



Level 3 Communications, Inc., announced that it has completed its acquisition of Global Crossing Limited. The transaction was structured as a tax-free, stock-for-stock exchange. The company also announced that it will conduct its business on a worldwide basis using the Level 3 Communications name with a new brand identity that incorporates elements from both companies, representing their combined strengths. In addition, the company announced plans to transfer the listing of its common stock to the New York Stock Exchange (NYSE), and expects to begin trading on the NYSE on Oct. 20, 2011, under its current ticker symbol "LVLT". The company will continue to trade on the NASDAQ Global Select Market until the transfer is completed. In conjunction with listing on NYSE, the company will implement a 1-for-15 reverse stock split of the Level 3 common stock.

Level 3 now will operate a services platform for medium to large enterprise, wholesale, content and government customers, anchored by extensive owned fiber networks on three continents in more than 45 countries as well as substantial undersea facilities.

"Our enterprise is now a global, state-of-the-art communications company that is substantially bigger and financially stronger, with an unrivaled IP/optical network and global reach, and an entrepreneurial culture singularly focused on the customer experience," said James Q. Crowe, chief executive officer of Level 3. "We believe the rapidly evolving communications market represents an extraordinary opportunity for us, and we are well positioned to capitalize on it."

The company anticipates that the reverse stock split will be effective after the close of trading on Oct. 19, 2011 and that Level 3 common stock will begin trading on a split adjusted basis on the NYSE at the opening of trading on Oct. 20, 2011. At Level 3's annual meeting of stockholders held on May 19, 2011, the stockholders approved a reverse stock split, at the discretion of the board.

"With the closing of our acquisition of Global Crossing, Level 3 is a very different company, delivering advanced IP-optical services over an expanded global footprint," said Crowe. "The NYSE is the world's largest stock exchange and market innovator, and we believe the NYSE is an ideal platform for the continued growth of our company."

"We congratulate Level 3 on closing its acquisition of Global Crossing and look forward to welcoming the company to the NYSE family," said Duncan L. Niederauer, CEO, NYSE Euronext. "With this transaction Level 3 affirms its position as a leading communications provider, and with its listing on the NYSE, we are proud to add Level 3 to our unparalleled community of issuers and our ever-growing population of top technology companies. NYSE Euronext is committed to providing Level 3 and its shareholders with the highest levels of market quality, global brand visibility and issuer services."

"Level 3 is a key provider of infrastructure based on the high quality services they provide, their ability to scale, and their network reach," said Andy Bach, senior vice president and Global Head of Network Services, NYSE Euronext. "Level 3 has played a valuable role by providing us with reliable connectivity throughout our SFTI network and to the Internet."

When the reverse stock split becomes effective, every 15 shares of issued and outstanding Level 3 common stock will be automatically combined into one issued and outstanding share of Level 3 common stock without any change in the par value per share. This will reduce the number of outstanding shares of Level 3 common stock (after giving effect to today's consummation of the Global Crossing transaction) from approximately 3.1 billion to approximately 207 million and the number of authorized shares of Level 3 common stock from approximately 4.4 billion to 293 million. Proportional adjustments will be made to Level 3's outstanding convertible debt, warrant, equity awards and to its equity compensation plan to reflect the reverse stock split.

### Financial Resources

The combined business had pro forma 2010 revenues of \$6.2 billion and pro forma 2010 Adjusted EBITDA of \$1.3 billion before synergies and \$1.6 billion after expected synergies. Total synergies are expected to be approximately \$300 million of run-rate EBITDA, of which the company expects to realize the substantial majority within 18 months. As a result of the completed transaction, Level 3 expects the combination to be accretive to Level 3 on a Free Cash Flow per share basis in 2013. The transaction improves Level 3's credit profile and reduces the company's financial leverage from approximately 6.8x net debt to Consolidated Adjusted EBITDA for 2010 to approximately 4.4x after realization of expected synergies.

As part of the closing of the transaction, Level 3 is redeeming and discharging approximately \$1.35 billion of Global Crossing's outstanding consolidated debt. Approximately \$430 million of Global Crossing (UK) Finance PLC Senior Secured notes due 2014 will be redeemed on Nov. 3, 2011 at the current redemption premiums outlined in its indenture dated Dec. 23, 2004.

All of the aggregate principal amount of the \$750 million of Global Crossing Limited's outstanding 12% senior notes due 2015 and all of the outstanding \$150 million of 9% senior notes due 2019 will be redeemed in early November 2011. Of the outstanding principal of each of the Global Crossing Limited senior notes, 35 percent first will be redeemed on Nov. 3, 2011 as a result of a qualified "Equity Offering" (as defined under the indentures relating to each issue of the Global Crossing Limited senior notes) to its new corporate parent. The remaining 65 percent of the outstanding principal of each issue of the Global Crossing senior notes will be redeemed subsequently on Nov. 4, 2011 at "make-whole" prices calculated using the rate of the comparable U.S. Treasury security plus 50 basis points.

"The company has an improved balance sheet and credit profile immediately at closing, with further improvement as we achieve the expected synergy benefits," said Sunit Patel, executive vice president and chief financial officer of Level 3. "As a result of potential revenue growth and synergies, over the longer term, we expect to have significant Free Cash Flow available for investment in high-return opportunities, including U.S. and international network expansions. We continue to feel good about our business for the remainder of the year, and have improved confidence around our synergy targets."

### Organization

The company will operate through three geographically organized business units in EMEA (Europe, the Middle East and Africa), Latin America and North America, and each business unit will have one leader accountable for sales, operations and marketing for that region. Corporate functions will be centralized in North America and will support the company globally. The corporate headquarters of the company will remain in Broomfield, Colo.

"I'm particularly pleased with the management team we've put in place to lead the company going forward," said Crowe. "We have brought a number of senior executives from Global Crossing onto the team in leadership roles. I think we have an exceptionally strong group of

senior executives.”

“I want to thank John Legere, CEO of Global Crossing, for his leadership, support and advice during the integration planning period. On behalf of all of the employees of the new company he helped create, I wish him all the best in his new endeavors,” said Crowe.

### **Both Companies Represented on Board of Directors**

The company’s board of directors includes members of each company’s boards, including Walter Scott, Jr. (Chairman), James Q. Crowe, Admiral Archie Clemins, Admiral James O. Ellis, Peter Seah Lim Huat, Richard R. Jaros, Lee Theng Kiat, Michael J. Mahoney, Charles C. Miller III, John T. Reed and Dr. Albert C. Yates.

### **Terms of Transaction**

Under the terms and subject conditions of the acquisition agreement, Global Crossing shareholders are receiving 16 shares of Level 3 common stock for each share of Global Crossing common stock or preferred stock that is owned at closing. Level 3 will issue approximately 1.3 billion shares for this transaction, and on a pro forma basis and before the implementation of the reverse stock split will have approximately 3.1 billion shares outstanding as of July 29, 2011.

### **Integration Planning Progress**

“The integration planning effort has been very productive, and we are ready to begin integrating our operations today,” said Jeff Storey, president and chief operating officer of Level 3. “Business remains strong across both companies, and we continue to feel confident about the synergy targets we identified when we announced this transaction. Our number one objective is

to maintain our focus on providing an industry-leading customer experience, while also achieving our expected synergies.”