

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a Greek letter alpha symbol in orange, all on a dark red background.

## Cincinnati Bell, Inc. Q2 2008 Earnings Conference Call Transcript

### Question-and-Answer Session

---

#### Operator

Thank you. (Operator instructions) We'll go to Frank Louthan with Raymond James.

#### Frank Louthan – Raymond James

Great. Thanks. Can you give a little comment on the changes in the prepaid market? It seems like you're moving up the quality curve there a little bit. Can you give us an idea there? Is that more of a purposeful change? Or was it just maybe taking a breather ahead of the new marketing plan? Or is there some more heavy competition there? And then any change in the competitive environment on the enterprise side either from competitors on the enterprise side in-market or from demand that you see for the data center business going forward? Thanks.

#### Brian Ross

This is Brian. Let me address the enterprise side first. Yes. I mean, there's no change, I don't think in the competitive environment, although you've got more competitors in here than you'd like. I mean, everybody in the world competes with us on the enterprise side. We've had major customer wins. And as you can see, both revenue and EBITDA across that business is growing. And I think, again, that's in part driven by what we've always called the ultimate business bundle, which includes the data center. So, you know, point to Kroger as an example, or GE Aircraft Engine or some of these other customers as we're not exactly carrier agnostic who is going to put pipe in the data centers. They're Cincinnati Bell pipe or they're not in that center. So, and those numbers by the way are not reflected in the performance of Cincinnati Bell Technology Solutions but are reflected in the overall performance of the business. So, I think the more relationships you have with customers and the more goods and services you can provide them, the better off you're going to be. And I think those results are showing.

#### John Cassidy

On the prepaid side, there is a better customer in this segment. If you look at customers individually than there was a year ago, because we're sound getting more ARPU and more data out of that prepaid customer, and if you recall, year-and-a-half ago, the latest and greatest thing that supposed to kill Cincinnati Bell was Cricket. Everybody worried about that. Well, we had to change our price plans to be able to keep those high value subs, which we did, which is being reflected in the performance of that business. But, you know, drink from a fire hose or pay by the drink, we are happy to have all kinds of different customers in there. And I think the mix of customers in terms of price

plans shows that, in fact, we've hit all ends of the prepaid market. Brian, do you have any other comments?

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.