

A blue-tinted photograph of the Cincinnati skyline and the Roebling Suspension Bridge over the Ohio River. The skyline includes the Cincinnati Bell Tower and the US Bank Tower. The bridge is a suspension bridge with a stone tower and steel cables. The river is in the foreground, and the sky is filled with clouds.

Cincinnati Bell

Third Quarter 2014 Results

November 5, 2014

Cincinnati BellSM

Today's Agenda

Strategic Initiatives

Ted Torbeck, President & Chief Executive Officer

Financial Overview & Segment Results

Leigh Fox, Chief Financial Officer

Question & Answer

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.

Ted Torbeck

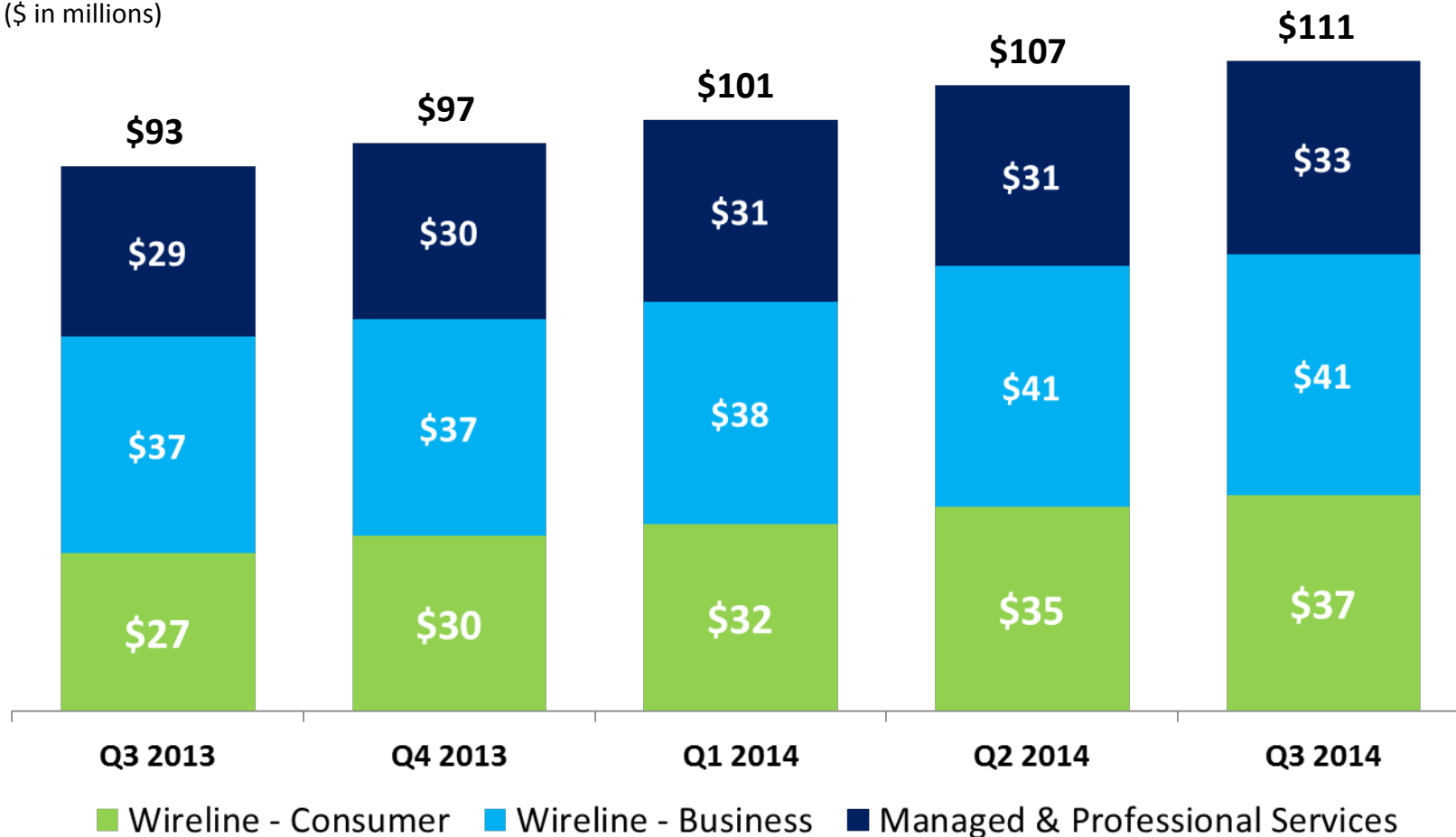
President & Chief Executive Officer

2014 Key Objectives

- **Continue to invest in high demand strategic products**
 - Fioptics
 - Metro-Ethernet
 - VoIP
 - Managed & Professional Services
- **Evaluate opportunities to monetize CyrusOne investment**
- **Manage wireless operations for profitability and cash flows as we consider strategic options for this business**

Quarterly Strategic Revenue Growth

(\$ in millions)



* Revenue results are presented net of intercompany

Strategic revenue growth is changing our **FINANCIAL OUTLOOK** and perception of our **BRAND**

CyrusOne Monetization

- **Sold 16 million CyrusOne Partnership units with proceeds totaling \$356 million**
 - Proceeds used to repay a portion of our 8.75% Senior Subordinated Notes due 2018, reducing interest payments \$28 million annually
 - Remaining 44% ownership currently valued at approximately \$750 million
 - Tax gains from future monetization sheltered by \$750 million of tax NOLs
- **Our strategy has not changed**
 - Patient investor focused on a well-timed and thoughtfully developed monetization strategy to maximize shareholder value
 - CyrusOne reported outstanding third quarter results:
 - Revenue \$85 million, up 26% year-over-year
 - Adjusted EBITDA \$42 million, up 16% year-over-year

