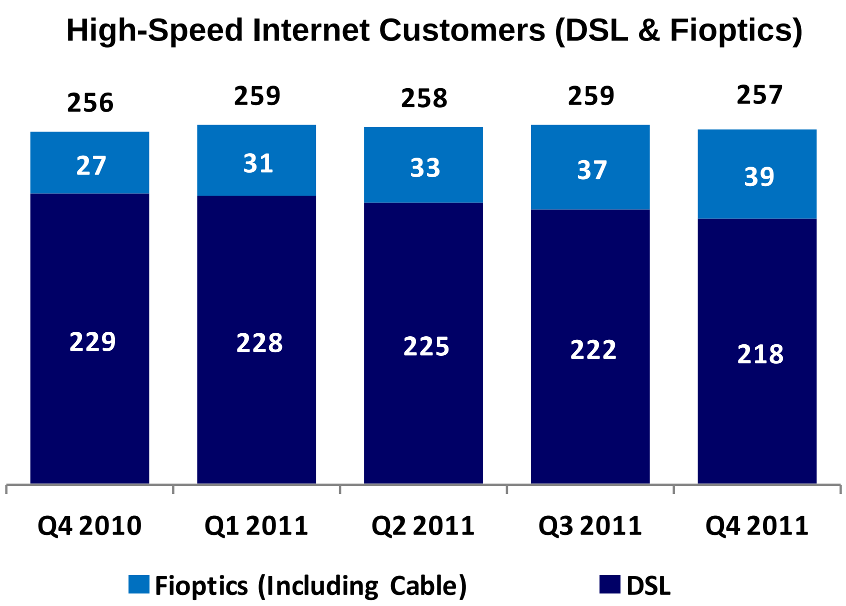
- Capital expenditures expected to range between $300-$400 million
  - Data center spending could exceed $200 million
- Lower operating cash flow from lower Adjusted EBITDA, higher pension and postretirement payments, and other working capital uses

Q4 2011 Segment Performance

Wireline Overview

($'s in millions)





Adjusted EBITDA margin improved to 49%

- Adjusted EBITDA in Q4 2011 was flat compared to 2010, despite the continued loss of access lines
- Fioptics revenue in the quarter increased 57% from Q4 2010, mitigating lower voice revenues

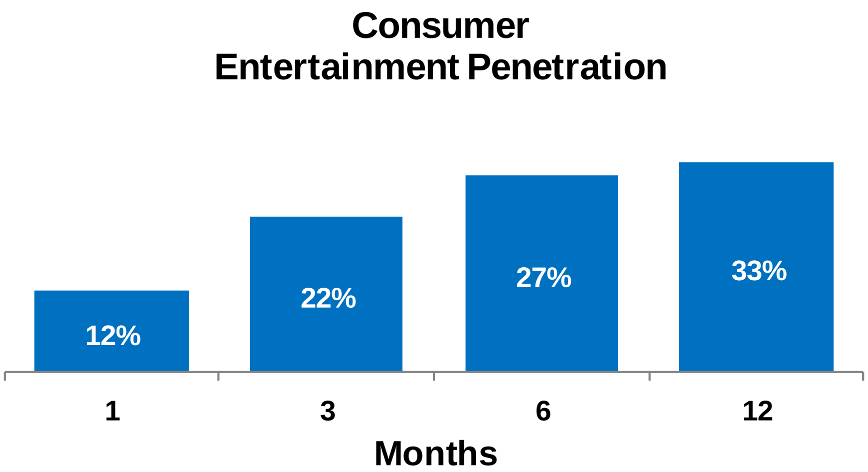
7.8% total access line loss

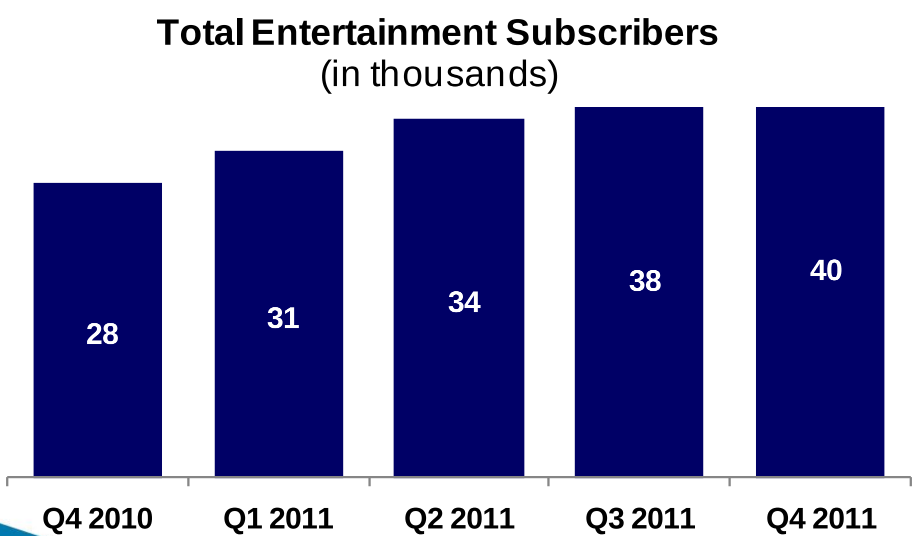
- 8.0% in-territory access line loss, compared to 7.6% in 2010

