Cincinnati Bell
4th Quarter and Full Year 2008 Review

February 5, 2009

Agenda

1. Performance Highlights

Jack Cassidy, President & CEO

2. Operational Overview

Brian Ross, Chief Operating Officer

3. Financial Overview

Gary Wojtaszek, Chief Financial Officer

4. Q & A

Safe Harbor

Certain of the statements and predictions contained in this presentation constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act. In particular, any statements, projections or estimates that include or reference the words “believes,” “anticipates,” “plans,” “intends,” “expects,” “will,” or any similar expression fall within the safe harbor for forward-looking statements contained in the Reform Act. Actual results or outcomes may differ materially from those indicated or suggested by any such forward-looking statement for a variety of reasons, including but not limited to, Cincinnati Bell’s ability to maintain its market position in communications services, including wireless, wireline and internet services; general economic trends affecting the purchase or supply of communication services; world and national events that may affect the ability to provide services; changes in the regulatory environment; any rulings, orders or decrees that may be issued by any court or arbitrator; restrictions imposed under various credit facilities and debt instruments; work stoppages caused by labor disputes; adjustments resulting from year-end audit procedures; and Cincinnati Bell’s ability to develop and launch new products and services. More information on potential risks and uncertainties is available in recent filings with the Securities and Exchange Commission, including Cincinnati Bell’s Form 10-K report, Form 10-Q reports and Form 8-K report. The forward-looking statements included in this presentation represent estimates as of February 5, 2009. It is anticipated that subsequent events and developments will cause estimates to change.

Performance Highlights

Jack Cassidy

President & CEO

2008 Accomplishments

Overview

- Grew revenue 4%
- Increased Adjusted EBITDA 2%
- Increased free cash flow by $105M
- Purchased 8% of shares outstanding
- Retired $108M of bonds at a 14% discount

Technology Solutions

- Increased DC & managed services revenue by 45%
- Grew Adjusted EBITDA by 32%
- Increased data center capacity by 65K sq ft
- Began billing 50K sq ft new data center space

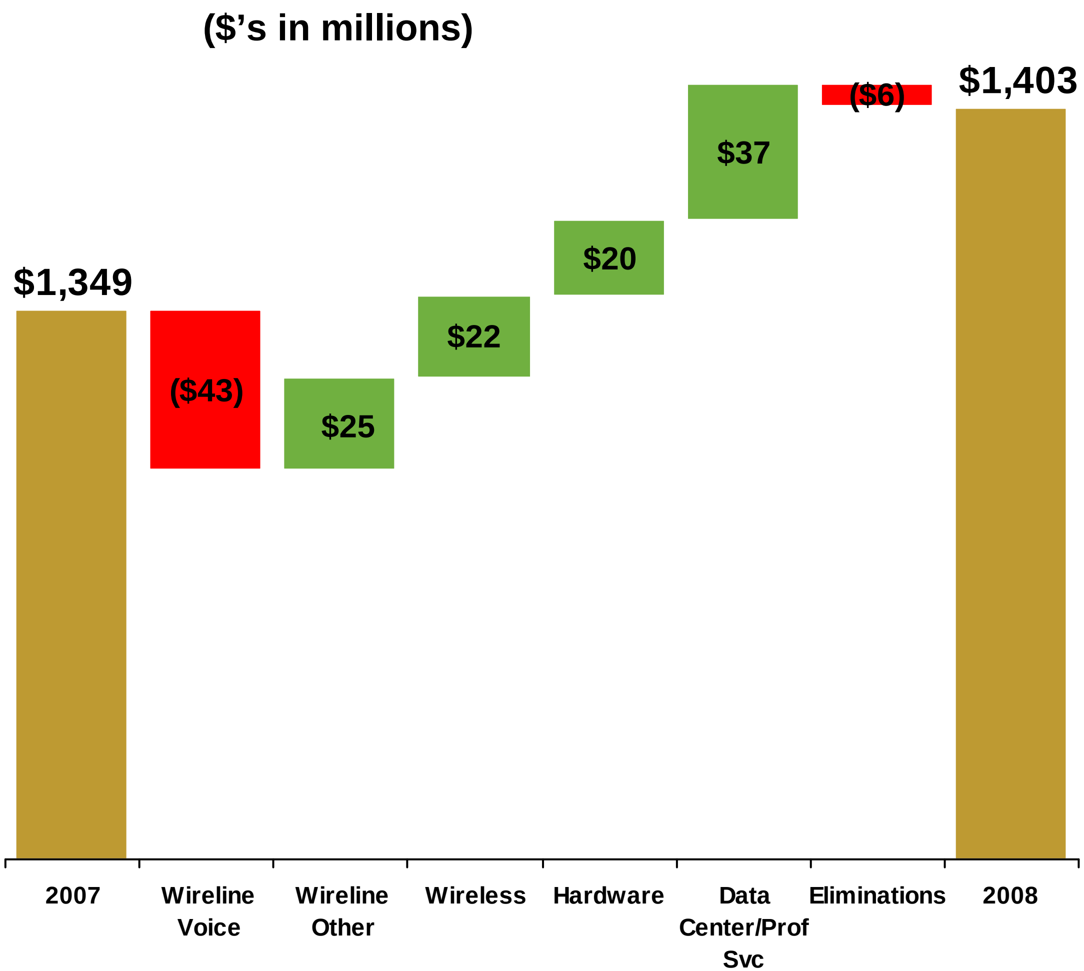
Wireless

- Grew service revenue by 9%
- Improved Adjusted EBITDA 12%
- Increased postpaid ARPU 5%
- Increased smart phone subscribers by 59%

Wireline

- Increased DSL subs by 5% and maintained churn at 1.9%
- Grew wireline data revenue by 6%
- Increased long distance and VoIP revenue by 24%
- Maintained Adjusted EBITDA margins at 47%

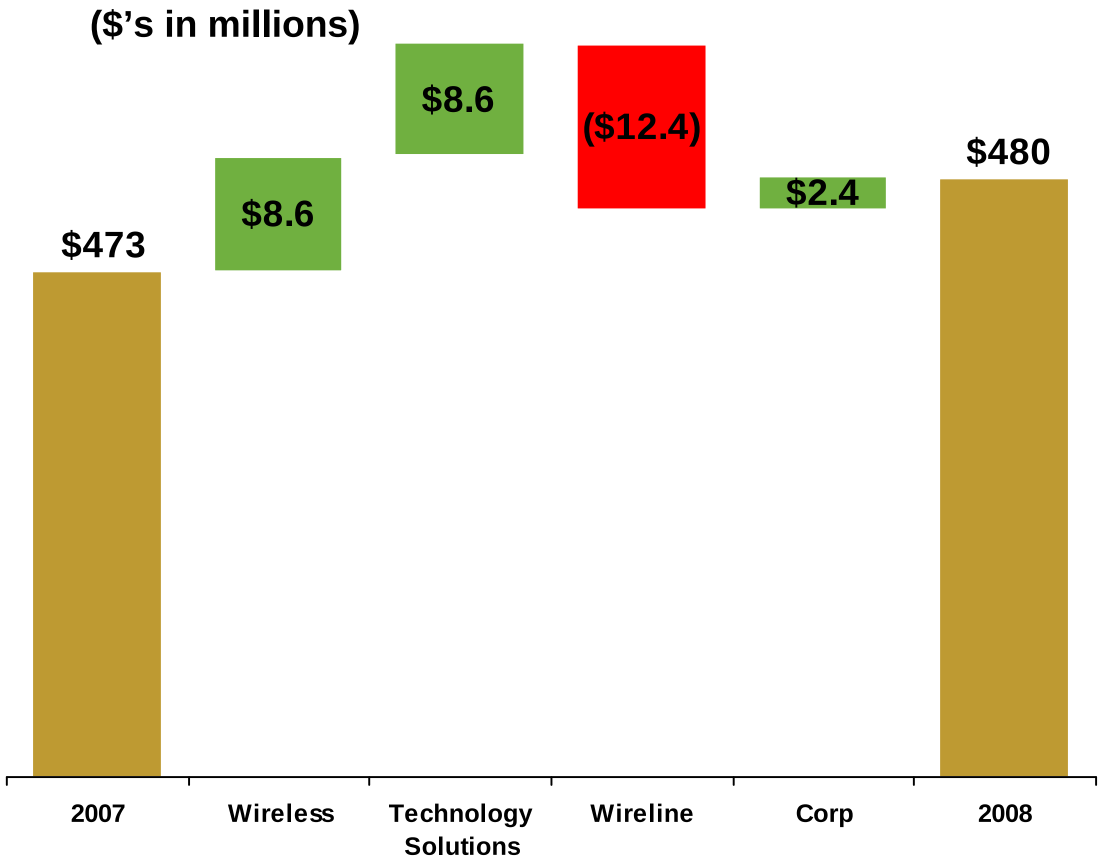
2008 Revenue Growth



- 9% increase in Wireless service revenue
  - +$21M, 10% postpaid
  - +$3M, 6% prepaid
- Wireline Data/Other
  - +6% data growth, due to data transport and DSL subscribers
  - +24% LD and VoIP growth, mostly due to the eGIX acquisition
- 22% increase in Technology Solutions
  - +$20M / 11% Telecom and IT equipment
  - +$30M / 45% data center and managed services