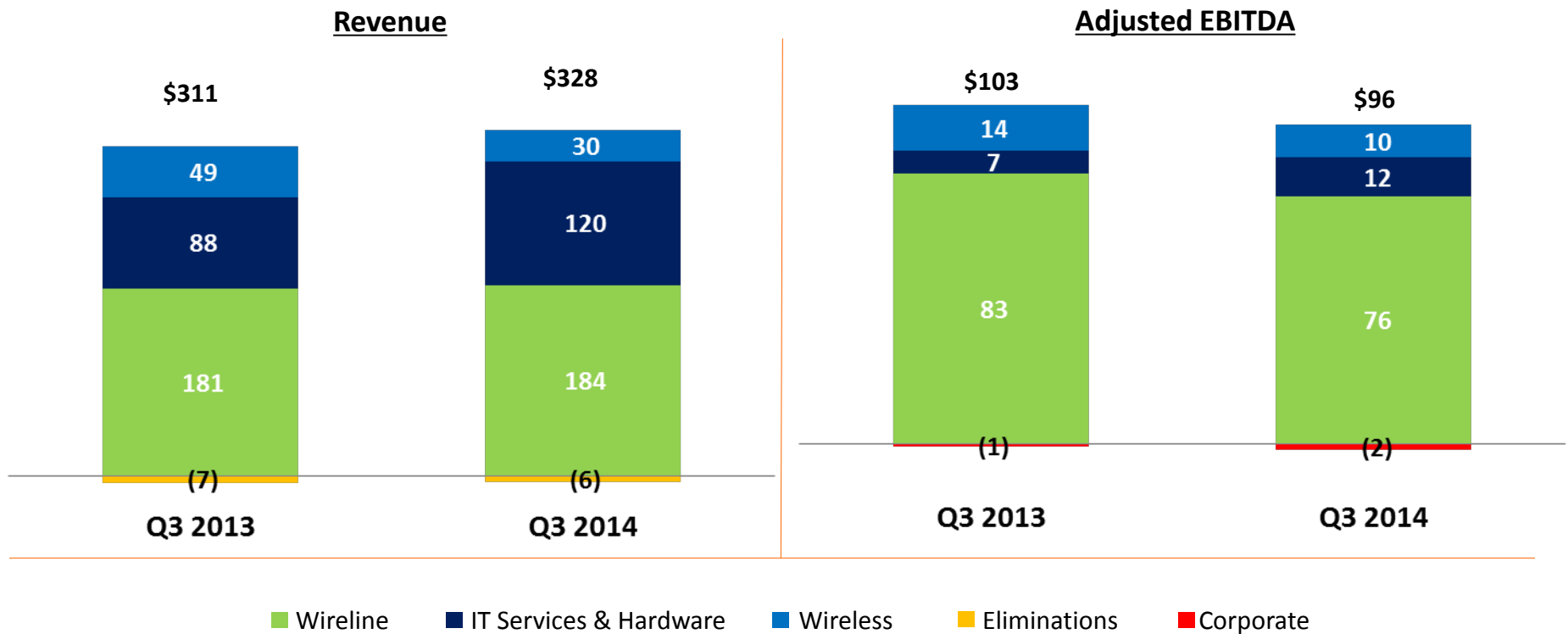
Wireless Sale Impact

- **Spectrum sale closed on September 30, 2014**
 - Cash proceeds of \$194 million
- **Transfer of lease liabilities and other assets valued at approximately \$16 million will occur once we no longer provide wireless service (later of 90 days after close of spectrum sale and April 6, 2015)**
- **Broadens our relationship with Verizon**
 - Expect increased foot traffic in Fioptics retail stores
 - Opportunity to provide additional carrier services

Leigh Fox

Chief Financial Officer

