



**Cincinnati Bell
3rd Quarter 2010
Review**

November 3, 2010

Agenda

1. Performance Highlights

Jack Cassidy, President & CEO

2. Operational Review of Wireline and Wireless

Ted Torbeck, President of Cincinnati Bell Communications

3. Operational Review of Tech Solutions and 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, 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: changing market conditions and growth rates within the telecommunications industry or generally within the overall economy; changes in competition in markets in which the company operates; pressures on the pricing of company products and services; advances in telecommunications technology; the ability to generate sufficient cash flow to fund the company’s business plan, repay the company’s debt and interest obligations, and maintain its networks; the ability to refinance indebtedness when required on commercially reasonable terms; changes in the telecommunications regulatory environment; changes in the demand for the company’s services and products; the demand for particular products and services within the overall mix of products sold, as the company’s products and services have varying profit margins; the company’s ability to introduce new service and product offerings on a timely and cost effective basis; work stoppage caused by labor disputes; restrictions imposed under various credit facilities and debt instruments; the company’s ability to attract and retain highly qualified employees; the company’s ability to access capital markets and the successful execution of restructuring initiatives; changes in the funded status of the company’s retiree pension and healthcare plans; disruption in operations caused by a health pandemic, such as the H1N1 influenza virus; changes in the company’s relationships with current large customers, a small number of whom account for a significant portion of company revenue; disruption in the company’s back-office information technology systems, including its billing system; the company’s ability to integrate successfully the business of Cyrus Networks, LLC with the company’s existing operations and to achieve the anticipated benefits of the acquisition of Cyrus Networks, LLC; and failure of or disruption in the operation of the company’s data centers. 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 reports. The forward-looking statements included in this presentation represent company estimates as of November 3, 2010. Cincinnati Bell anticipates that subsequent events and developments will cause its estimates to change.

Performance Highlights

Jack Cassidy

President & CEO

2010 3rd Quarter Highlights

Overview

- Adjusted EBITDA of \$131M, highest since 3Q 04
- Revenue increased 4% y/y and sequentially
- Refinanced \$490M of 2017 bank debt to 2020 by issuing \$500M of 8.375% Senior Notes
- Maintained 2010 earnings guidance

Technology Solutions

- Grew Adjusted EBITDA by 104%, including \$12M for CyrusOne
- Data center & mgd services revenue up 79%; including \$20M from CyrusOne
- Increased data center utilization to 87% on 621,000 sq feet

Wireless

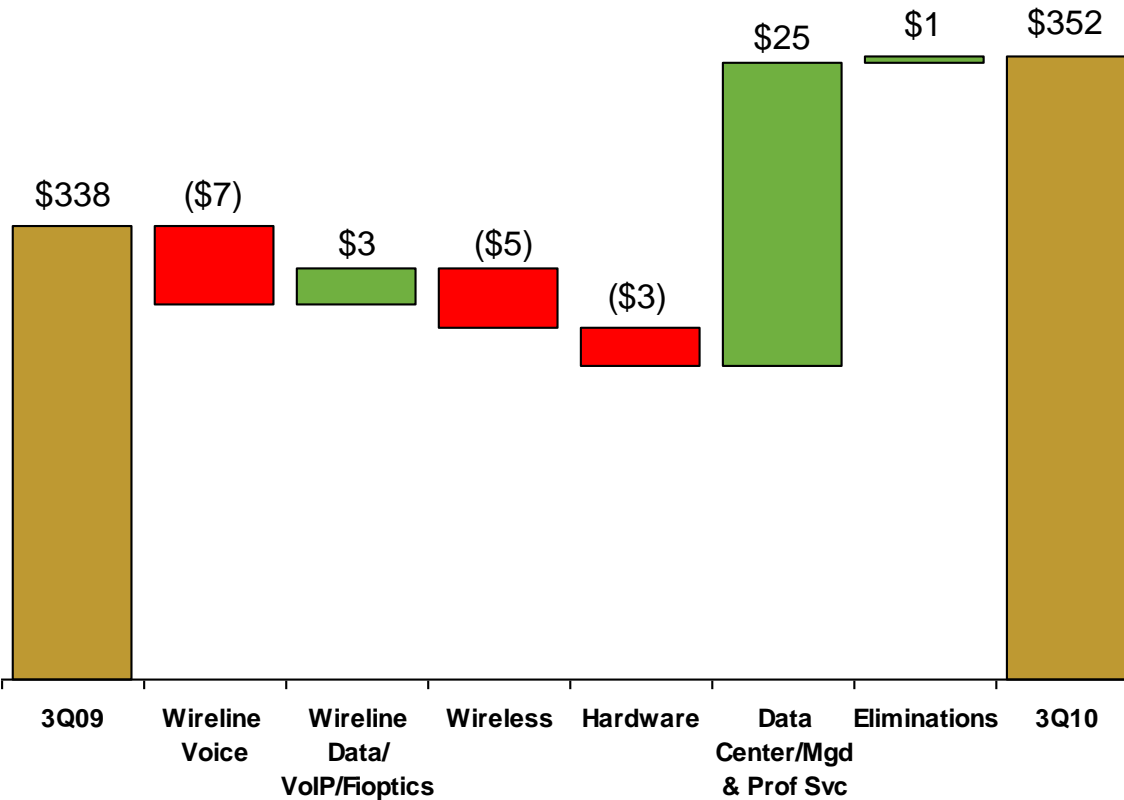
- Grew Adjusted EBITDA by 26%
- Adjusted EBITDA margin of 33%, up 9 pts y/y
- Postpaid data ARPU up 20%
- Increased prepaid ARPU 4% to \$29.90

Wireline

- Solid Adjusted EBITDA margin of 46%
- Added 3,900 Fioptics entertainment subs and 2,300 high-speed internet subs
- Fioptics homes passed increased by 13% to 62k since 2Q

