

CINCINNATI BELL INC
 Form 4
 August 21, 2006

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
PETERSON MARK W

(Last) (First) (Middle)

201 EAST FOURTH STREET

(Street)

CINCINNATI, OH 45202

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
CINCINNATI BELL INC [CBB]

3. Date of Earliest Transaction (Month/Day/Year)
08/17/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 VP & Treasurer

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 ____ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock					7,009.8401	D	
Preferred Stock					500	D	
Common Stock	08/17/2006		S		9,002.668	D	\$ 4.6 0

By
 Trustee of
 401K

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Option to Buy <u>(1)</u>	\$ 22.375					03/31/2000 ⁽²⁾ 03/31/2009	Common Stock	15,000
Option to Buy <u>(1)</u>	\$ 22.25					01/04/2002 ⁽²⁾ 01/04/2009	Common Stock	400
Option to Buy <u>(1)</u>	\$ 16.7813					09/17/2001 ⁽³⁾ 09/17/2009	Common Stock	25,000
Option to Buy <u>(1)</u>	\$ 35.9688					01/03/2001 ⁽²⁾ 01/03/2010	Common Stock	15,000
Option to Buy <u>(1)</u>	\$ 22.8438					01/02/2002 ⁽⁴⁾ 01/02/2011	Common Stock	10,000
Option to Buy <u>(1)</u>	\$ 9.645					12/04/2002 ⁽⁴⁾ 12/04/2011	Common Stock	12,500
Option to Buy <u>(1)</u>	\$ 4.125					03/20/2004 ⁽⁴⁾ 03/20/2013	Common Stock	35,000
Option to Buy <u>(1)</u>	\$ 5.655					12/04/2004 ⁽⁴⁾ 12/04/2013	Common Stock	18,000
Option to Buy <u>(1)</u>	\$ 3.7					12/03/2005 ⁽⁴⁾ 12/03/2014	Common Stock	7,500

Option to Buy (1)	\$ 3.86	05/20/2006 ⁽⁴⁾	05/20/2015	Common Stock	20,000
Option to Buy (1)	\$ 4.22	10/24/2006 ⁽⁴⁾	10/24/2015	Common Stock	40,000
Option to Buy (1)	\$ 3.995	12/01/2005 ⁽⁵⁾	12/01/2015	Common Stock	20,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PETERSON MARK W 201 EAST FOURTH STREET CINCINNATI, OH 45202			VP & Treasurer	

Signatures

Christopher J. Wilson by Power of Attorney for Mark W.
Peterson

08/21/2006

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Option shares granted under the 1997 Long Term Incentive Plan which is a Rule 16b-3 Plan.

(2) 3-Year vesting schedule: 25% one year from grant date; 25% two years from grant date; 50% three years from grant date.

5-year vesting schedule: 25% third year from grant date; 25% four years from grant date; 50% five years from grant date. Options are
(3) subject to accelerated vesting if certain financial targets are met: 15% one year from grant date; 15% two years from grant date; 20% three years from grant date; 25% four years from grant date; 25% five years from grant date.

(4) Options have a 3 year vesting schedule: 28% one year from grant date and 3% for each of the remaining 24 months.

Options vest upon grant. Options granted on December 1, 2005 are fully vested upon grant. Shares purchased upon exercise of such
(5) options are subject to sale restrictions until the reporting person terminates employment with the Company as follows: 28% of shares purchased may be sold on or after December 1, 2006. Thereafter, an additional 3% of shares purchased per month for the remaining 24 months may be sold. Options expire ten years from grant date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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