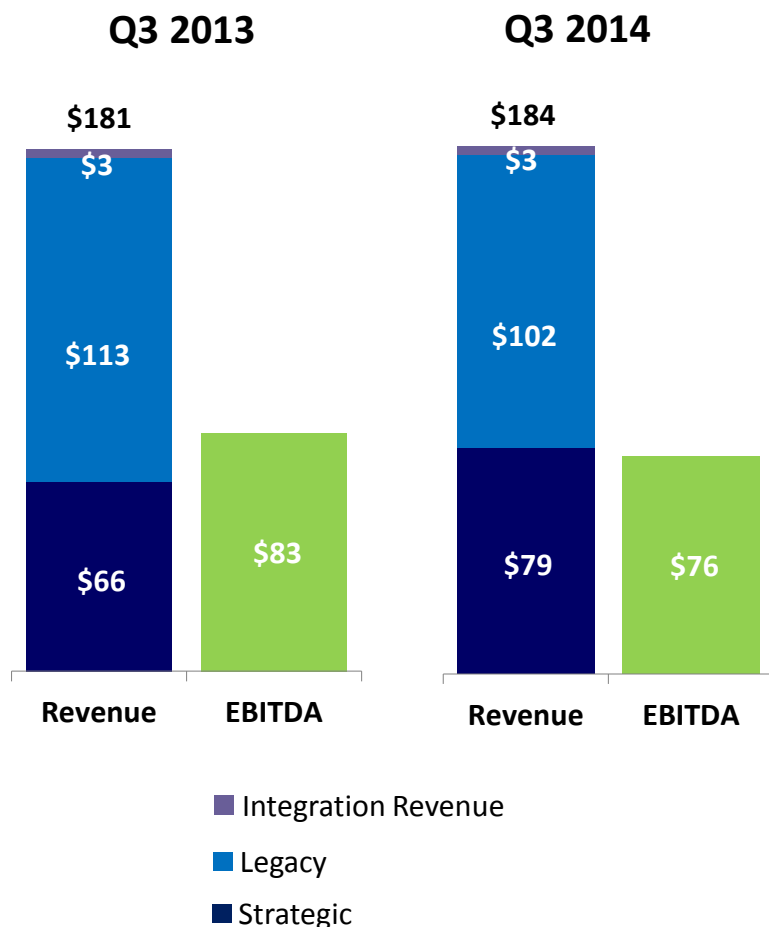
Third Quarter Financial Summary



- Total revenue of \$328 million for Q3 2014, up 5% from prior year
- Operating income totaled \$16 million and net loss of \$27 million
 - Wireless operating loss totaled \$33 million due to winding down operations
 - Loss on extinguishment of debt totaled \$19 million
- Adjusted EBITDA of \$96 million for Q3 2014, down \$8 million from prior year
 - Winding down wireless operations
 - Increased costs to accelerate fiber build and streamline operations and shared service functions