3Q10 Year-Over-Year Change in Revenue

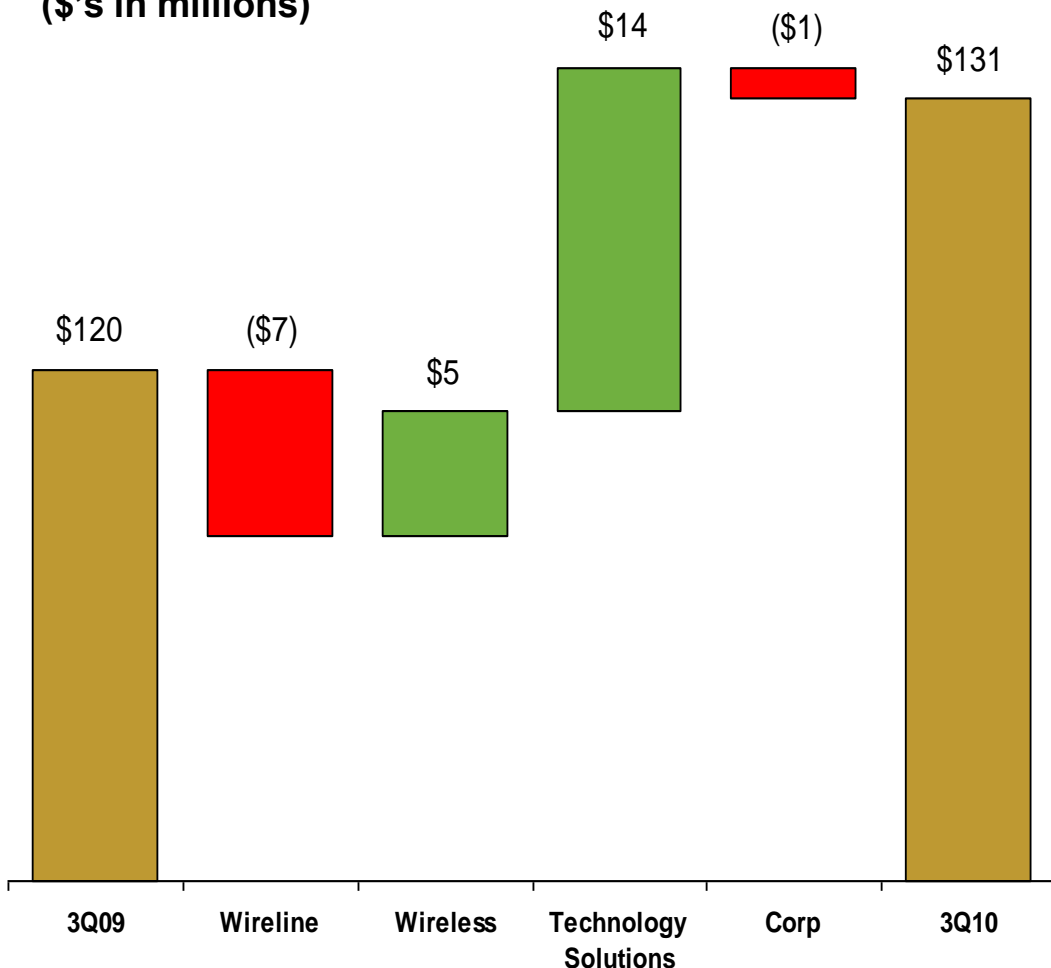
(\$'s in millions)



- 27% increase in Technology Solutions
 - \$24M / 79% increase in data center & managed services, including \$20M from CyrusOne
 - \$1M / 22% increase in professional services
- Wireless
 - (\$4M) postpaid service revenue
- Wireline
 - 12% LD and VoIP growth
 - Added 4K fiber entertainment subs and 2K high-speed internet subs in quarter
 - Access line loss was 7% driving voice revenue decline

3Q10 Year-Over-Year Change in Adjusted EBITDA

(\$'s in millions)



- 104% increase in Technology Solutions
 - Generated from revenue increase of \$24M or 79% in data center & managed services, including CyrusOne revenue of \$20.0 million
- 26% increase in Wireless
 - Lower costs from handset subsidies, roaming and other operating costs more than offset a \$5M decrease in revenue
 - Adjusted EBITDA margin of 33%, up 9 pts vs. 3Q 09
- (7%) decrease in Wireline
 - Adjusted EBITDA margin of 46% down slightly
- \$1M higher corporate costs due to increased benefit expenses