257K high-speed internet subs at end of Q4 2011

- Growth of 44% in Fioptics internet subscribers since Q4 2010
- Churn of high-speed internet subscribers was 1.9%, consistent with Q4 2010

Fioptics Activity





Q4 2011 Fioptics subscribers

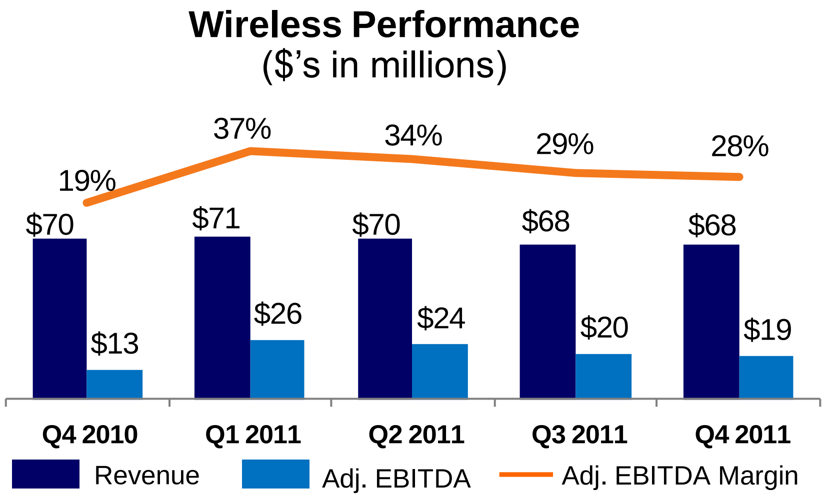
- 134K units now passed; added 19K in Q4
- 40K entertainment subs; added 2K in Q4
- 39K internet subs; added 2K in Q4
- 29K voice subs

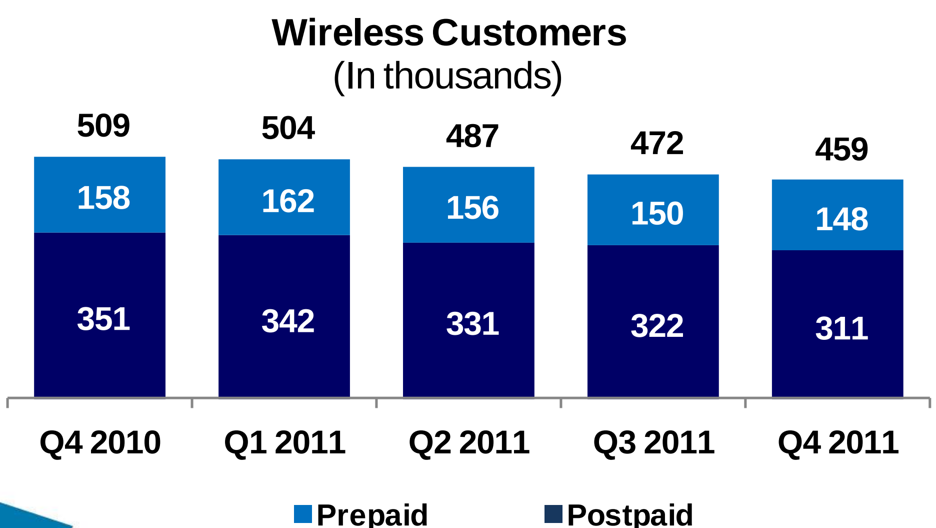
Churn of 2.8% for the full year in 2011

- Despite high concentration in multiple dwelling units (MDUs)

Fioptics consumer monthly ARPU increased to $123 from $115 in 2010

Wireless Revenue & Adjusted EBITDA





Adjusted EBITDA in Q4 2011 increased $6 million compared to 2010

Adjusted EBITDA Margin at 28%, compared to 19% at Q4 2010 due to less aggressive promotions