* May not foot due to rounding

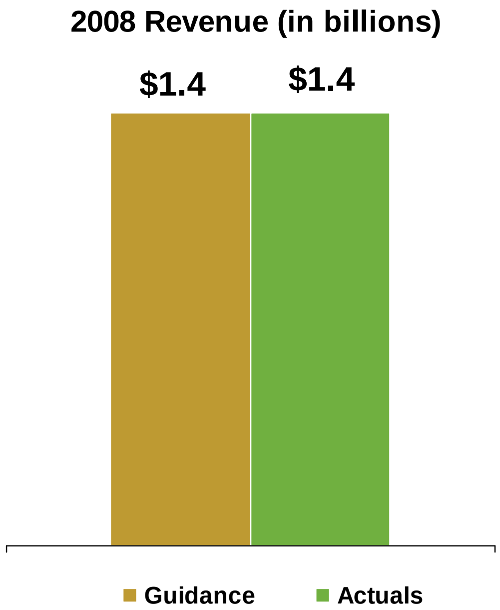
2008 Adjusted EBITDA Growth

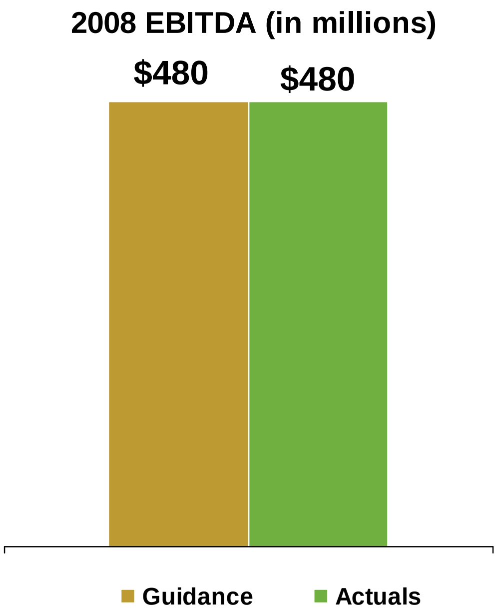


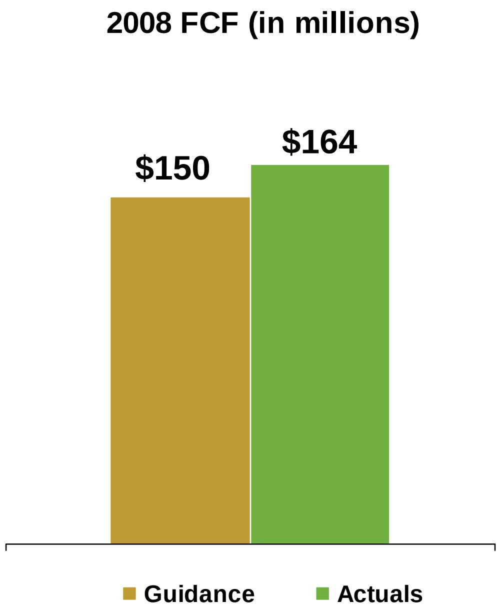
- +12% Increase in Wireless Adjusted EBITDA
  - Due to +$23M service revenue growth
- +32% Increase in Technology Solutions
  - +$30M data center and managed services revenue growth
  - 11.1% Adjusted EBITDA margin (.9 pts improvement vs. prior year)
- -3% Wireline
  - Driven by local voice revenue decline

* May not foot due to rounding

Met or Exceeded 2008 Guidance



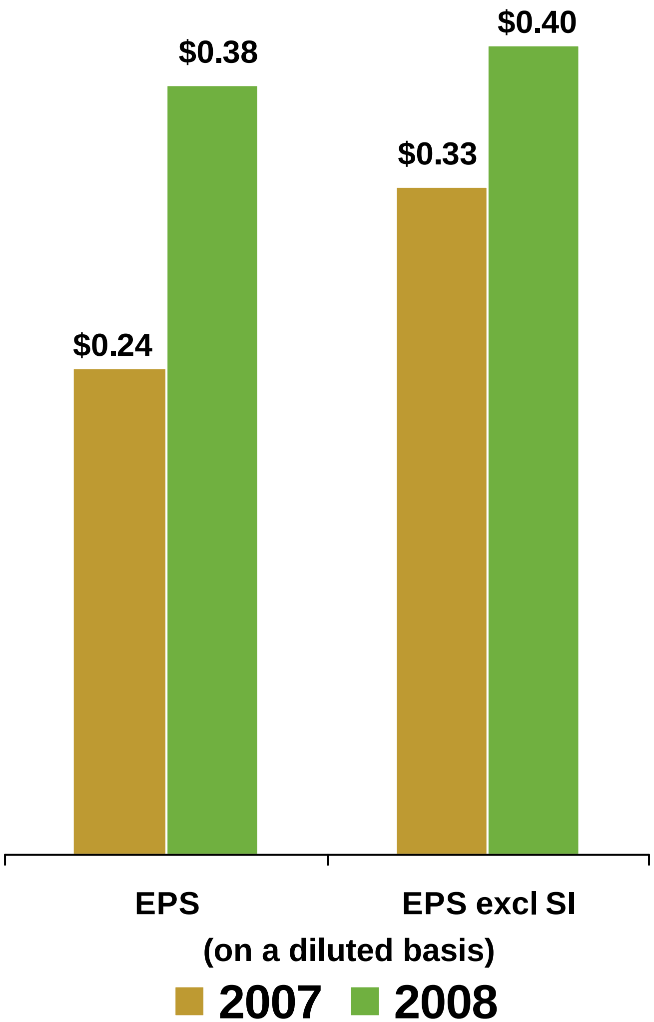




- In spite of challenging economic conditions in 2008, Cincinnati Bell met or exceeded the guidance provided during the year.
- We also took steps to proactively reduce working capital and pay down debt.