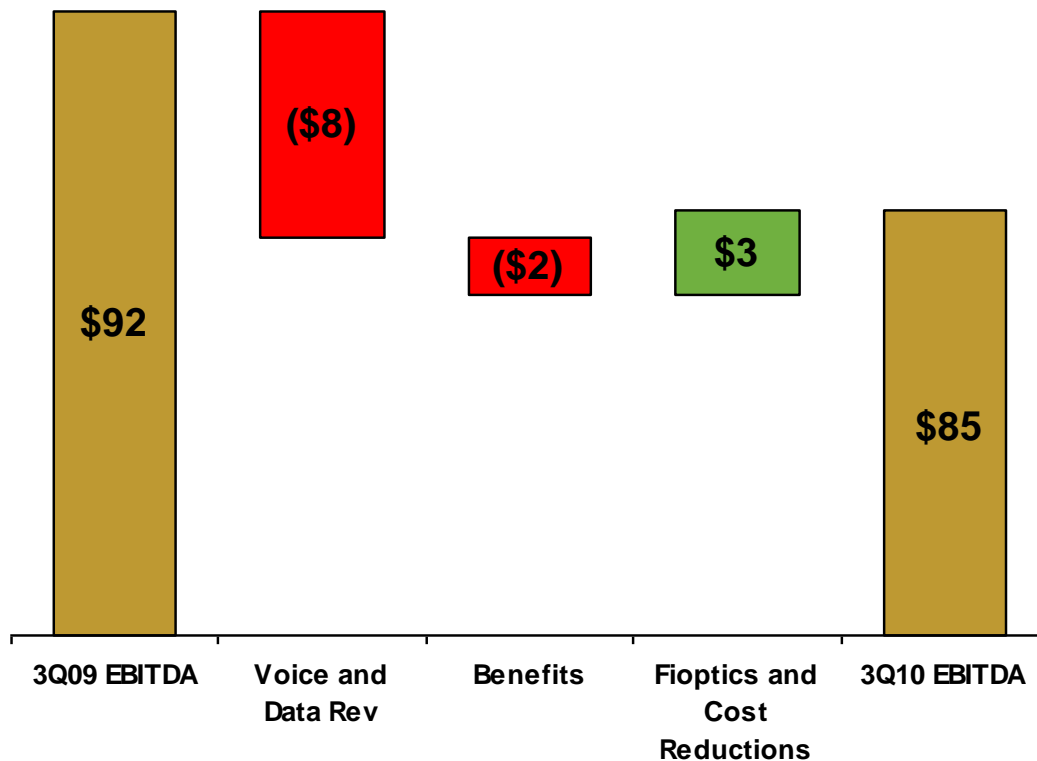
Operational Overview

Ted Torbeck

**President of
Cincinnati Bell Communications**

Wireline Adjusted EBITDA

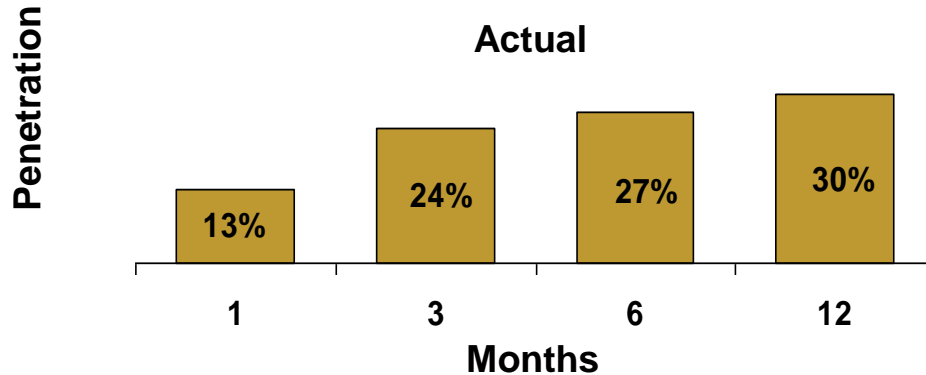
(\$'s in millions)



➤ Adjusted EBITDA decrease of 7%

- 6.9% access line loss drove \$6.5M voice revenue reduction
- Payroll benefits costs were higher by \$2M, including a reinstated 401K match and higher healthcare costs
- \$3M from cost reduction initiatives and Fiopitics contribution

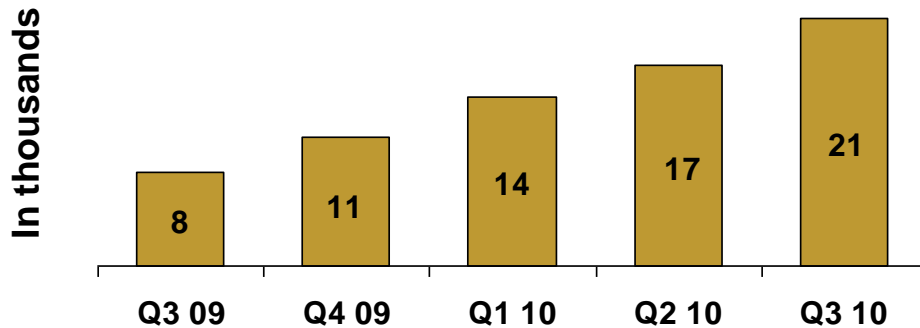
Entertainment Penetration



➤ Fioptics subscribers

- 62K units passed, 9% of ILEC households
- 21K entertainment subs
- 20K internet subs
- 14K voice subs

Entertainment Subscribers



➤ Fioptics consumer monthly ARPU of \$114 in 3Q 2010

Cincinnati Bell's Unbeatable Bundle



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Plus, get **FREE HD for Life!**

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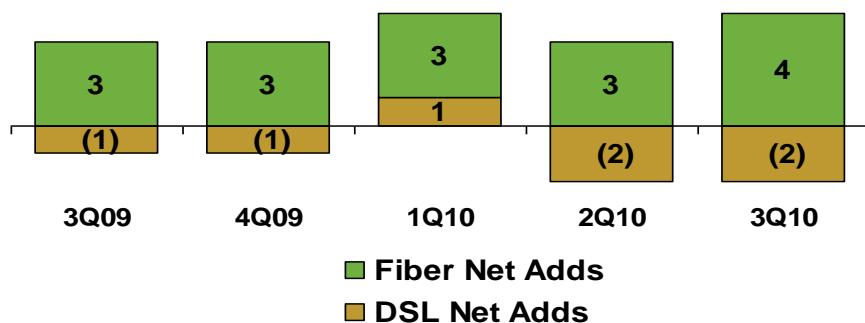
*New activation of DIRECTV® required. \$43.99 includes DIRECTV® CHOICE™ package and ZoomTown. Like after \$5.00 verified bundle discount when bundled with HomeLife or HomeLife Lite. Offer ends 10/31/10. New customers only with approved credit. Price includes the DIRECTV® CHOICE™ package. \$24.99/mo. plus up to \$20/mo. credits for 12 mos. after DIRECTV® rebate with 24-month TV agreement. Standard rates apply after promotional period. Based on one-month DIRECTV® System lease. Rebates required. Other conditions apply, including contract cancellation penalties from DIRECTV. Credit card, paper and 24-mo. programming agreement required. See store for details. \$2.00 remote viewing at a time. Requires an HD DVR, a Whole-Home embedded HD receiver for each additional TV, an approved HD TV (minimum 32" diagonal), and a broadband connection. †NFL SUNDAY TICKET™ customer only. From 10/1/10. (Eligible for \$5.00/mo. credit for programming package. Offer expires 10/31/10. NFL SUNDAY TICKET™ and its respective logo are registered trademarks of the National Football League and its affiliates. Team names, logos and stadium designs are registered trademarks of the teams indicated. **NFL SUNDAY TICKET™ requires upgrade to DIRECTV® CHOICE™ plus with NFL SUNDAY TICKET™ package for an additional \$25/mo. for the first 12 months. Standard rate applies after promotional period. ††Backlog restrictions and other conditions apply. Number of games varies by market.

➤ Get Cable out of the house

- 35,000 DirecTV subscribers at 3Q 2010
- Increase of 5,000 subscribers versus 2009 year-end
- Access line and Zoomtown churn reduced by 50 basis points when bundled with DirecTV.

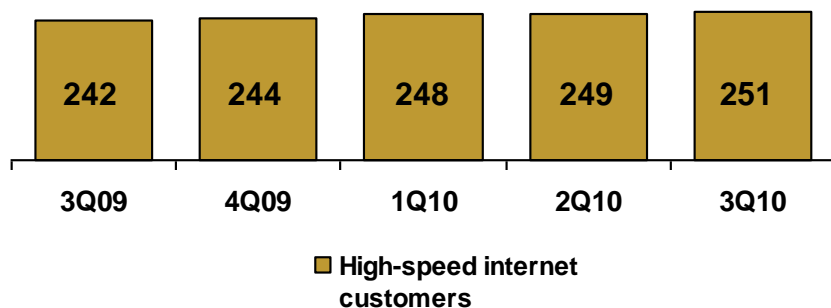
High-Speed Internet Subscriber Activity

High-Speed Internet
Net Adds
(in thousands)



- 251K high-speed internet subscribers at end of 3Q 10
 - 231K DSL customers
 - 20K Fioptics customers
 - 2K DSL/Fioptics combined net adds