Postpaid churn weakened to 2.4% from 2.1% in Q4 2010

Postpaid ARPU and Smartphone Customers

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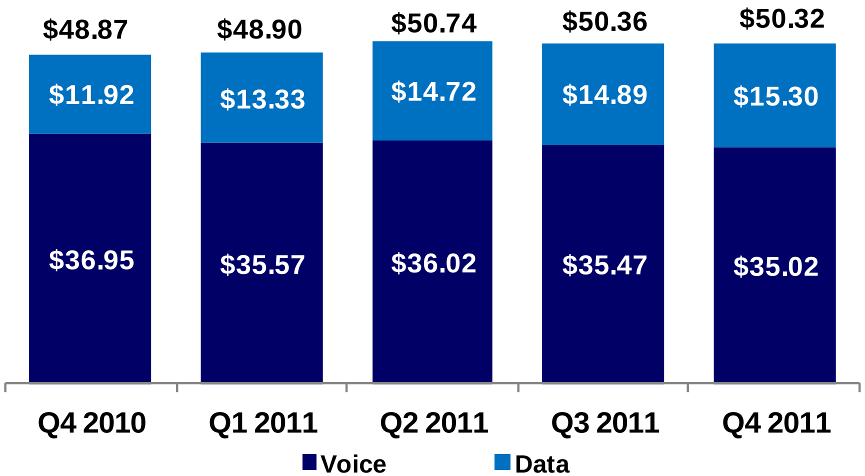
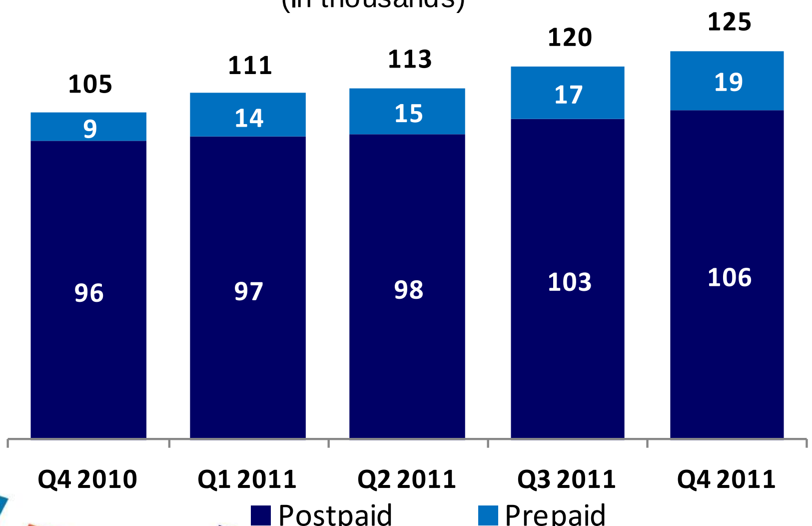
Postpaid ARPU



Smartphone Customers

(In thousands)



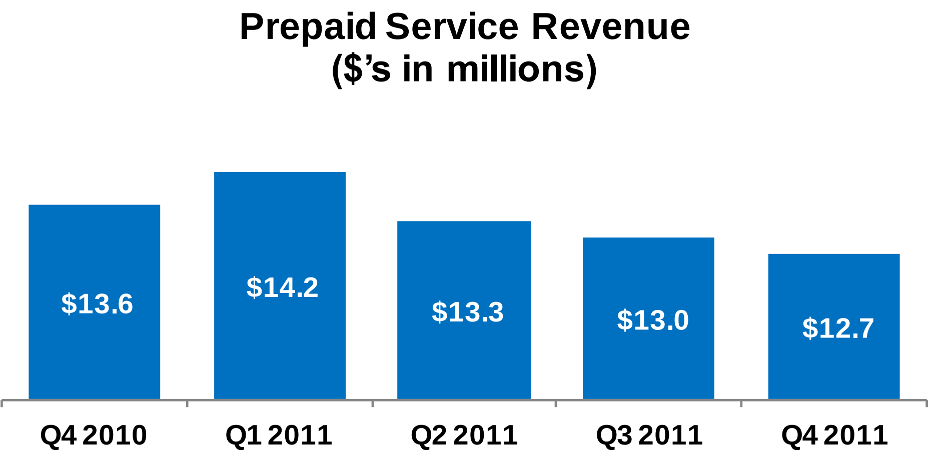
Stable trend in postpaid ARPU

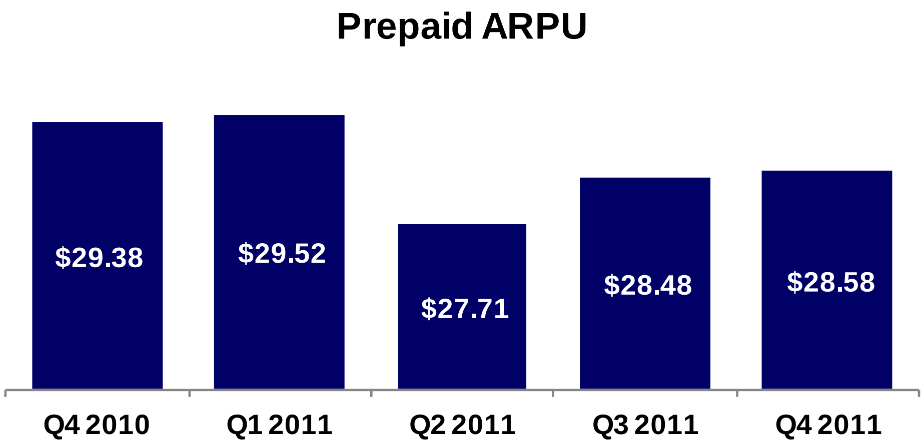
- Postpaid ARPU in Q4 2011 is 3% higher year over year and comparable to Q3 2011
- Data ARPU is up 28% year over year, fully offsetting the 5% decline in voice ARPU