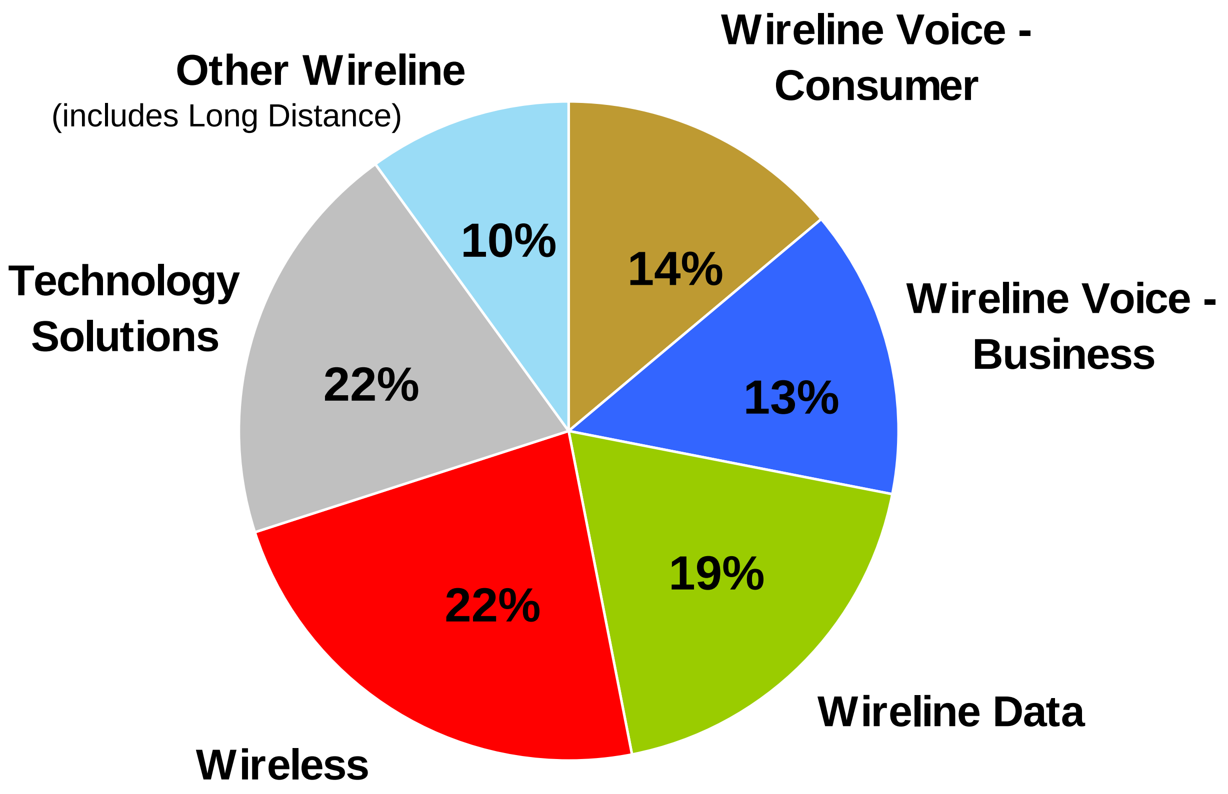
* May not foot due to rounding

Earnings per Share Growth



- **Earnings per diluted share up 58% y/y**
  - Adjusted EBITDA increased $7M
  - Gains of $14M on debt extinguishment and $10M on operating tax settlement
  - Interest expense down $15M; lower rates and debt balances
  - Purchased 21M shares in repurchase authorization program
    - 8% of outstanding shares
- **EPS excluding special items up 21%**

Revenue Diversification Continued in 2008



(before inter-company eliminations)

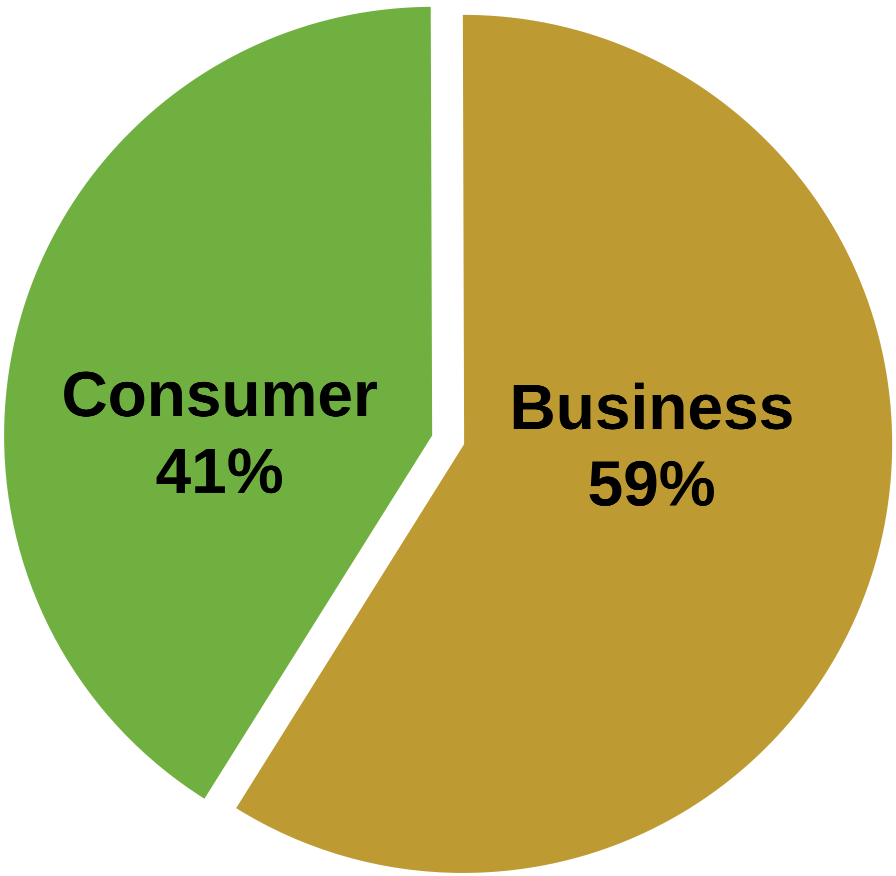
- Consumer Wireline Voice -3 pts. to 14%
- Wireline Data, Wireless & Technology Solutions +4 pts. to combined 63%

* May not foot due to rounding

Cincinnati Bell

2008 Revenue by Market

. . .Increasing business % of total

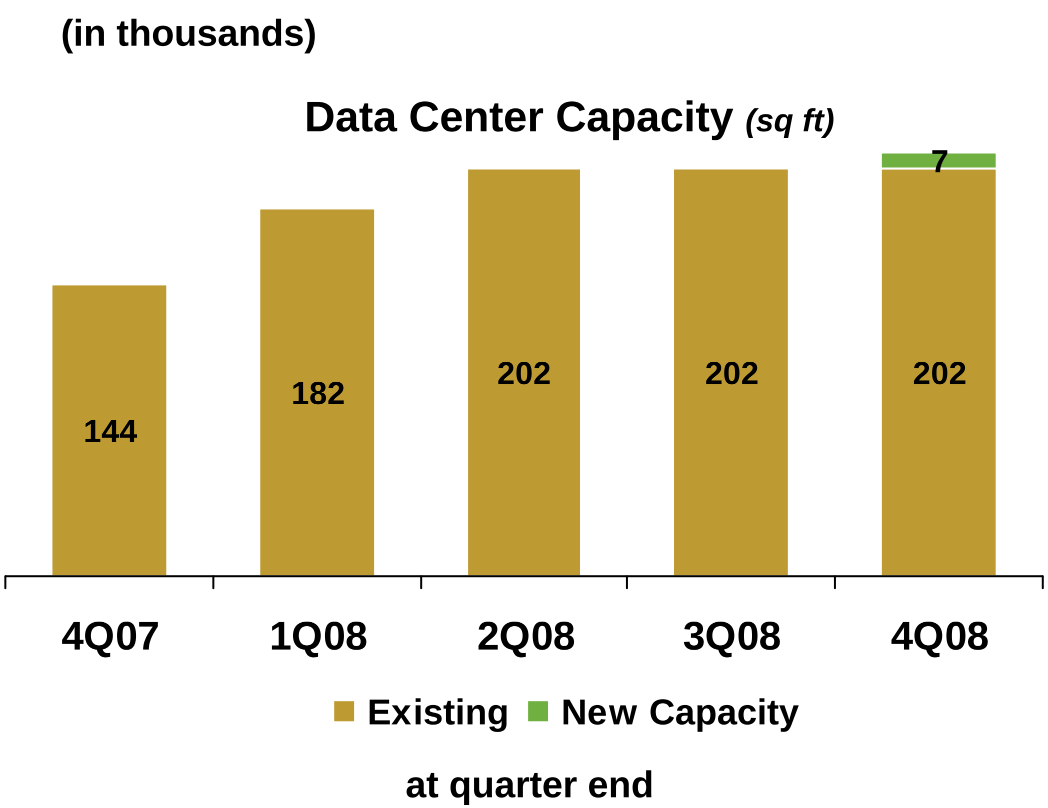


- Business +3 pts to 59%
- Business revenue up 9% y/y
  - 45% Data Center and Managed Services
  - 10% Wireless

(before inter-company eliminations)

Cincinnati Bell

Data Center Build Out Update



- 209K sq ft capacity
  - 7K sq ft new capacity commissioned in 4Q08
- 88% utilization
  - 6K sq ft new billing contracts in the fourth quarter
- 68K sq ft to be commissioned 1Q09
  - 50K sq ft – new Lebanon facility
  - 18K sq ft – Downtown Cincinnati W 7th St.
  - New customers buying Tier III space in two separate facilities for simultaneous data replication
- Sales Funnel Strong

* May not foot due to rounding

2009 Focus Areas

Grow

- Focus on Enterprise/SMB
- Grow Wireless revenue, margins, and subscriber metrics
- Achieve high utilization rates on new 2009 data center capacity

Defend

- Solidify Cincinnati Bell market share
- Continue ongoing cost reduction initiatives
- Strengthen position as the region's technology leader with unique products

De-lever/ Balance Sheet

- Continue opportunistic debt retirement
- Continue share buyback program
- Continue focus on working capital management