Wireline Revenue and Adjusted EBITDA

(\$ in millions)



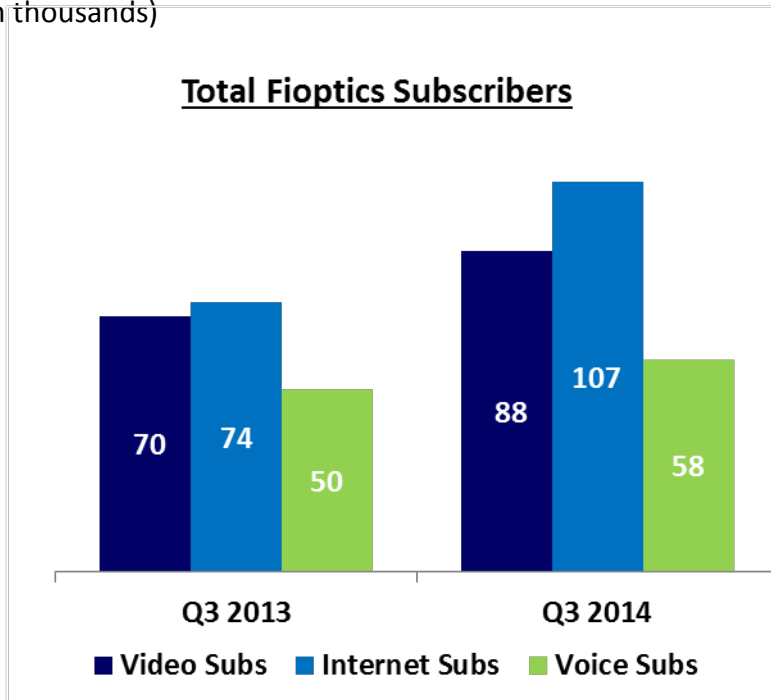
- Strategic revenue growth in Q3 2014 offset decline from legacy products
 - Revenue from Fioptics for Q3 2014 totaled \$37 million, up 39% from Q3 2013
 - Strategic revenue from business customers totaled \$42 million (including \$2 million of Fioptics revenue) in Q3 2014, up 10% from prior year

- Adjusted EBITDA totaled \$76 million in Q3 2014 with Adjusted EBITDA margins of 41%
 - Adjusted EBITDA decrease due to additional costs associated with accelerating fiber investments and projects aimed at streamlining operations and shared service functions

- Access line loss was 9% year-over-year
 - Increased wireless subscriber churn and “move season” activity

Fioptics Highlights

(in thousands)