Smartphone subscribers continue to drive increase in data ARPU

- Smartphone subscriber base has grown by 19% in 2011
- Postpaid smartphone subscribers now represent 34% of total postpaid subscribers vs 27% at Q4 2010
- Prepaid smartphone subscribers of 19K have more than doubled since Q4 2010

Prepaid Wireless





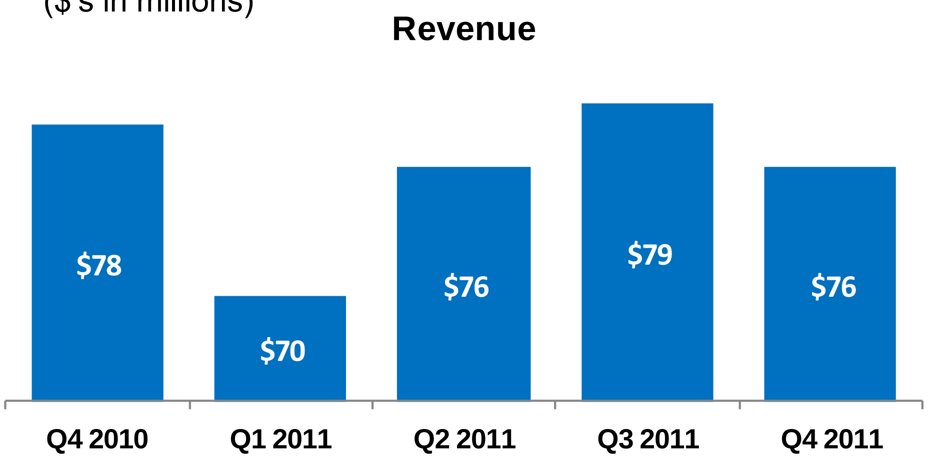
Prepaid subscribers declined by 6% from Q4 2010

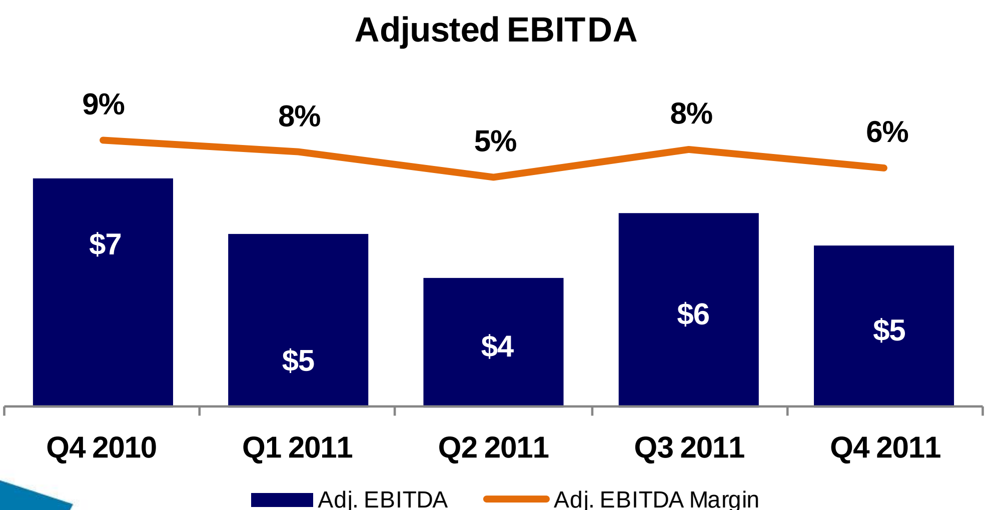
Prepaid ARPU comparable to prior quarter but declined 3% from Q4 2010

- Pricing pressure noted from sustained competitive environment
- Prepaid data ARPU increased 13% year over year, helping to offset decline in prepaid voice ARPU

IT Services and Hardware

($'s in millions)





Revenue in the quarter decreased 3% from prior year

- Telecom & IT Equipment sales were 11% lower year over year due to cyclical nature of the business
- Increase of $4 million, or 16%, in revenue from Managed and Professional Services

Adjusted EBITDA in the quarter of $5 million, compared to $7 million in 2010

Data Center Strategy

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Evolution of Data Center Landscape