Operational Overview

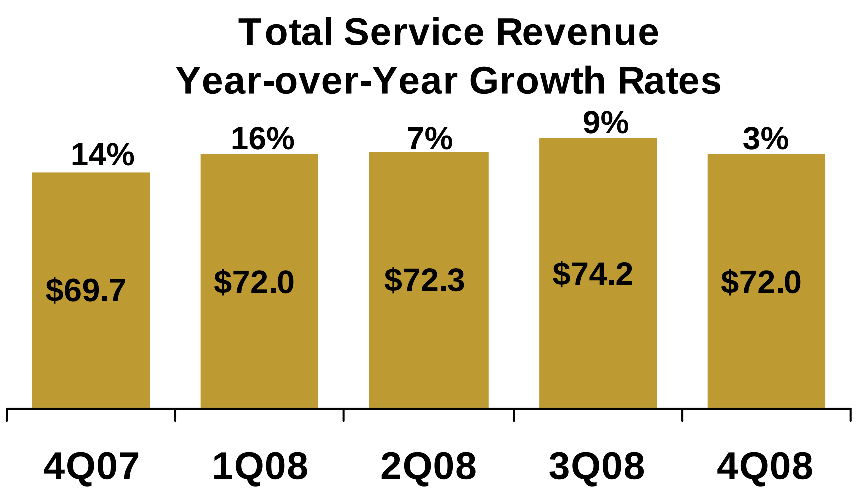
Brian Ross

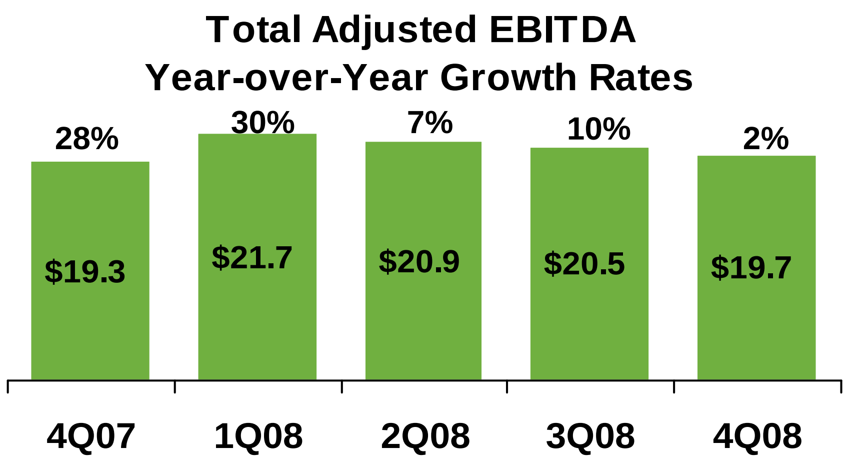
Brian Ross

Chief Operating Officer

Chief Operating Officer

Wireless Revenue and Adjusted EBITDA

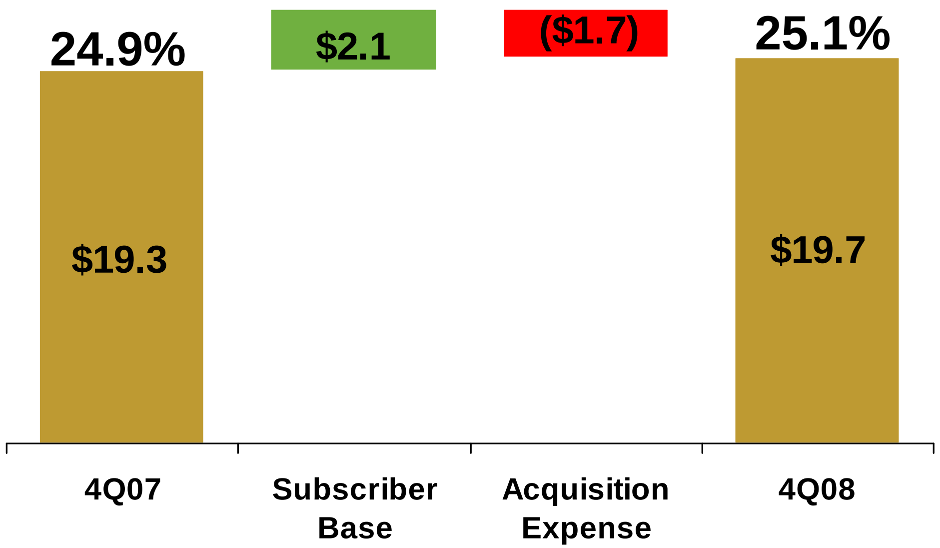




($'s in millions)

- Service revenue y/y growth equaled 3%
  - +5% Postpaid ARPU driven by smart phone and SMS plans
- Adjusted EBITDA growth equaled 2%
  - $2.5M lower costs
    - customer care cost per sub
    - operating & property taxes
    - prepaid commission/gross add
    - G & A expense
  - Offset by $1.8M higher handset subsidies, $1.3M higher bad debt and higher network costs

4Q08 Wireless Adjusted EBITDA

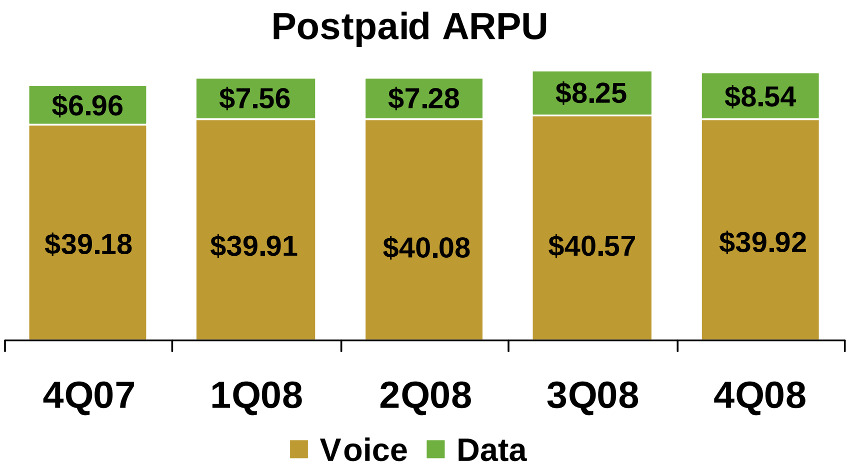


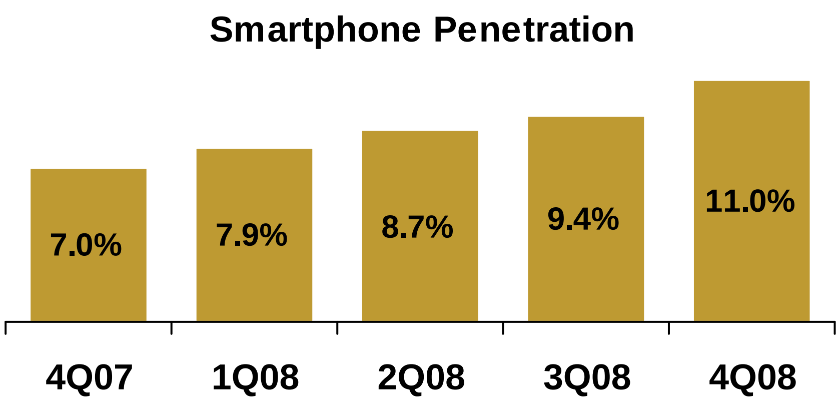
($'s in millions)

- Service revenue continues to drive subscriber margin
  - $2.4M service revenue growth
  - +$1.3M bad debt
- +$1.7M Acquisition cost
  - Smart phones & deeper discounting
- 27% EBITDA margin if acquisition costs are flat to 4Q07