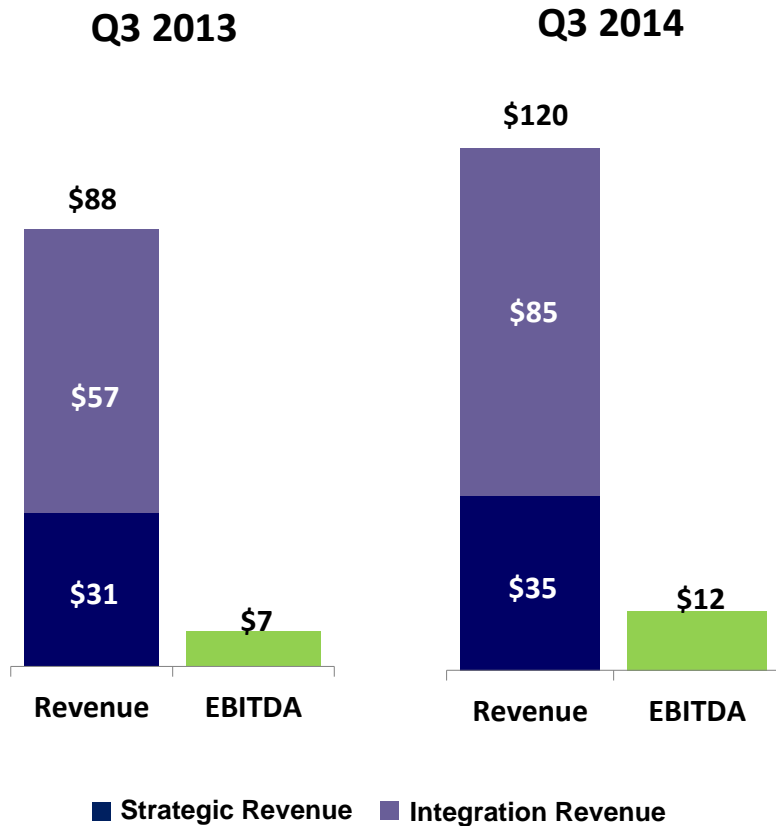


- Fioptics subscribers increased by 30% compared to 2013
 - 88K video subs; 5,300 net activations in the quarter
 - 107K internet subs; 8,400 subs added in the quarter

- 323K addresses passed with Fioptics - approximately 40% of Greater Cincinnati
 - 16K new addresses passed in the quarter
- Fioptics Penetration:
 - Video – 27%
 - Internet – 33%
 - Voice – 18%
- Fioptics monthly ARPU was up approximately 6% from Q3 2013. 2014 ARPUs are as follows:
 - Video – \$76
 - Internet – \$39
 - Voice – \$33
- Total video churn was 3.4% for the quarter
 - Single-family churn was 2.6% for Q3 2014
 - Apartment churn was 7.1% for Q3 2014

IT Services & Hardware Revenue and Adjusted EBITDA

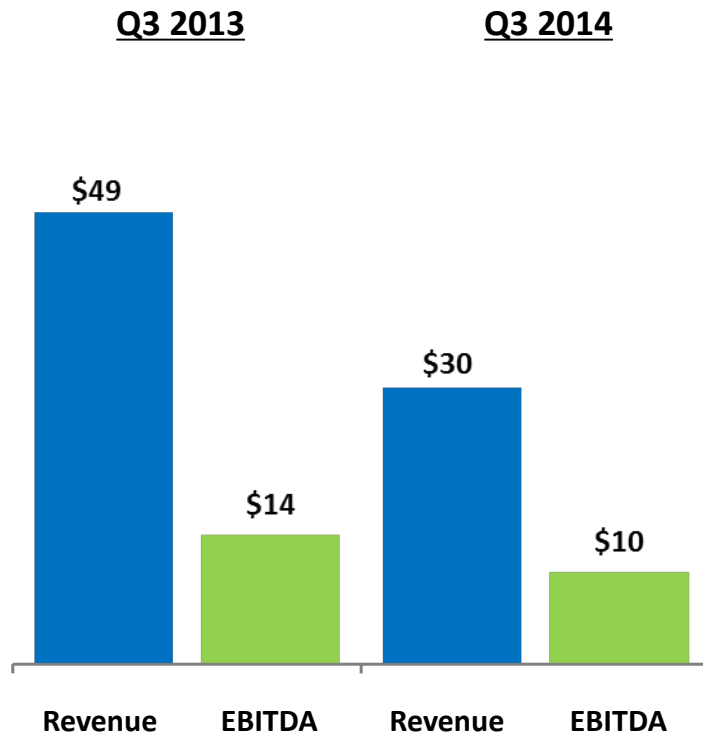
(\$ in millions)



- Revenue of \$120 million for Q3 2014, up 37% from Q3 2013
 - Telecom & IT Equipment revenue of \$83 million for Q3 2014, up 48% from Q3 2013
 - Strategic Managed and Professional Services revenue totaled \$35 million for Q3 2014, up 15% from prior year
- Adjusted EBITDA margin was 10%, up from 8% a year ago

Wireless Revenue & Adjusted EBITDA

(\$ in millions)



- Revenue decreased \$19 million due to 100k subscriber loss during the quarter
 - Total subscribers expected to be less than 100k at year-end
- Adjusted EBITDA totaled \$10 million for Q3 2014, down \$4 million from prior year
- Restructuring charges totaled \$10 million to account for costs associated with winding down operations
- Cost leakage to be absorbed by the remaining core business once wireless operations shut down is expected to range between \$25 – \$30 million

Free Cash Flow

(\$ in millions)

	Q3 2014	YTD 2014
Adjusted EBITDA	\$ 96	\$ 301
Interest Payments	(33)	(111)
Capital Expenditures	(46)	(121)
Pension and OPEB Payments	(11)	(27)
Dividends from CyrusOne	6	22
Working Capital and Other	(27)	(52)
Free Cash Flow	<u>\$ (15)</u>	<u>\$ 12</u>

Free cash flow results are in-line with management's expectation and components are consistent with previous communication.