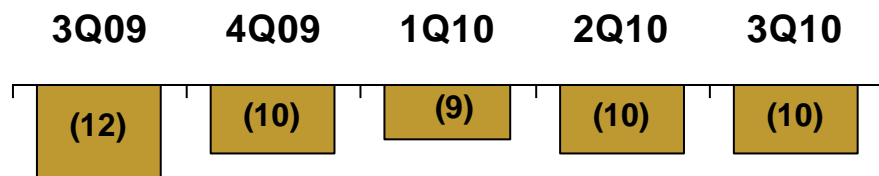
High-Speed Internet
Customers (DSL & Fiber)
(in thousands)



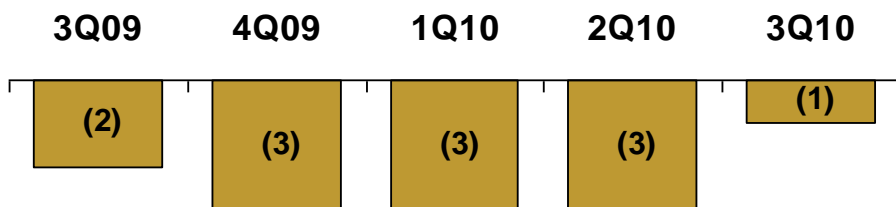
- DSL churn holding steady at 2%

Access Line Loss – Consumer & Business

ILEC Consumer Access Line Net Adds



Business Access Line Net Adds



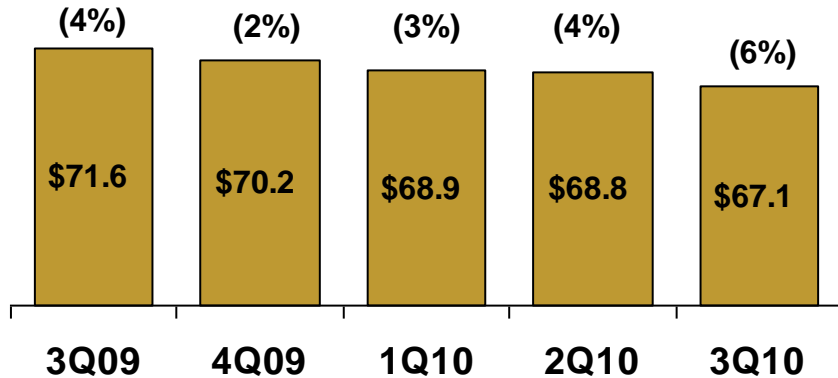
■ Traditional Net Adds

(in thousands)

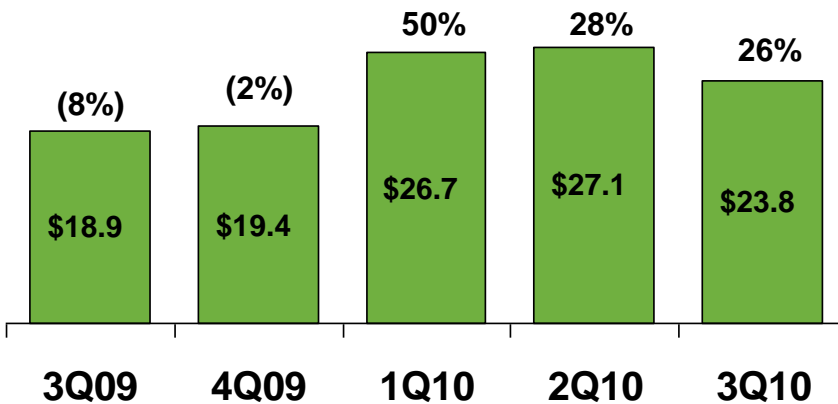
- 6.9% access line loss
 - 7.8% ILEC access line loss
- 10,200 consumer ILEC line loss in 3Q 10
 - Down from 12,400 loss in 3Q 09
- 3,500 access line equivalents for new customers and migrations of existing customers to VoIP have offset 1,400 business access line loss
- Churn remains well below 2%

Wireless Revenue and EBITDA Results

Total Service Revenue
Year-over-Year Growth Rates



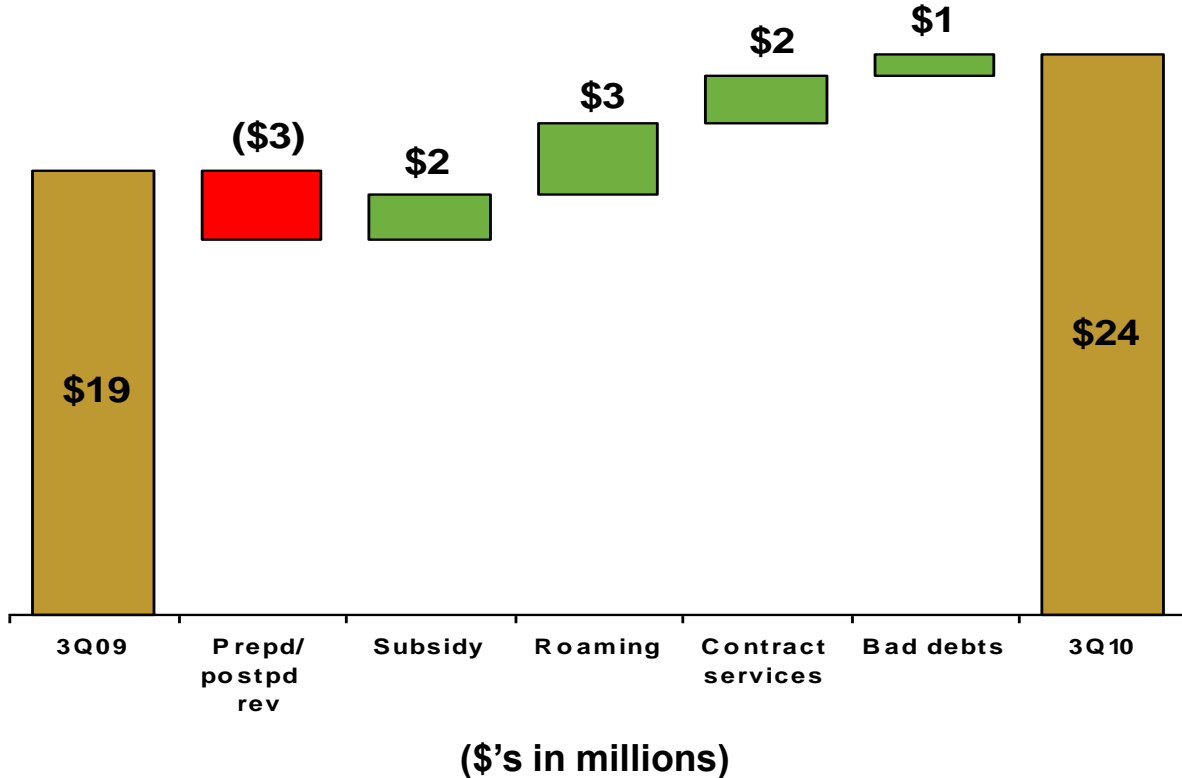
Total Adjusted EBITDA
Year-over-Year Growth Rates