Data Centers are purchased as a service

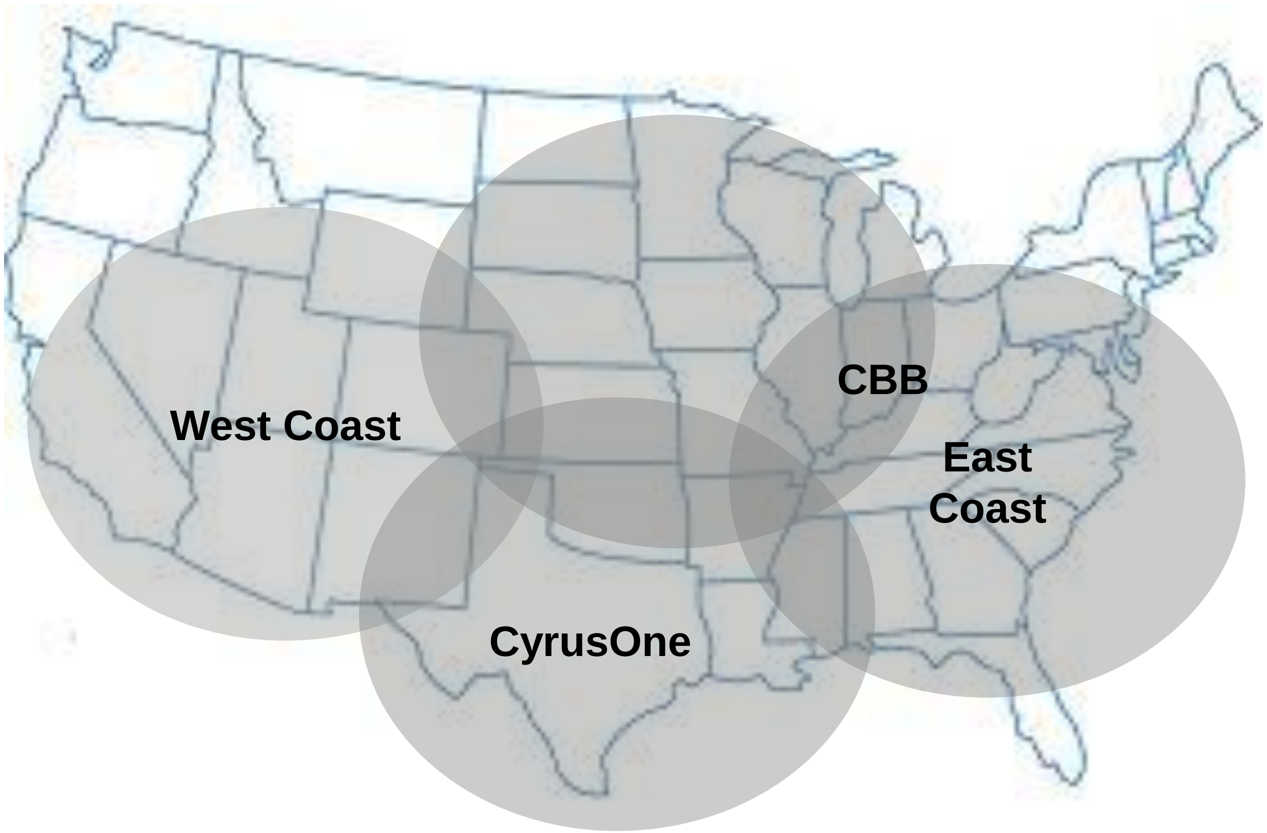
Demand for data centers

Demand for “digital energy” is growing exponentially

CIO’s need to re-engineer the information grid

Enterprise demand for information is accelerating

Re-Engineering the Information Grid – Accessibility, Speed, Timeliness



Product offering must meet **quality standards and geography** that customers require

Four locations around the country will put CBB within 10 milliseconds or less of **over 90% of the population of the US**

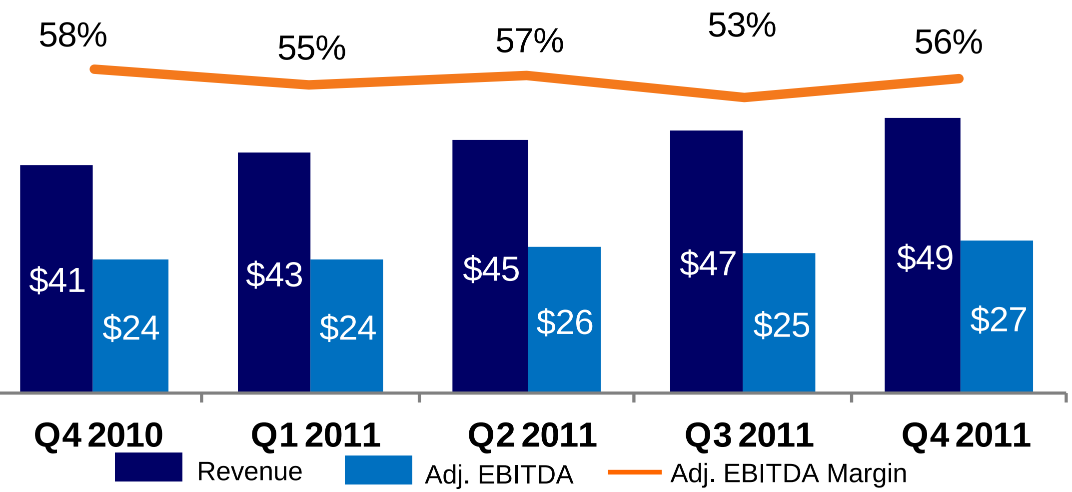
These locations will also be sufficient to cover over 90% of the applications run by Fortune 500 companies

In addition, CBB has opened data centers in Europe and Asia and is looking to expand in those markets