Q3 2014 Capital Expenditures and Full Year 2014

(\$ in millions)

	Q3	YTD	% of YTD	Full Year 2014	
	2014	2014	Spend	Low	High
Construction	\$ 14	\$ 31	26%	\$ 40	\$ 45
Installation	9	17	13%	25	27
Value added	3	8	7%	15	18
Strategic Fioptics	\$ 26	\$ 56	46%	\$ 80	\$ 90
Strategic Other	9	27	22%	40	40
Total Strategic Investment	\$ 35	\$ 83	69%	\$ 120	\$ 130
Maintenance	11	32	26%	50	50
Wireless	-	6	5%	10	10
Total	\$ 46	\$ 121	100%	\$ 180	\$ 190

2014 Financial Guidance (excluding Wireless)

On September 30, 2014 the Company completed the sale of its wireless spectrum and has suspended guidance related to this segment. As such, excluding Wireless, the company is affirming the 2014 Adjusted EBITDA guidance and increasing its revenue guidance as follows:

Category	2014 Guidance (excluding Wireless)	Revised 2014 Guidance (excluding Wireless)
Revenue	\$1.0 billion	\$1.1 billion
Adjusted EBITDA	\$333 million*	\$333 million*

*Plus or minus 2 percent

Appendix

CBB Consolidated Results

(\$ in millions, except per share amounts)

	Three Months				Nine Months			
	Ended September 30,		Change		Ended September 30,		Change	
	2014	2013	\$	%	2014	2013	\$	%
Revenue	\$ 327.5	\$ 310.8	\$ 16.7	5%	\$ 969.9	\$ 948.5	\$ 21.4	2%
Costs and expenses								
Cost of services and products	179.5	159.9	19.6	12%	515.4	480.5	34.9	7%
Selling, general and administrative	57.5	53.6	3.9	7%	167.4	161.4	6.0	4%
Depreciation and amortization	61.4	39.8	21.6	54%	168.6	127.6	41.0	32%
Transaction-related compensation	-	-	-	n/m	-	42.6	(42.6)	n/m
Restructuring charges	9.0	-	9.0	n/m	15.4	10.8	4.6	43%
Asset impairment	7.5	-	7.5	n/m	7.5	-	7.5	n/m
Curtailement gain	-	-	-	n/m	-	(0.6)	0.6	n/m
(Gain) loss on sale or disposal of assets, net	-	(0.2)	0.2	n/m	(0.1)	2.6	(2.7)	n/m
Amortization of deferred gain	(6.4)	(0.5)	(5.9)	n/m	(16.5)	(1.7)	(14.8)	n/m
Transaction costs	3.0	0.5	2.5	n/m	3.7	1.6	2.1	n/m
Operating income	16.0	57.7	(41.7)	(72)%	108.5	123.7	(15.2)	(12)%
Interest expense	35.8	46.7	(10.9)	(23)%	116.8	140.0	(23.2)	(17)%
Loss on extinguishment of debt	19.4	-	19.4	n/m	19.4	-	19.4	n/m
Loss from CyrusOne equity method investment	-	1.5	(1.5)	n/m	1.9	8.1	(6.2)	(77)%
Gain on sale of CyrusOne equity method investment	-	-	-	n/m	(192.8)	-	(192.8)	n/m
Other (income) expense, net	(0.2)	(1.2)	1.0	83%	0.5	(1.4)	1.9	n/m
(Loss) income before income taxes	(39.0)	10.7	(49.7)	n/m	162.7	(23.0)	185.7	n/m
Income tax (benefit) expense	(11.7)	1.4	(13.1)	n/m	68.8	3.6	65.2	n/m
Net (loss) income	(27.3)	9.3	(36.6)	n/m	93.9	(26.6)	120.5	n/m
Preferred stock dividends	2.6	2.6	-	0%	7.8	7.8	-	0%
Net (loss) income applicable to common shareowners	\$ (29.9)	\$ 6.7	\$ (36.6)	n/m	\$ 86.1	\$ (34.4)	\$ 120.5	n/m
Basic and diluted (loss) earnings per common share	\$ (0.14)	\$ 0.03			\$ 0.41	\$ (0.17)		