- (7%) Postpaid service revenue
 - Data ARPU up 20%
 - (6%) lower voice minutes of use per subscriber; (9%) lower subscribers
- 5% Prepaid service revenue
 - 4% growth in ARPU
- Wireless Adjusted EBITDA up 26% year-over-year
 - Adjusted EBITDA margin of 33% up 9 pts vs. 3Q 09

(\$'s in millions)

Wireless Adjusted EBITDA



- Subsidy cost down \$2M due to lower subscriber activations
- Roaming costs down \$3M due to lower rates on new roaming agreements
- Contract services decreased \$2M due to outsourcing and cost reduction initiatives
- Bad debts improved \$1M due to prior year tightening of credit policies

Wireless – 3G Test Results

- Cincinnati Bell Wireless max download throughput speed for all sessions was 3.4 Mbps, better than competitors in Greater Cincinnati
- CBW max average download throughput speed for all sessions was 2.8 Mbps, better than competitors in Greater Cincinnati



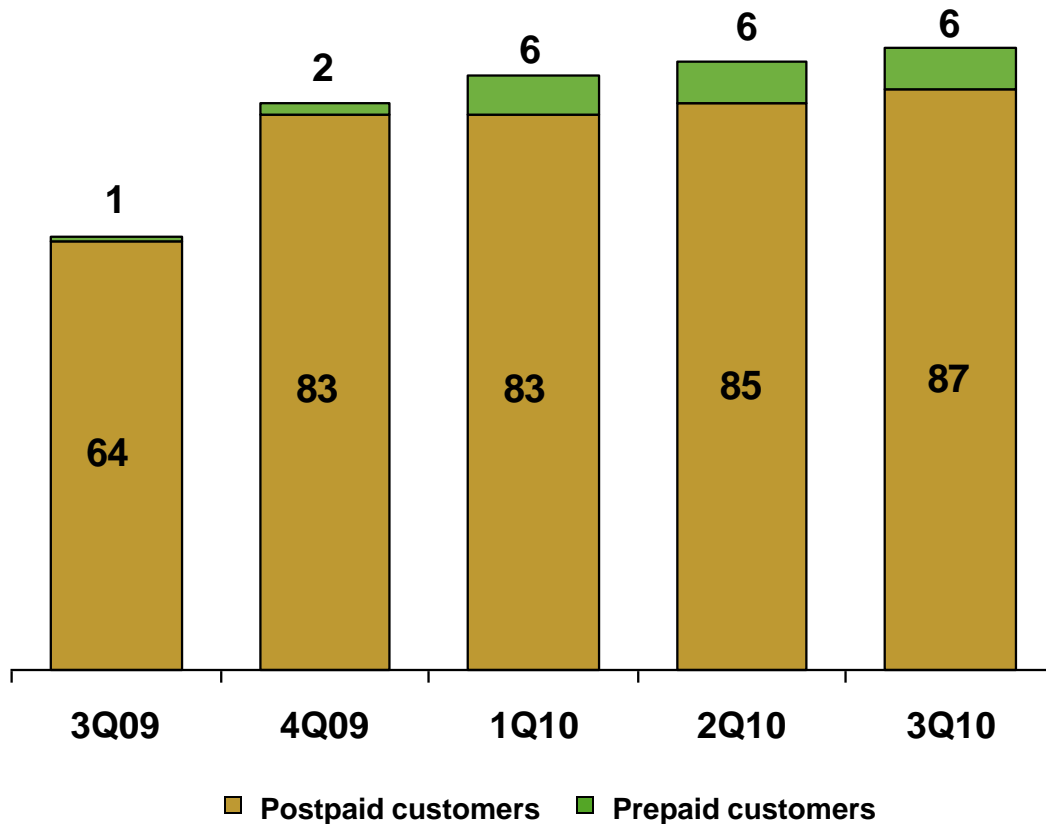
Cincinnati Bell 3G.
86% faster than Verizon or AT&T.

Cincinnati Bell™ right here. for you.
with everything. faster.

The advertisement features a Samsung smartphone on the left side, displaying the Cincinnati Bell logo and a search bar. The background is a blue gradient with white and green curved lines. The text is in white and green, with the Cincinnati Bell logo in blue and green.

Smartphone Customers

Smartphone Customers
(in thousands)

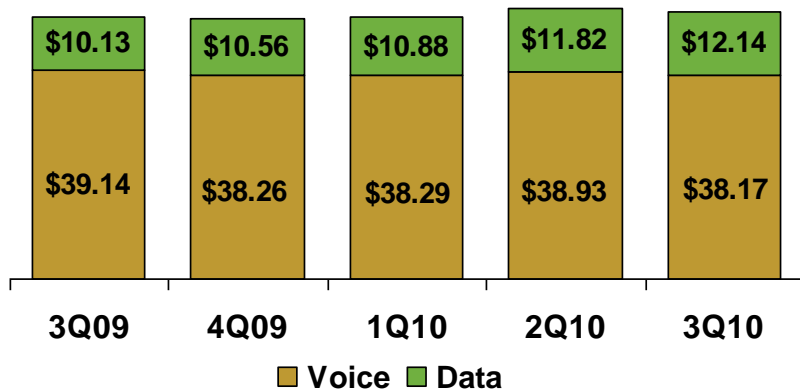


➤ Strong smartphone plan growth

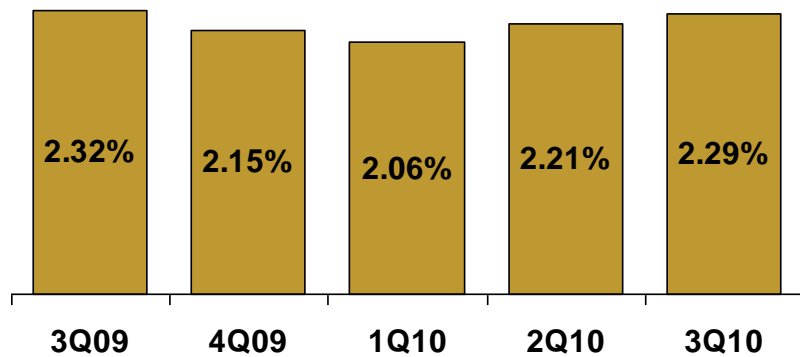
- Postpaid smartphone subs up 35% from 3Q 09
- 70% consumer smartphone sub growth vs. 3Q 09
- Smartphones represent 22% of postpaid consumer subscribers