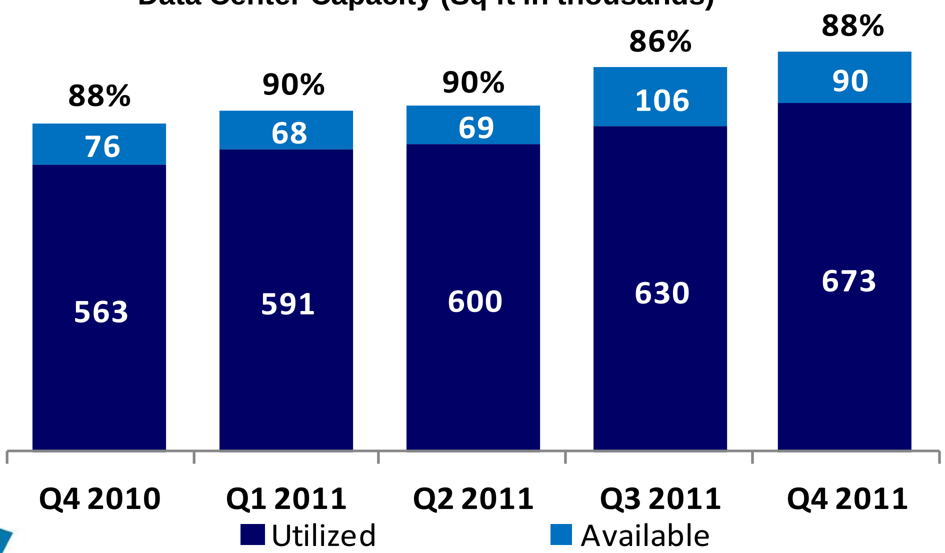
Data Center Colocation

Revenue and Adjusted EBITDA

($ in millions) **Data Center Colocation Performance**



Data Center Capacity (Sq ft in thousands)



21% increase in revenue over Q4 2010

- 20% increase in utilized sq feet from Q4 2010

Adjusted EBITDA of $27 million reflects a year over year increase of 16%

- Increase slightly lags revenue due to addition of high-level management and marketing costs to support future growth

Adjusted EBITDA margin continues to be stable at 56%

Continue to see strong demand for data center space

- Completed construction on 27k sq ft of space in the quarter, selling 43k sq ft
- Quarter-end utilization increased to 88% from 86% at end of third quarter
- Singapore facility and additional square footage in Houston came online during Q4

Data Center Colocation

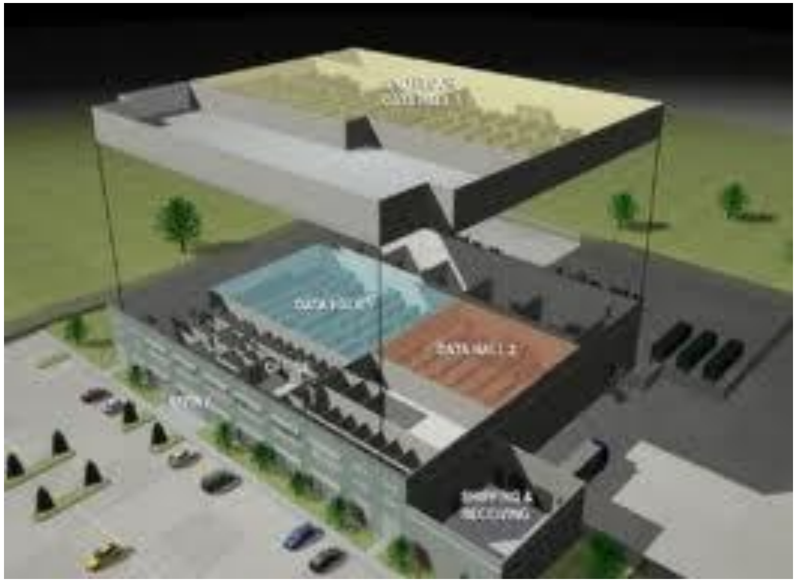
Customers and Markets

Blue chip customer base

- Four of the top 10 global companies
- 75 Fortune 1000-sized companies

Take-or-pay contracts with 3 to 7 year average contract lives or renewal periods

- More than 95% of revenue base is recurring with annual churn of less than 1%



	As of December 31, 2011		
Market	# of Facilities	Capacity (Sq Ft)	% Utilized
Cincinnati	6	437,000	91%
Houston	3	153,000	90%
Dallas	4	124,000	83%
Austin	1	15,000	92%
Other Markets	6	34,000	62%
TOTAL	20	763,000	88%

Data Center Strategic Alternatives

To maximize shareholder value

- **Board of Directors has authorized management to pursue evaluation of structural, capital and financial alternatives for the Data Center business**

- **Options to be considered include:**
  - operating the Data Center business under the current structure
  - a partial separation through a sale, initial public offering, or other transaction
  - a full separation, depending on the value to shareholders

- **Our assessment will seek an option that optimizes shareholder value while ultimately leaving an appropriate level of debt for the Communications business**