Revenue Classifications

	<u>STRATEGIC</u>	<u>LEGACY</u>	<u>INTEGRATION</u>
Voice	Fioptics Voice	Switched Access Digital Trunking	Maintenance Information Services
Data	Fioptics Internet DWDM DSL (> 10 meg) Metro-Ethernet Dedicated Internet	DSL (< 10 meg) Dial up Internet TDM DSO, DS1, DS3	
Long Distance/ VoIP	VoIP Private Line MPLS Audio Conferencing	Long Distance	
Entertainment	Fioptics Video		
Managed/ Professional Services	Managed Services <ul style="list-style-type: none"> - Monitoring/Management - Data Storage - Data Security - Virtual Data Center Professional Services <ul style="list-style-type: none"> - Staff Augmentation - IT Consulting 		
Telecom & IT Equipment			Hardware Installation Maintenance

Revenue – MD&A

Q3 2014 Strategic, Legacy and Integration

(\$ in millions)

	Q3 2014					
	Wireline	IT S&H	Wireless	Total	Eliminations	Total
Strategic						
Voice - local service	\$ 5.3	\$ -	\$ -			
Entertainment	19.3	-	-			
Data	38.8	-	-			
Long distance and VoIP	14.8	-	-			
Other	1.1	-	-			
Managed & Professional Services	-	35.0	-			
Hardware	-	-	-			
Total Strategic	79.3	35.0	-	114.3	(3.3)	111.0
Legacy						
Voice - local service	\$ 42.6	\$ -	\$ -			
Entertainment	-	-	-			
Data	45.3	-	-			
Long distance and VoIP	11.6	-	-			
Other	2.6	-	-			
Managed & Professional Services	-	-	-			
Hardware	-	-	-			
Total Legacy	102.1	-	-	102.1	(1.9)	100.2
Integration						
Voice - local service	\$ 1.7	\$ -	\$ -			
Entertainment	0.2	-	-			
Data	-	-	-			
Long distance and VoIP	0.5	-	-			
Other	0.2	-	-			
Managed & Professional Services	-	1.8	-			
Hardware	-	83.2	-			
Total Integration	2.6	85.0	-	87.6	(1.0)	86.6
Wireless	-	-	30.1	30.1	(0.4)	29.7
Total Revenue	\$ 184.0	\$ 120.0	\$ 30.1	\$ 334.1	\$ (6.6)	\$ 327.5
Eliminations	3.9	2.3	0.4	6.6		
	\$ 180.1	\$ 117.7	\$ 29.7	\$ 327.5		

Revenue – MD&A

Q3 2013 Strategic, Legacy and Integration

(\$ in millions)

	Q3 2013					
	Wireline	IT S&H	Wireless	Total	Eliminations	Total
Strategic						
Voice - local service	\$ 4.6	\$ -	\$ -			
Entertainment	14.4	-	-			
Data	31.7	-	-			
Long distance and VoIP	12.9	-	-			
Other	2.0	-	-			
Managed & Professional Services	-	30.4	-			
Hardware	-	-	-			
Total Strategic	65.6	30.4	-	96.0	(3.0)	93.0
Legacy						
Voice - local service	\$ 50.3	\$ -	\$ -			
Entertainment	-	-	-			
Data	47.9	-	-			
Long distance and VoIP	12.9	-	-			
Other	1.6	-	-			
Managed & Professional Services	-	-	-			
Hardware	-	-	-			
Total Legacy	112.7	-	-	112.7	(2.9)	109.8
Integration						
Voice - local service	\$ 1.7	\$ -	\$ -			
Entertainment	-	-	-			
Data	-	-	-			
Long distance and VoIP	1.0	-	-			
Other	0.4	-	-			
Managed & Professional Services	-	0.9	-			
Hardware	-	56.2	-			
Total Integration	3.1	57.1	-	60.2	(0.8)	59.4
Wireless	-	-	49.1	49.1	(0.5)	48.6
Total Revenue	\$ 181.4	\$ 87.5	\$ 49.1	\$ 318.0	\$ (7.2)	\$ 310.8
Eliminations	4.2	2.5	0.5	7.2		
	\$ 177.2	\$ 85.0	\$ 48.6	\$ 310.8		