3Q Postpaid ARPU and Churn

Postpaid ARPU



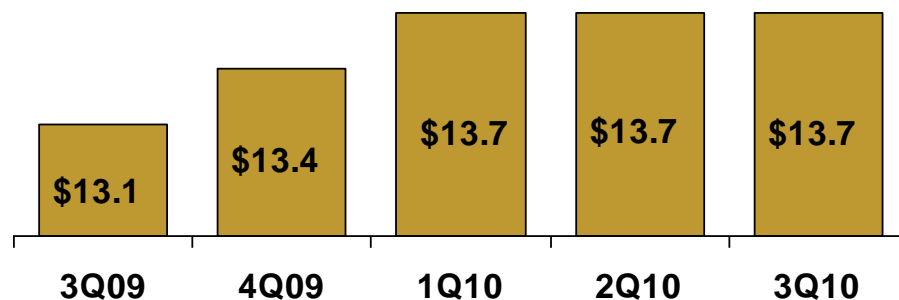
Postpaid Churn %



- **2% Postpaid ARPU growth**
 - \$2.01 increase in data ARPU driven by smartphones
- **2010 lineup improvements**
 - 3G Blackberry and Android phones lowered subscriber loss in 3Q 2010
 - Additional Android and 3G handsets coming in 4Q 2010 for holiday season.

Prepaid Wireless

Prepaid Service Revenue
(\$'s in millions)



Prepaid ARPU



- Service revenue up 5% y/y
- Prepaid churn of 6.3%
 - Consistent with 2Q 10 and 1Q 10
- 4% ARPU growth
 - ARPU increased \$1.20 y/y
 - Marketing focus on high-value rate plans

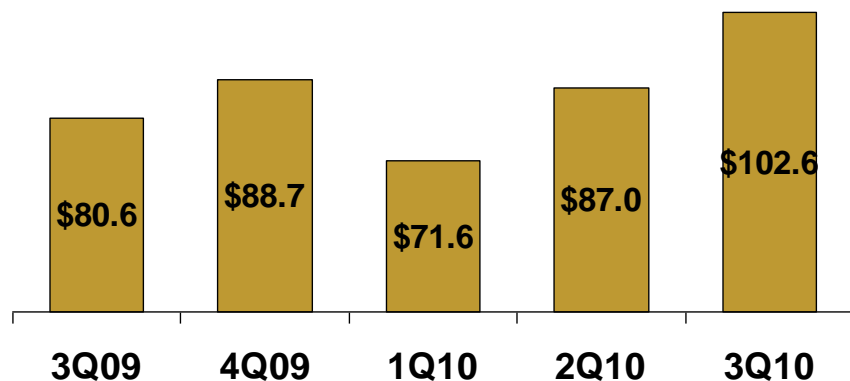
Financial Overview

Gary Wojtaszek

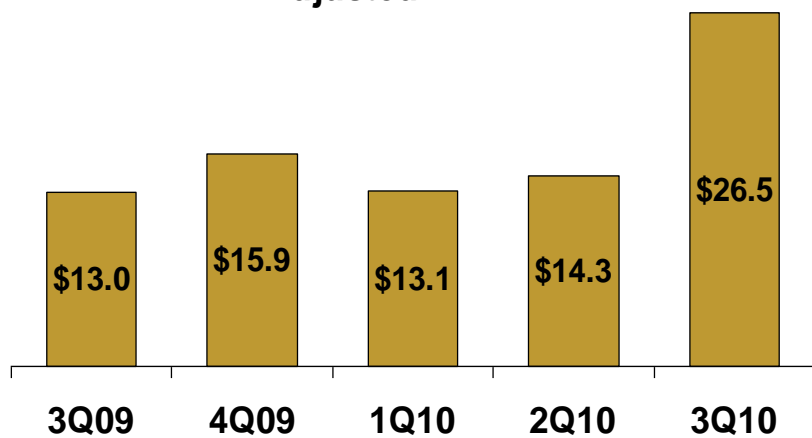
Chief Financial Officer

Technology Solutions Revenue and EBITDA

Total Revenue



Adjusted EBITDA

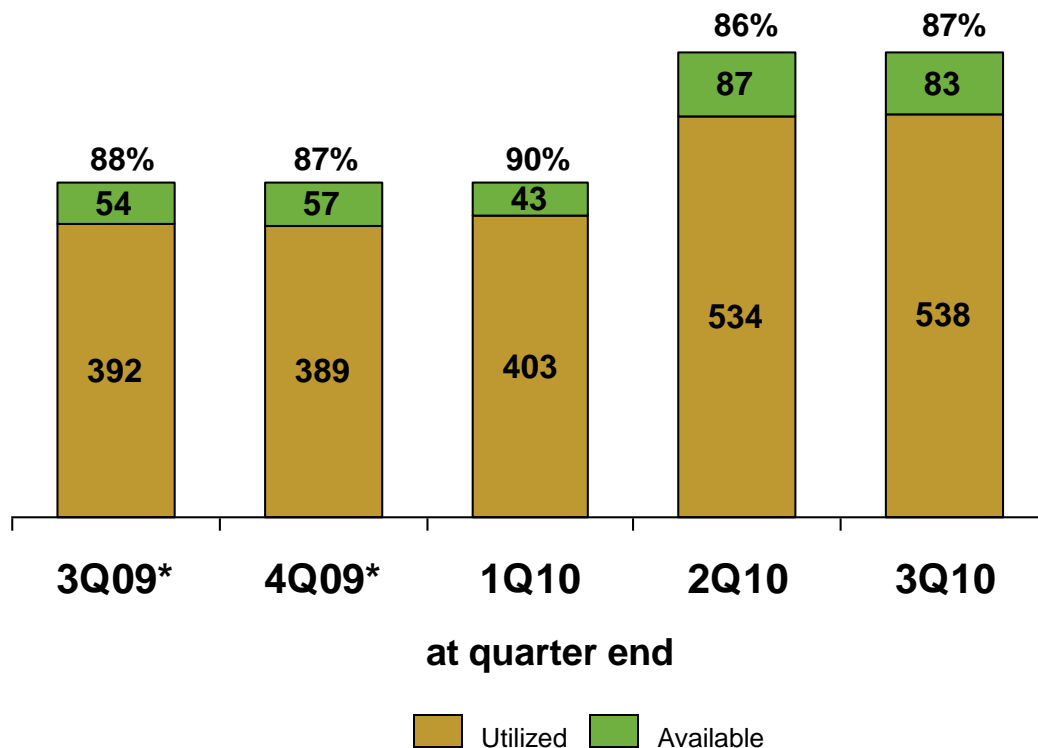


(\$'s in millions)

