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## Cincinnati Bell Inc. Q1 2009 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator instructions). We'll take our first question from Batya Levi at UBS.

#### Batya Levi - UBS

I wanted to ask you about the cost cutting initiatives you laid out. When do you expect the 7,000 employees to come out of the payroll, and can you give us an idea of how much do you think you can cut by the end of the year?

One question on the prepaid wireless side. It looks like prepaid net adds and ARPU improved nicely. Can you talk about the drivers for that? Do you see a shift from postpaid? What kind of impact have you seen from the unlimited players? Thanks a lot.

#### Jack Cassidy

I'm sorry, Batya, what was the last part of your question? What kind of impact from what?

#### Batya Levi - UBS

From the unlimited players?

#### Jack Cassidy

Well, let me talk about that, and Gary can talk about payroll cuts. Guess what? The unemployment rate is near 10%, and the news is dour every time a consumer turns on a TV or reads a newspaper. Those two factors combined are making people think about the services that they buy and what they pay for. So, yes, I think the economy has caused a shift to prepaid for those people who find that to be more economically reasonable than postpaid.

The uniqueness of Cincinnati Bell i-Wireless prepaid is that we offer multiple price plans. You can buy large buckets or you can pay for it by the drink. Paying for it by the drink on buying a \$10 card or \$20 card has driven our competitiveness and our favorableness against companies like Cricket or Boost that require you to buy a \$50 prepaid monthly plan.

So, we think that as again is evidenced by the growth in that business that the overall macro-environment is shifting former postpaid customers to prepaid. We think that our expense of price plan offerings in our extensive distribution is an advantage over the competitors, means that we've taken a good share of that shift.

So, again, i-Wireless has been in existence now for eight or nine years. It wasn't something that just showed up on the horizon. We have got some loyal users in those groups that get other people in.

Gary, you want to talk about cost cutting initiatives?

**Gary Wojtaszek**

Sure. [Nancy], to your question with regard to timing, we have started executing on some of the expense saving initiatives in April. We expect to get completed with all the actions through the end of the second quarter, so that the second half of the year's expense run rate will be lower than the first half of the year's run rate.

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