* May not foot due to rounding

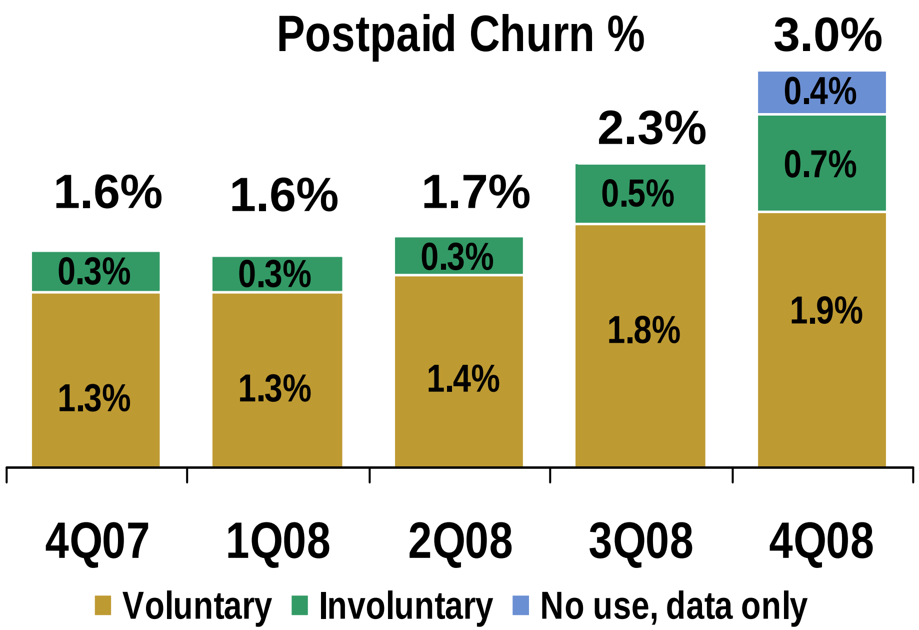
Postpaid Wireless Growth





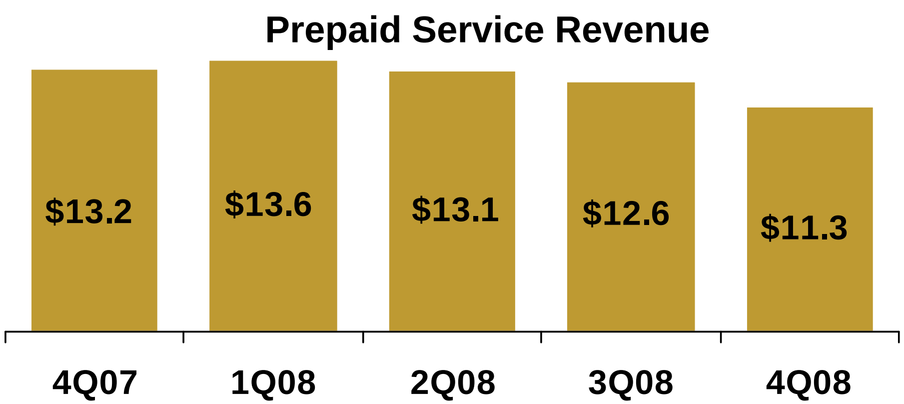
- +7% postpaid service revenue
  - 3% ave subscriber growth
  - 5% growth in ARPU
    - Data ARPU up 23%
    - SMS/smart phone plans
- 10K net subscriber loss
  - Postpaid churn of 3%
  - Gross adds down 6% vs 4Q07
- Strong smartphone growth
  - Up 59% from 4Q07,
  - now 11% of subscribers
  - 172% consumer subscriber growth

4Q08 Churn Analysis

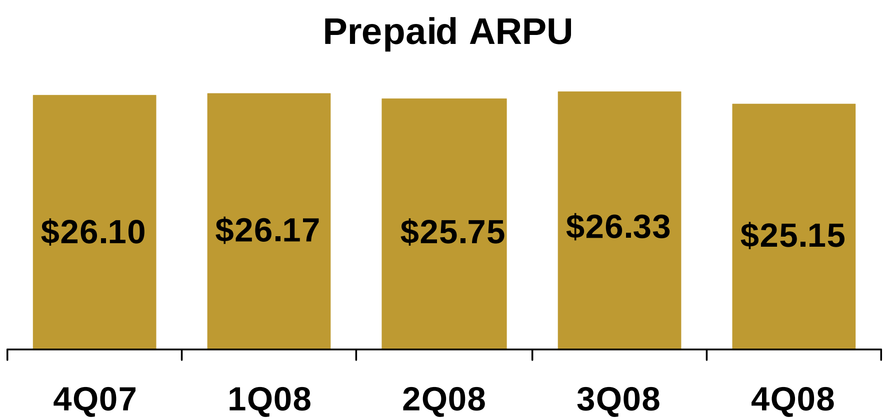


- 3% Postpaid Churn
  - 2.6% excl. 4k low ARPU, no usage, data only subscribers
- +0.4% involuntary (non-pay) churn to historical trend
  - May-08 credit model changes
  - Almost entire increase from new subs since May-08
  - Tightened credit policy in Aug-08 and again in Jan-09
  - Approx. 90 days to observe impact of a credit change
- +0.5-0.6% voluntary to trend
  - Ineffective messaging of the value of the bundle
  - Limited access to the latest handsets
    - Will launch Nokia touch screen handset in 2Q09

Prepaid Wireless

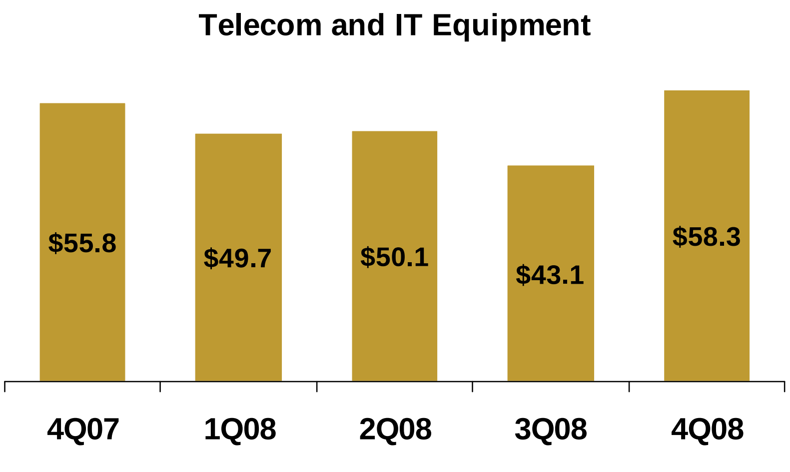


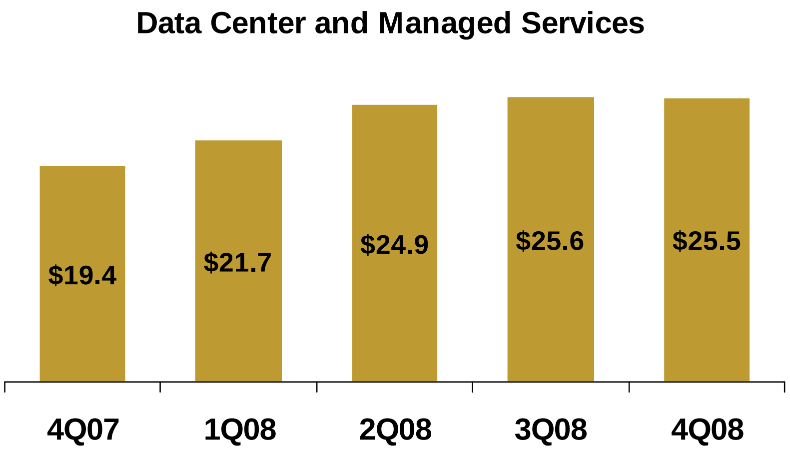
($'s in millions)



- 14% reduction in prepaid service revenue
  - Ave subscribers down 11% y/y
  - ARPU down 4% y/y
- Met competition's Oct-08 price decreases
  - 4Q08 sequential qtr double-digit decline in revenue/MOU
- Maintaining prepaid share
  - Prepaid porting ratios favorable
  - Some subscriber migration to postpaid

Technology Solutions Revenue

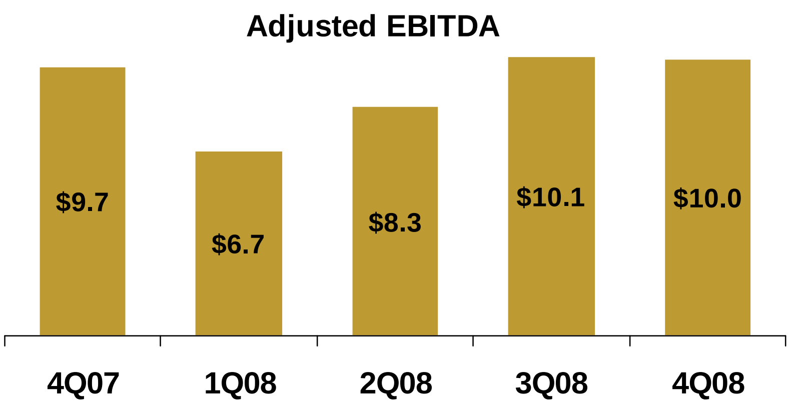




($'s in millions)

- Segment revenue up 13% y/y
  - Well below 30% trend growth due to Telecom and IT equipment sales
- Telecom and IT equipment +4% y/y
- Data Center and Managed Services revenue +31% y/y
  - +6k billing; +7k capacity v 3Q08
  - +50k billing; +65k capacity v 4Q07
  - 23% organic growth