- Increases in data center and managed services revenue
 - 3Q 10 – \$24M increase, 79%, including \$20.0M from CyrusOne acquisition
 - Utilization rate of 87% on 621K sq ft, up from 86% utilization on 621K sq ft in 2Q 10
- Increase in professional services revenue
 - 3Q 10 – \$1M increase, 22%
- Increase in Adjusted EBITDA
 - 3Q 10 – \$13.5M increase, 104%, including \$12.4M from CyrusOne

Data Center Utilization Update

Data Center Capacity
(sq ft in thousands)



➤ **Space utilization of 87%**

- 538K sq ft utilized at 3Q 10 versus 392K sq ft utilized at 3Q 09
- CyrusOne acquisition in 2Q 10 added 176k sq ft of space, 140k sq ft utilized at 3Q 10

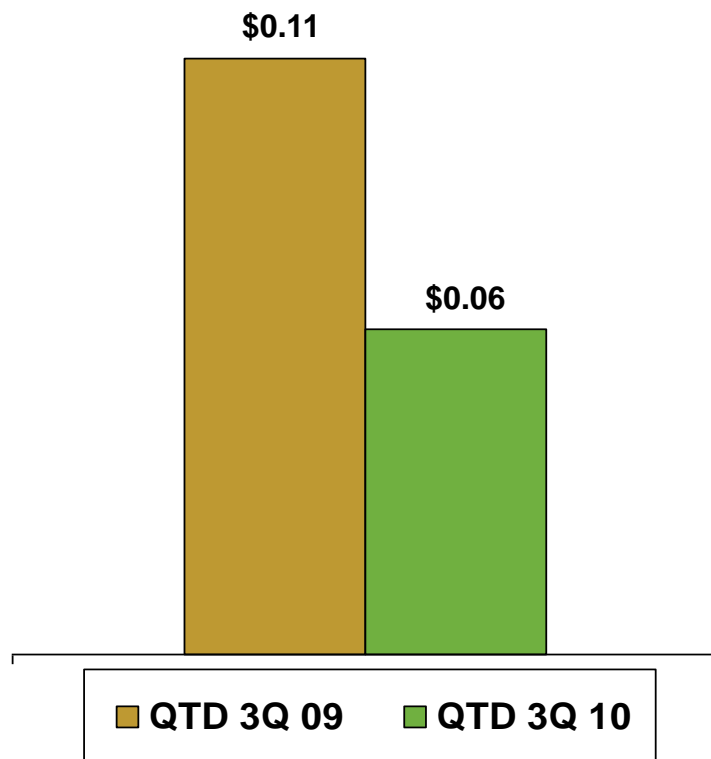
*2009 amounts have been revised to present certain data center operations in the Technology Solutions segment that were previously reported in the Wireline segment.

3Q '10 and '09 Income Statement

(Unaudited, \$'s in millions except per share amounts)

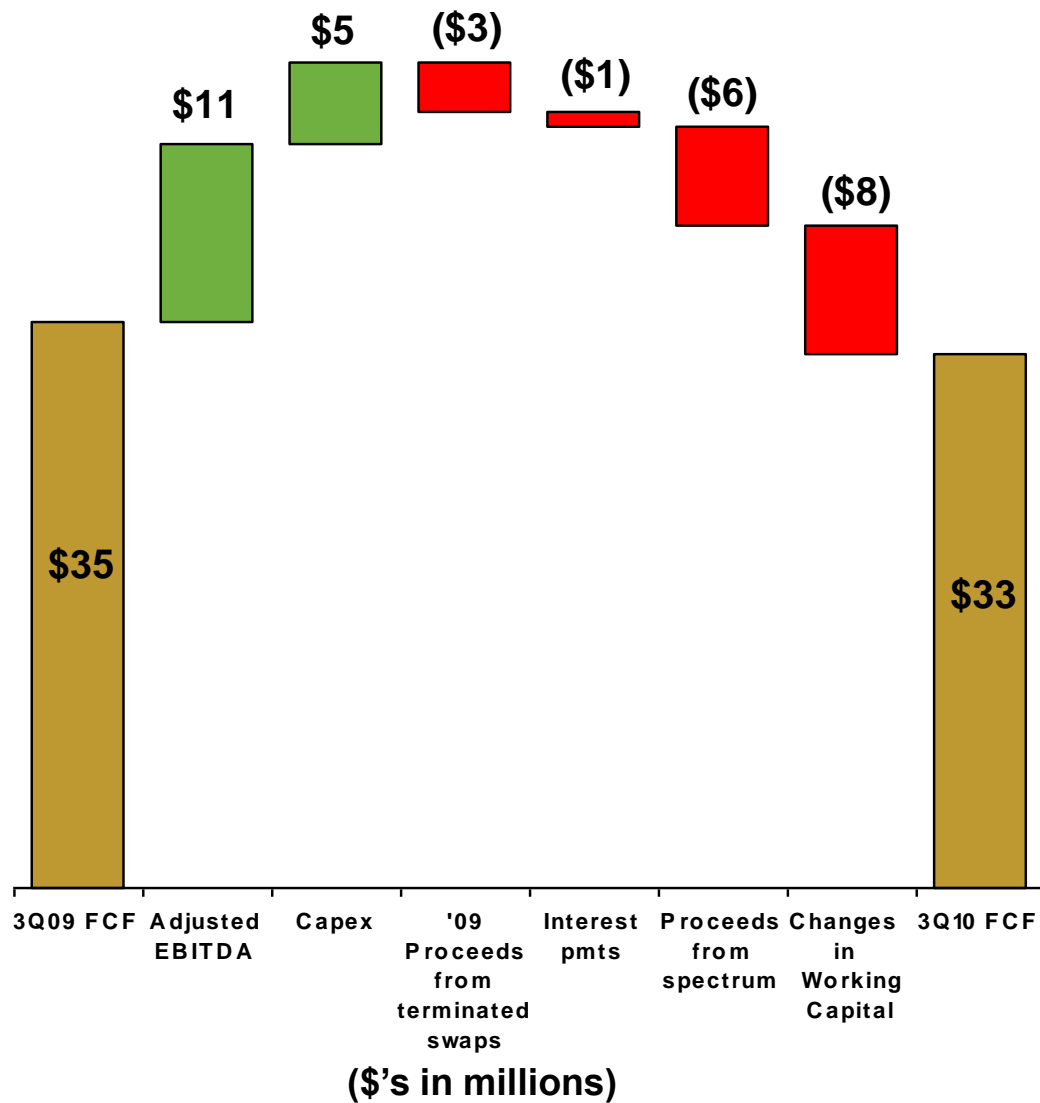
	Three Months Ended September 30,		Change	
	2010	2009	\$	%
Revenue	\$ 351.9	\$ 337.7	\$ 14.2	4%
Costs and expenses				
Cost of services and products	152.8	152.9	(0.1)	0%
Selling, general and administrative	68.3	64.7	3.6	6%
Adjusted EBITDA	130.8	120.1	10.7	9%
Depreciation and amortization	48.2	41.2	7.0	17%
Restructuring charges	-	0.9	(0.9)	n/m
Loss on sale of asset	-	4.8	(4.8)	n/m
Operating income	82.6	73.2	9.4	13%
Interest expense	52.0	31.5	20.5	65%
Gain on extinguishment of debt	-	(7.6)	7.6	n/m
Other income, net	-	(0.1)	0.1	n/m
Income before income taxes	30.6	49.4	(18.8)	(38%)
Income tax expense	16.1	21.7	(5.6)	(26%)
Net income	14.5	27.7	(13.2)	(48%)
Preferred stock dividends	2.6	2.6	-	0%
Net income applicable to common shareowners	\$ 11.9	\$ 25.1	\$ (13.2)	(53%)
Diluted earnings per common share	\$ 0.06	\$ 0.12		