- **Evaluation is expected to take approximately 6 to 12 months**

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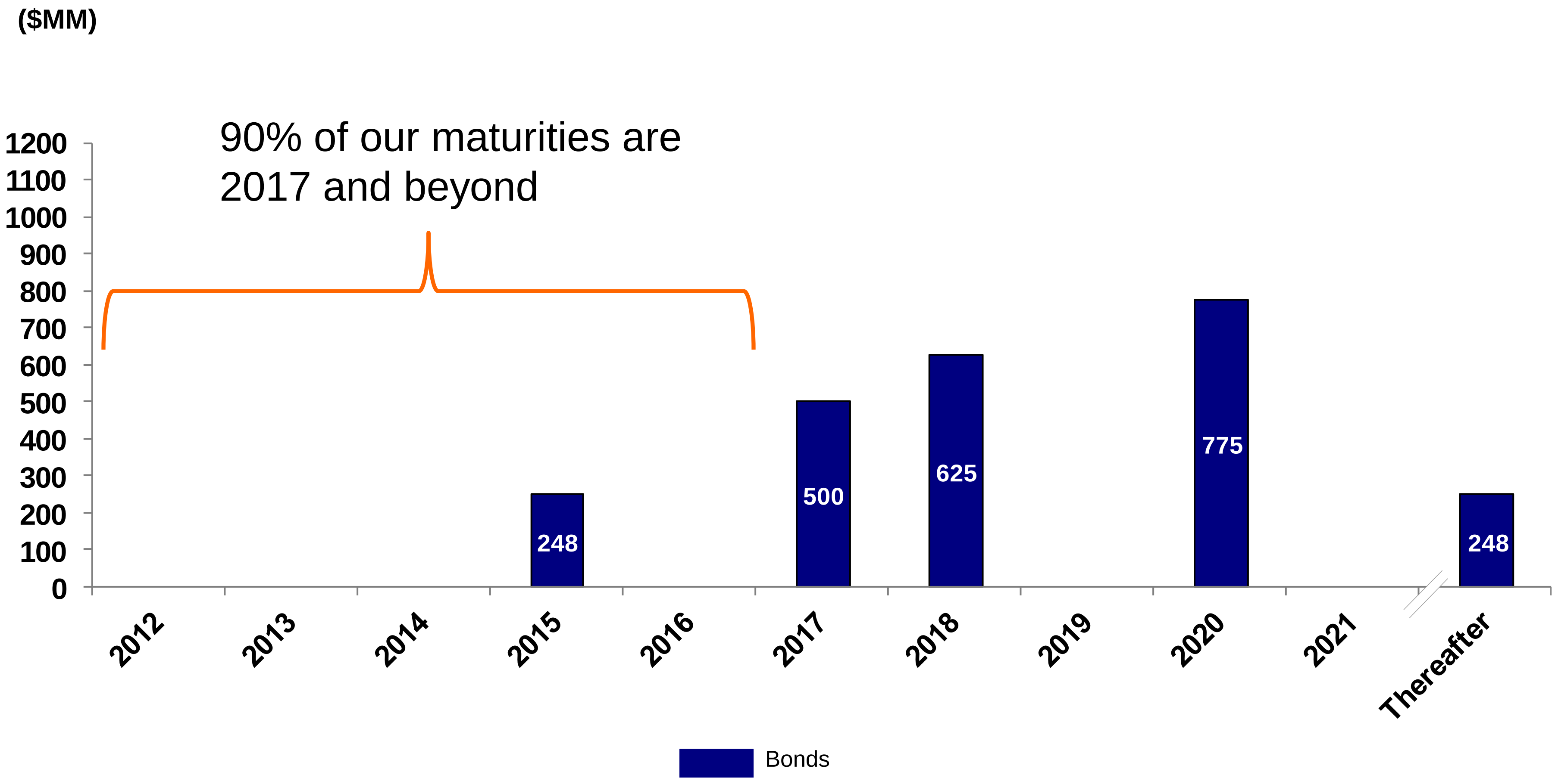
No Significant Debt Maturities Until 2017



Note: Excludes capital lease obligations and unamortized call premiums on terminated interest rate swaps.

Appendix

Non-GAAP Reconciliations

Adjusted EBITDA

($ in millions)

	Twelve Months Ended December 31,		
	2009	2010	2011
Total Operating Income (GAAP)	295.5	299.3	259.5
Add:			
Depreciation and amortization	164.9	179.5	199.5
Restructuring charges and other	9.8	13.7	13.8
Gain on sale of assets	-	-	(8.4)
Impairment of goodwill and other assets	-	-	52.4
Pension and other retirement plan expenses	23.1	17.5	25.3
Acquisition costs	-	9.1	2.6
Total Adjusted EBITDA (Non-GAAP)	$ 493.3	$ 519.1	$ 544.7

Non-GAAP Reconciliations

Adjusted EBITDA

($ in millions)