Technology Solutions Profit

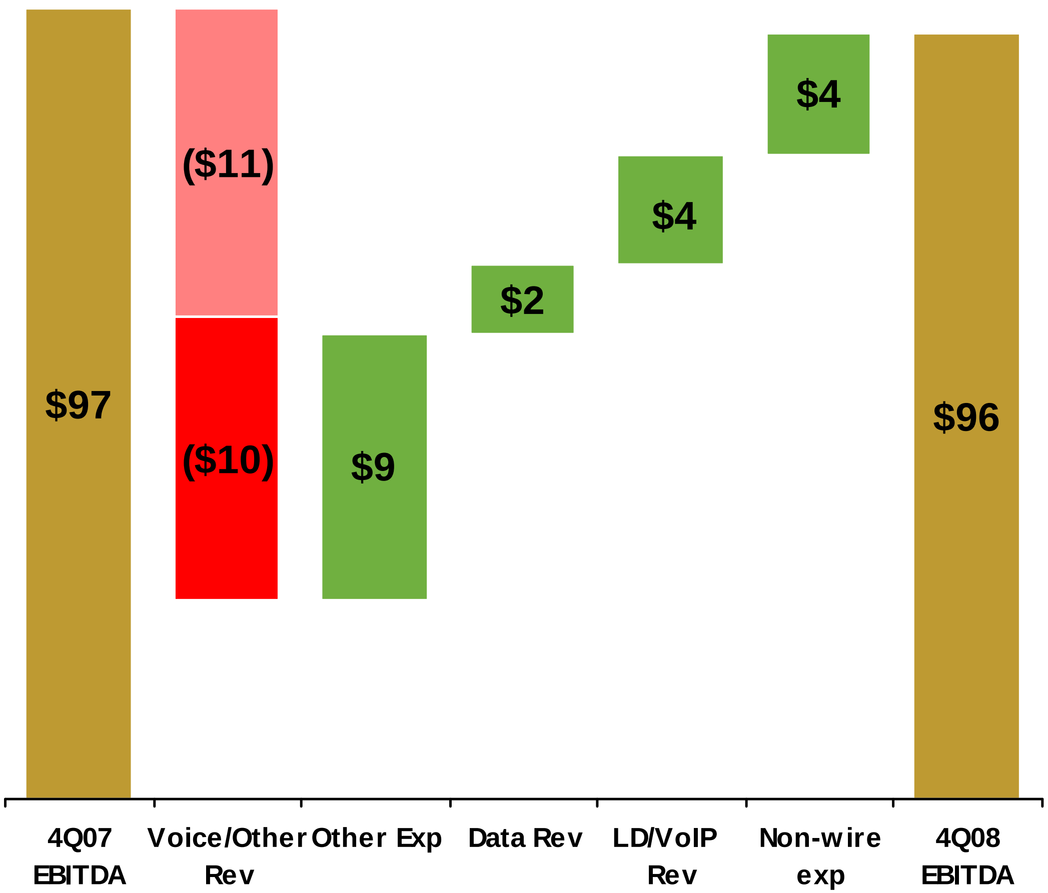


($'s in millions)

- Gross profit +$3M
  - Data center accountable for all profit increase
- +3% Adjusted EBITDA y/y
  - + 24% adjusted for large non-recurring items
  - $1M favorable 4Q07 benefits expense
  - ($0.8M) 4Q08 customer credits

Wireline Adjusted EBITDA

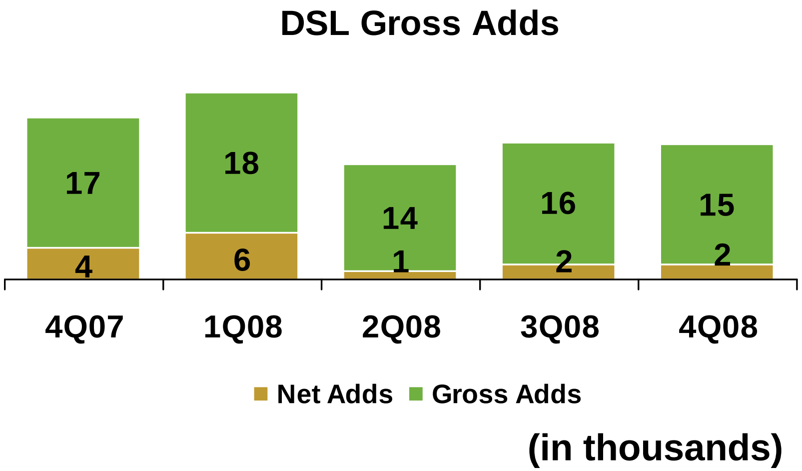
($'s in millions)

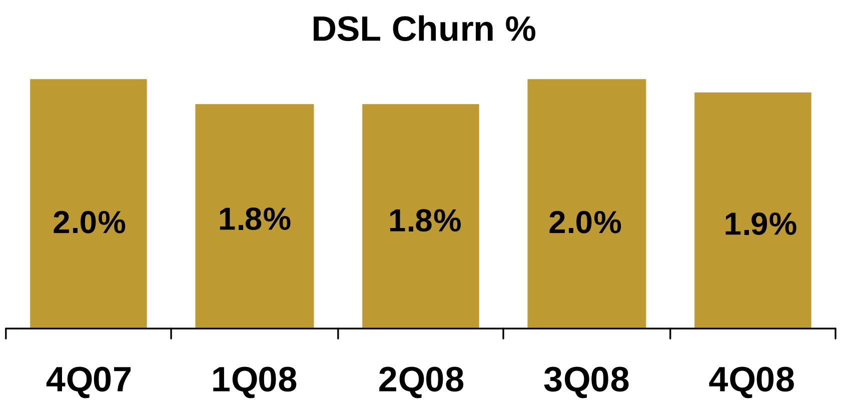


- Wireline revenue down 7%
  - Down 2% when adjusting for $10M 4Q07 low margin wiring project
- Data revenue up 4%
  - 5% DSL subscriber growth
  - 7% data transport growth
- LD/VoIP revenue up 17%
  - Mostly due to eGIX acquisition
- Expense down $13M
  - $9M 4Q07 wire project expense
  - Non-wire project expense down $4M
  - ILEC labor and materials expense partially offset by volume driven CLEC expenses

* May not foot due to rounding

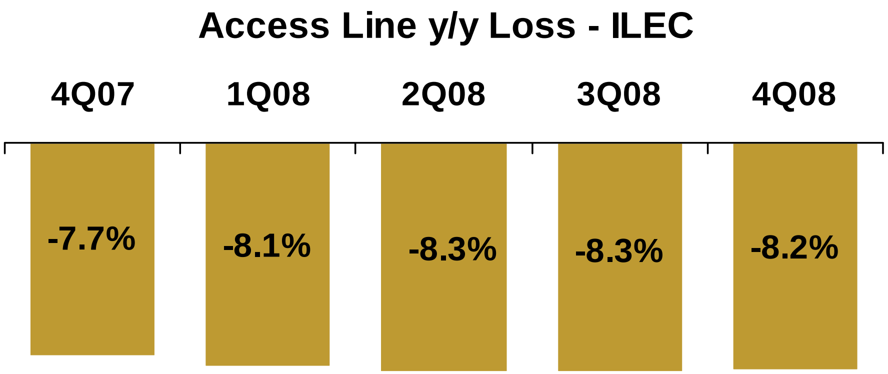
DSL Subscriber Activity

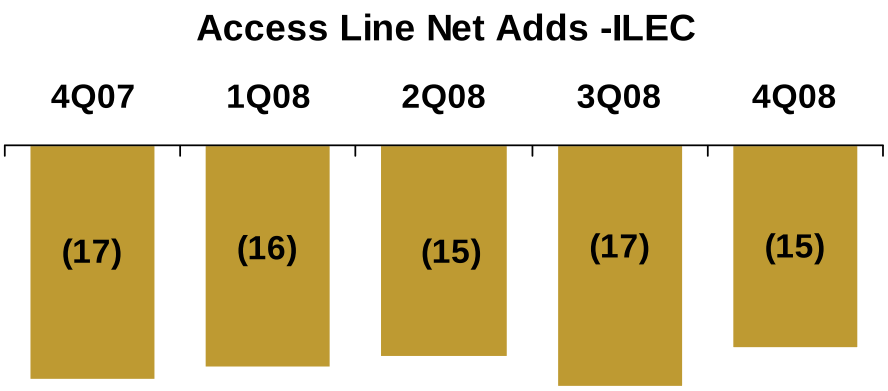




- 5% subscriber base growth y/y
  - 233,000 subscribers at the end of 4Q08
- 2K net adds in 4Q08
  - Down 2K y/y primarily due to lower gross activations
  - 6 basis points churn improvement vs 4Q07

ILEC Access Line Loss





(in thousands)

- Net losses improved 2K y/y
- 8.2% ILEC loss
- 11.1% ILEC primary consumer line loss; compared to 11.5% in 3Q08
- Gross adds down 3K y/y
- Churn remains well below 2%