Diluted Earnings Per Share



- **Diluted EPS of \$0.06 in 3Q 2010 compared to diluted EPS excluding special items of \$0.11 for 3Q 2009**
 - **Higher interest expense from CyrusOne acquisition and refinancings**

3Q10 Free Cash Flow

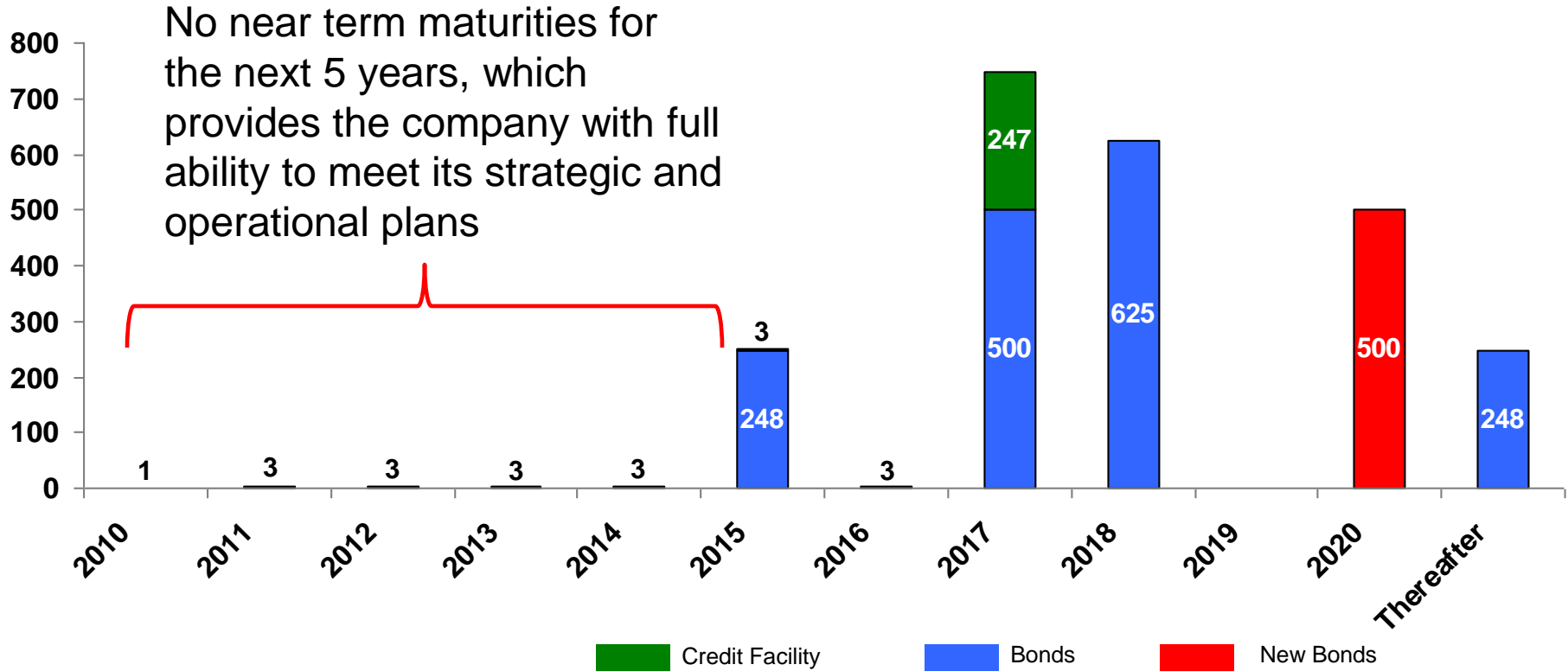


- 3Q 10 FCF of \$33M decreased \$2M y/y
- \$11M increase in Adjusted EBITDA
 - \$5M from timing of capital spending
 - (\$3M) from proceeds received on terminated swaps in 3Q 09
 - (\$1M) higher interest payments due primarily to timing of payments from refinancings and higher debt balances
 - (\$6M) from sale of wireless spectrum in 2009
 - (\$8M) decrease from working capital and other

No Significant Debt Maturities until 2015

Pro forma for October Senior Notes Offering

(\$MM)



Note: Excludes capital lease obligations and interest rate swap adjustments.

Reaffirm 2010 Earnings Guidance

	2010 Guidance
Revenue	\$1.3B
Adjusted EBITDA*	Approx. \$500M
Free Cash Flow*	Approx. \$120M

* Plus or minus 2 percent



**Cincinnati Bell
3rd Quarter 2010
Review**

November 3, 2010

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