	Three Months Ended December 31, 2011					
	Wireline	Wireless	Data Center Colocation	IT Services & Hardware	Corporate	Total Company
Operating Income (GAAP)	$ 48.3	$ (39.8)	$ 10.3	$ 1.1	$ (10.7)	$ 9.2
Add:						
Depreciation and amortization	26.3	8.4	16.6	1.8	0.1	53.2
Restructuring charges	7.7	-	-	1.9	2.6	12.2
Impairment of goodwill and other assets	0.5	50.3	-	-	-	50.8
Legal claim costs	-	-	0.4	-	0.8	1.2
Pension and other retirement plan expenses	4.9	-	-	-	0.4	5.3
Adjusted EBITDA (Non-GAAP)	$ 87.7	$ 18.9	$ 27.3	$ 4.8	$ (6.8)	$ 131.9

	Three Months Ended September 30, 2011					
	Wireline	Wireless	Data Center Colocation	IT Services & Hardware	Corporate	Total Company
Operating Income (GAAP)	$ 65.2	$ 11.6	$ 11.3	$ 4.0	$ (5.8)	$ 86.3
Add:						
Depreciation and amortization	25.6	8.0	13.2	2.2	0.1	49.1
Gain on sale of assets	(8.4)	-	-	-	-	(8.4)
Acquisition costs	-	-	-	-	0.7	0.7
Legal claim costs	-	-	0.4	-	-	0.4
Pension and other retirement plan expenses	4.8	-	-	-	0.3	5.1
Adjusted EBITDA (Non-GAAP)	$ 87.2	$ 19.6	$ 24.9	$ 6.2	$ (4.7)	$ 133.2

Non-GAAP Reconciliations

Adjusted EBITDA

($ in millions)

	Three Months Ended June 30, 2011					
	Wireline	Wireless	Data Center Colocation	IT Services & Hardware	Corporate	Total Company
Operating Income (GAAP)	$ 55.4	$ 15.2	$ 12.8	$ 1.5	$ (7.3)	$ 77.6
Add:						
Depreciation and amortization	25.1	8.4	13.0	2.2	0.1	48.8
Acquisition costs	-	-	-	-	0.8	0.8
Asset impairment	0.5	-	-	-	-	0.5
Pension and other retirement plan expenses	9.1	-	-	-	0.4	9.5
Adjusted EBITDA (Non-GAAP)	$ 90.1	$ 23.6	$ 25.8	$ 3.7	$ (6.0)	$ 137.2

	Three Months Ended March 31, 2011					
	Wireline	Wireless	Colocation	Hardware	Corporate	Company
Operating Income (GAAP)	$ 59.6	$ 16.3	$ 12.0	$ 3.2	$ (4.7)	$ 86.4
Add:						
Depreciation and amortization	25.4	8.7	12.0	2.2	0.1	48.4
Acquisition costs and other	-	1.1	-	-	1.1	2.2
Pension and other retirement plan expenses	5.0	-	-	-	0.4	5.4
Adjusted EBITDA (Non-GAAP)	$ 90.0	$ 26.1	$ 24.0	$ 5.4	$ (3.1)	$ 142.4

Non-GAAP Reconciliations

Adjusted EBITDA

($ in millions)

	Three Months Ended December 31, 2010											
		Wireline		Wireless		Data Center Colocation		IT Services & Hardware		Corporate		Total Company
Operating Income (GAAP)	$	52.5	$	4.1	$	9.2	$	4.0	$	(5.3)	$	64.5
Add:												
Depreciation and amortization		26.7		8.0		13.0		2.1		-		49.8
Restructuring charges		4.9		1.0		1.4		1.0		0.2		8.5
Pension and other retirement plan expenses		4.0		-		-		-		0.3		4.3
Adjusted EBITDA (Non-GAAP)	$	88.1	$	13.1	$	23.6	$	7.1	$	(4.8)	$	127.1

Non-GAAP Reconciliations

Free Cash Flow

($ in millions)

	Three Months Ended December 31, 2011	Three Months Ended December 31, 2010	Twelve Months Ended December 31, 2011	Twelve Months Ended December 31, 2010
Reconciliation of GAAP Cash Flow to Free Cash Flow (as defined by the company)				
Net (decrease) increase in cash and cash equivalents	$ (17.0)	$ 43.1	$ (3.6)	$ 54.3
Less adjustments:				
Proceeds from issuance of long-term debt	-	(780.9)	-	(2,134.3)
Increase (decrease) in corporate credit and receivables facilities	-	-	(0.4)	85.9
Repayment of debt	2.5	762.9	11.5	1,554.5
Debt issuance costs	-	9.7	0.8	42.6
Common stock repurchase	0.4	10.0	10.4	10.0
Proceeds from sale of assets, net of expenses	(1.7)	-	(10.8)	-
Acquisitions, net of cash acquired	-	-	-	526.7
Acquisition costs	-	-	2.6	9.1
Free cash flow (as defined by the company)	$ (15.8)	$ 44.8	$ 10.5	$ 148.8

Non-GAAP Reconciliations
Net Debt

($ in millions)

	December 31,		
	2009	2010	2011
Total debt	1,979.1	2,523.6	2,533.6
Less: Interest rate swap adjustment	(14.6)	(3.8)	(2.9)
Less: Cash and cash equivalents	(23.0)	(77.3)	(73.7)
Net debt (as defined by the company)	$ 1,941.5	$ 2,442.5	$ 2,457.0