Revenue – MD&A

YTD 2014 Strategic, Legacy and Integration

(\$ in millions)

	YTD Q3 2014					
	Wireline	IT S&H	Wireless	Total	Eliminations	Total
Strategic						
Voice - local service	\$ 15.5	\$ -	\$ -			
Entertainment	54.5	-	-			
Data	111.4	-	-			
Long distance and VoIP	43.0	-	-			
Other	3.6	-	-			
Managed & Professional Services	-	101.7	-			
Hardware	-	-	-			
Total Strategic	228.0	101.7	-	329.7	(10.4)	319.3
Legacy						
Voice - local service	\$ 134.0	\$ -	\$ -			
Entertainment	-	-	-			
Data	139.9	-	-			
Long distance and VoIP	35.9	-	-			
Other	6.7	-	-			
Managed & Professional Services	-	-	-			
Hardware	-	-	-			
Total Legacy	316.5	-	-	316.5	(6.5)	310.0
Integration						
Voice - local service	\$ 5.1	\$ -	\$ -			
Entertainment	0.4	-	-			
Data	-	-	-			
Long distance and VoIP	1.7	-	-			
Other	0.6	-	-			
Managed & Professional Services	-	4.8	-			
Hardware	-	217.0	-			
Total Integration	7.8	221.8	-	229.6	(3.5)	226.1
Wireless	-	-	116.0	116.0	(1.5)	114.5
Total Revenue	\$ 552.3	\$ 323.5	\$ 116.0	\$ 991.8	\$ (21.9)	\$ 969.9
Eliminations	12.0	8.4	1.5	21.9		
	\$ 540.3	\$ 315.1	\$ 114.5	\$ 969.9		

Revenue – MD&A

YTD 2013 Strategic, Legacy and Integration

(\$ in millions)

	YTD Q3 2013					
	<u>Wireline</u>	<u>IT S&H</u>	<u>Wireless</u>	<u>Total</u>	<u>Eliminations</u>	<u>Total</u>
Strategic						
Voice - local service	\$ 13.1	\$ -	\$ -			
Entertainment	39.0	-	-			
Data	88.4	-	-			
Long distance and VoIP	37.8	-	-			
Other	5.1	-	-			
Managed & Professional Services	-	86.6	-			
Hardware	-	-	-			
Total Strategic	183.4	86.6	-	270.0	(8.7)	261.3
Legacy						
Voice - local service	\$ 155.9	\$ -	\$ -			
Entertainment	-	-	-			
Data	148.5	-	-			
Long distance and VoIP	39.4	-	-			
Other	5.6	-	-			
Managed & Professional Services	-	-	-			
Hardware	-	-	-			
Total Legacy	349.4	-	-	349.4	(9.0)	340.4
Integration						
Voice - local service	\$ 5.4	\$ -	\$ -			
Entertainment	0.4	-	-			
Data	-	-	-			
Long distance and VoIP	3.3	-	-			
Other	0.8	-	-			
Managed & Professional Services	-	2.2	-			
Hardware	-	169.2	-			
Total Integration	9.9	171.4	-	181.3	(2.1)	179.2
Wireless	-	-	154.1	154.1	(1.7)	152.4
Total Revenue	\$ 542.7	\$ 258.0	\$ 154.1	\$ 954.8	\$ (21.5)	\$ 933.3
Eliminations	12.8	7.0	1.7	21.5		
	\$ 529.9	\$ 251.0	\$ 152.4	\$ 933.3		