* May not foot due to rounding

Financial Overview

Gary Wojtaszek

Chief Financial Officer

Q4 '08 and '07 Financials

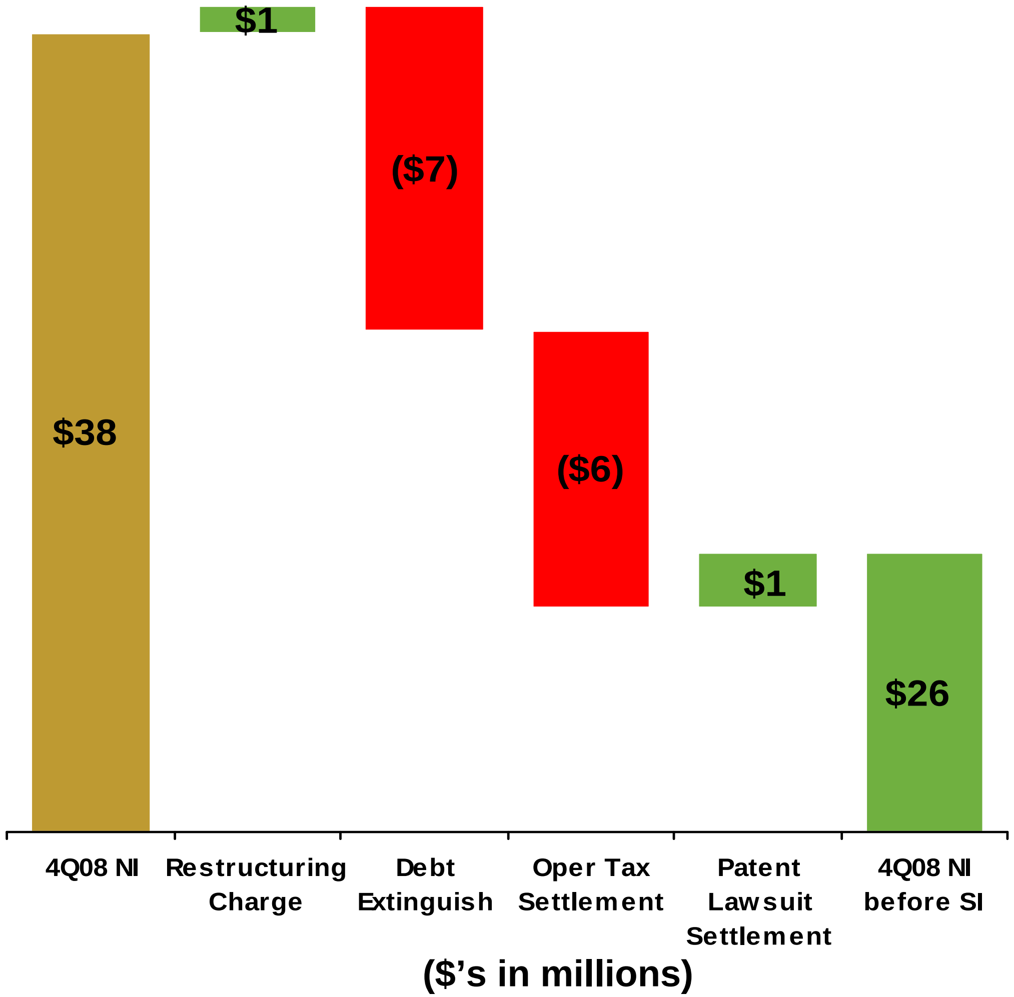
(Unaudited, $ in millions except per share amounts)

	Three Months Ended December 31, 2008	Three Months Ended December 31, 2007	Change $	Change %
Revenue	$ 356.8	$ 359.9	$ (3.1)	(1%)
Costs and expenses				
Cost of services and products	166.2	172.2	(6.0)	(3%)
Selling, general and administrative *	69.2	69.4	(0.2)	0%
Adjusted EBITDA	**121.4**	**118.3**	**3.1**	**3%**
Depreciation and amortization	40.2	40.0	0.2	1%
Restructuring, asset impairment, and operating tax and patent lawsuit settlements	(7.2)	37.5	(44.7)	n/m
Operating income	**88.4**	**40.8**	**47.6**	**117%**
Interest expense	33.6	37.8	(4.2)	(11%)
Gain on extinguishment of debt	(11.9)	-	(11.9)	n/m
Other expense, net	3.6	(0.4)	4.0	n/m
Income before income taxes	63.1	3.4	59.7	n/m
Income tax expense	25.6	2.7	22.9	n/m
Net income	37.5	0.7	36.8	n/m
Preferred stock dividends	2.6	2.6	-	0%
Net income applicable to common shareowners	$ 34.9	$ (1.9)	$ 36.8	n/m
Diluted earnings per common share	$ 0.15	$ (0.01)		

*** Excludes $2.0 million related to patent legal settlement.**

* May not foot due to rounding

4Q08 Net Income

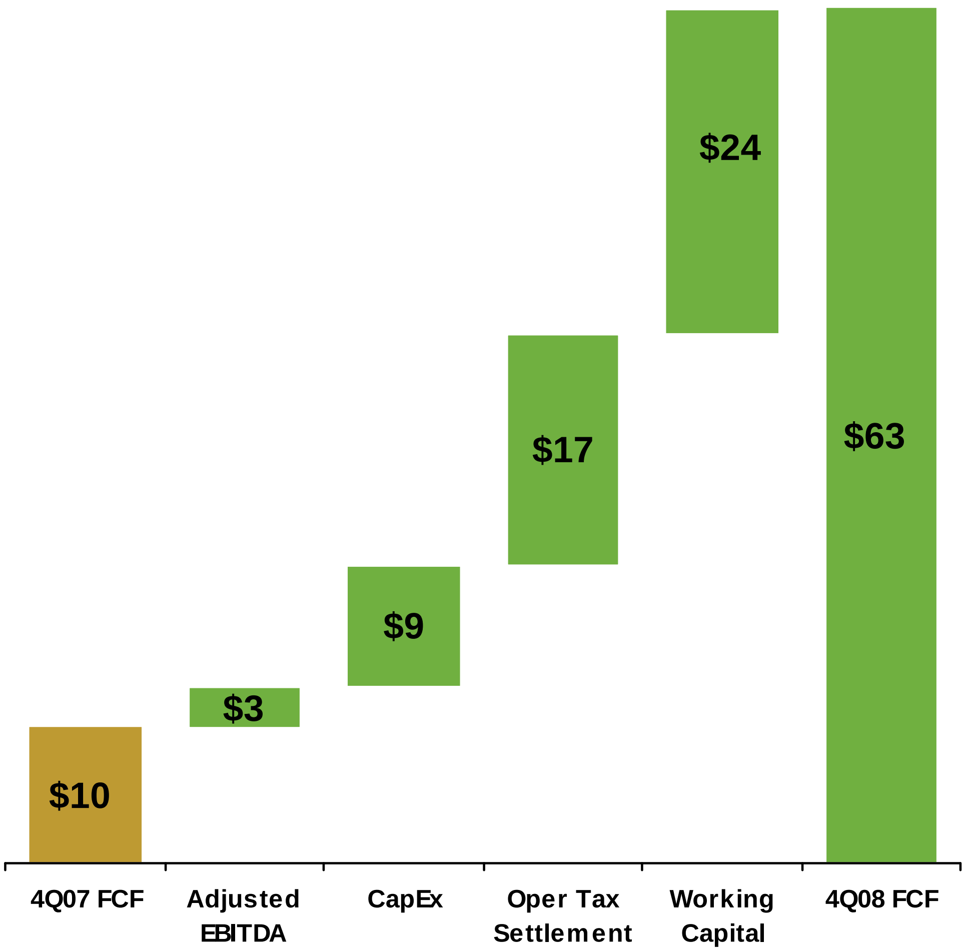


- Net Income excluding special items up $3M y/y
- +$1M 4Q08 Restructuring Charge:
  - related to voluntary early retirement program for union and management employees.
- -$7M Debt Extinguishment
  - Gain on repurchase of bonds
- -$6M Operating Tax Settlement
  - Resolution of a contingent liability from prior years
- +$1M Patent Lawsuit Settlement
  - Settlement and legal costs related to a patent lawsuit which settled in the qtr

* May not foot due to rounding

Cincinnati Bell

4Q08 Free Cash Flow Growth



($'s in millions)

- Free Cash Flow increased $53M y/y
  - +$17M related to operating tax settlement
  - +$24M remaining due to improvement in working capital
    - Driven mostly by change in AR and AP
- NOL balance as of 12/31/08 was $439M

