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## Cincinnati Bell Inc. Q1 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question comes from David Barden - Bank of America.

#### David Barden - Bank of America

Brian, the restructuring question, it got a little complex there. You had a certain amount of restructuring last quarter and then an incremental amount this quarter which is related to retirement that are going span through 2010, And I think your point was you're going to take this charge in the second quarter but that there is no net incremental savings beyond what was guided to.

But if you could revisit that topic that would be helpful. And then obviously we have to ask the obligatory question on the economic forces at work and how you saw them playing out versus prepaid and postpaid in Wireless and then obviously in Wireline and broadband churn where it wasn't obvious there was much there, but any commentary there will be helpful.

#### Brian A. Ross

We, the \$24 million we took in the quarter the bulk of that represents the special termination benefit that our union agreed to in the contract that we consummated in the quarter. To some extent we had anticipated some of this expense in the fourth quarter. Whether we were going to have this as a special termination benefit or as severance or other cost reductions, we had reflected that in the fourth quarter. So there was a little bit of a shifting of that amount.

The savings that we expect in 2008 are already built in our guidance although the charge itself is really designed to reduce costs over a three-year period which is the \$45 million that we put in the presentation.

#### David Barden - Bank of America

So is it fair to say that, I can see how the severance was \$23 last quarter. You reversed out \$14 of that, some of that gets rolled into the retirement charge and then if you're saying \$45 million of savings over the three years, \$15 million of that on a proportional basis for the rest of the year would be presumably what's coming out of this year's expenses related to that charge?

#### Brian A. Ross

Not necessarily, the \$45 million is the total annual savings by the end of the time period.

**David Barden - Bank of America**

A run rate up to the point where all those people have retired in 2010?

**Brian A. Ross**

That's right and all the other initiatives that we have in this time horizon will be completed.

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