YTD Sources and Uses of Cash

Sources:	**4Q08**	**YTD**
Free cash flow	$63	$164
Increase in credit facility	-	18
Available cash - BOP	8	26
TOTAL	**$71**	**$208**

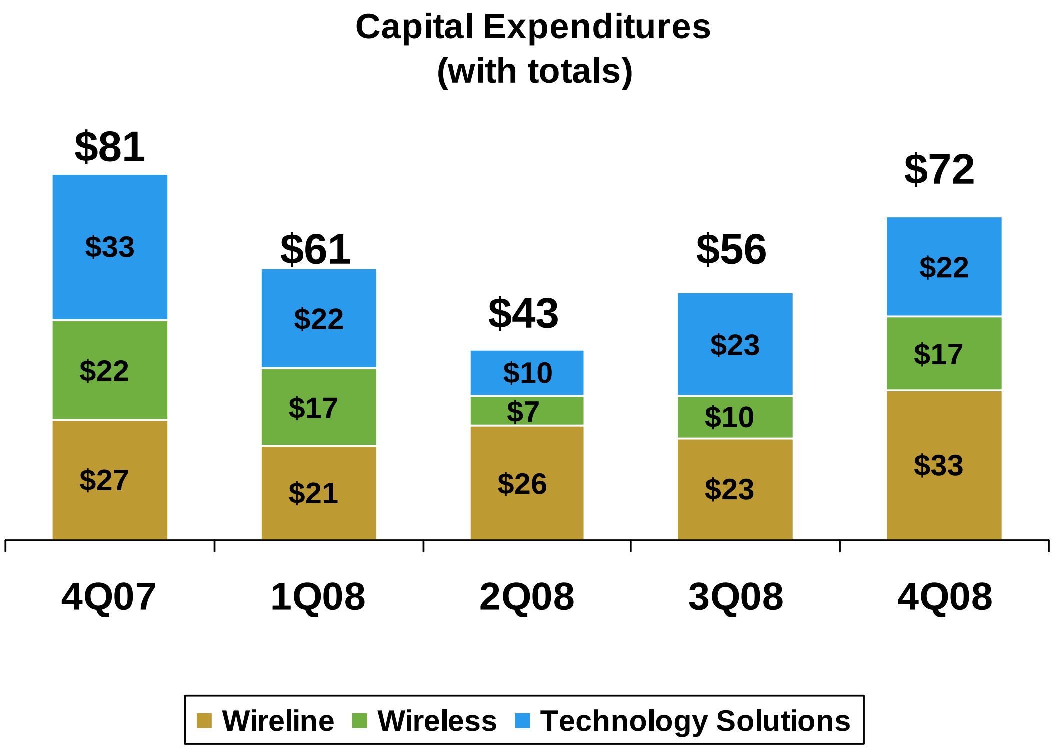
Uses:		
Acquisitions	$ -	($22)
Stock repurchase	(9)	(77)
8.375% debt repayment	(19)	(66)
7.25% debt repayment	(22)	(25)
Decrease in credit facility	(7)	-
Capital lease payments & other	(7)	(11)
TOTAL	**($64)**	**($201)**
Cash EOP	$ 7	$ 7

($ in millions)

- $164M Free Cash Flow
  - Exceeded annual guidance of approx. $150M
- Acquisitions closed
  - eGix in Q1
  - CenturyTel – Dayton fiber ring in Q2
- $77M stock repurchase
  - 21M shares – 8% of total shares outstanding
- Retired $108M of bonds at $16M discount

Capital Expenditures

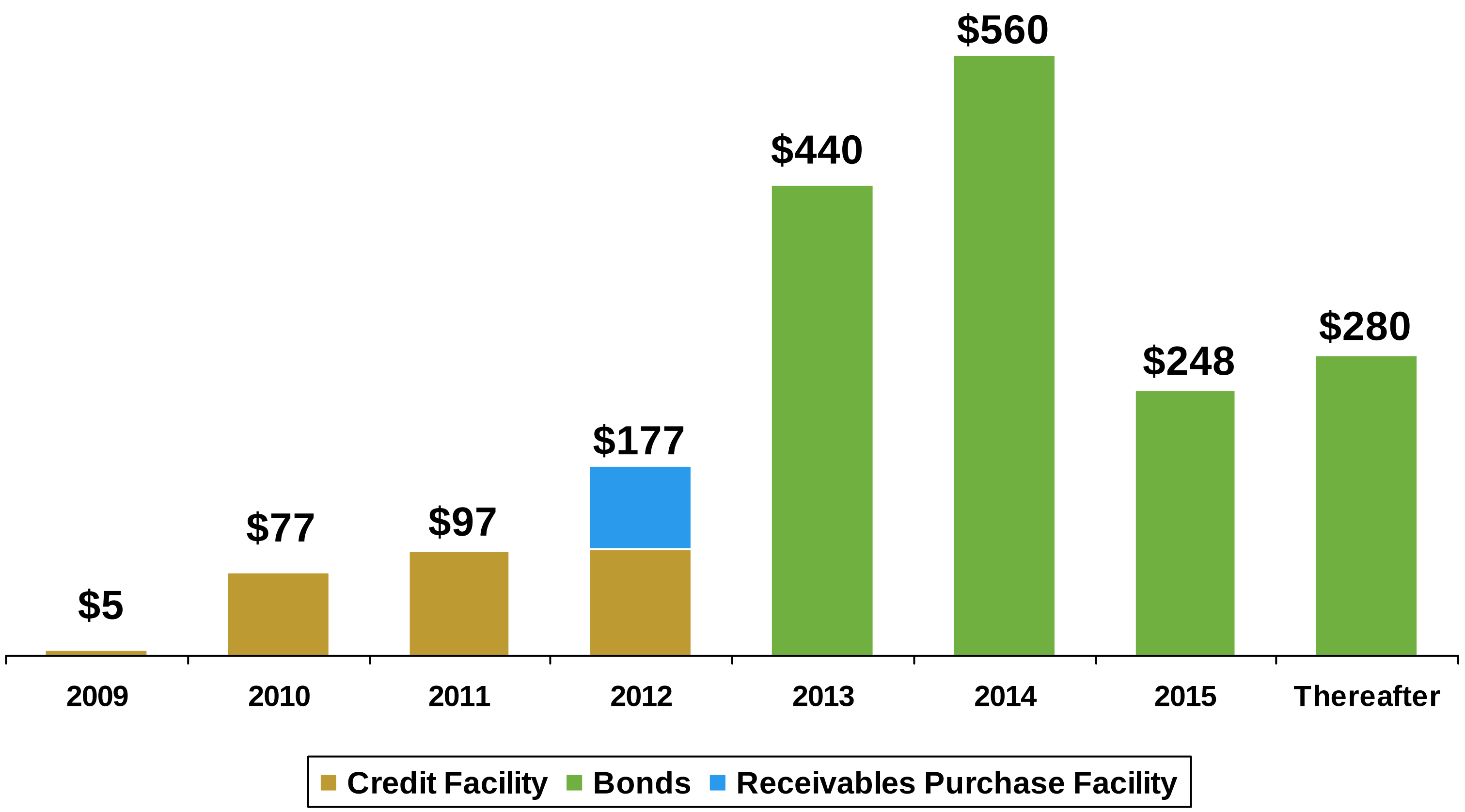
($ in millions)



- Total Capital down $9M vs 4Q07; down $3M for entire year
- Technology Solutions down $11M vs 4Q07
  - Slower data center spending y/y
- Combined Wireline and Wireless spending essentially flat y/y

* May not foot due to rounding

Schedule of Debt Maturities



($'s in millions)

Excludes debt associated with capital leases and interest rate swaps

Ample Liquidity to Manage Operations

		12/31/08
Total Credit Facility Capacity	$	250
Total Credit Facility Outstanding		73
Undrawn Credit Facility		177
Less: Letters of Credit		26
Unused Credit Facility		151
Plus: Cash		7
Total Liquidity	$	158

($'s in millions)

- Sources of liquidity
  - Cash on Hand
  - Cash generated by operations
  - Excess borrowing capacity
- Revolver is well diversified
  - Comprised of 16 banks none of which having more than a 10% funding commitment
- Liquidity improved by $7M from 3Q08

2009 Guidance

	2008 Actuals	2009 Guidance
Revenue	$1.4B	Approx. $1.4B
Adjusted EBITDA	$480M	Approx. $480M*
Free Cash Flow	$164M	Approx. $150M* *** Plus or Minus 2 percent**

Cincinnati Bell
4th Quarter and Full Year 2008 Review

February 5, 2009

Non-GAAP Reconciliations
(please refer to the Earnings Financials)