

LEVEL 3 COMMUNICATIONS INC

FORM 8-K (Current report filing)

Filed 11/02/04 for the Period Ending 10/29/04

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|-------------|--|
| Address | 1025 ELDORADO BOULEVARD BLDG 2000 BROOMFIELD, CO 80021 |
| Telephone | 7208881000 |
| CIK | 0000794323 |
| Symbol | LVLT |
| SIC Code | 4813 - Telephone Communications, Except Radiotelephone |
| Industry | Communications Services |
| Sector | Services |
| Fiscal Year | 12/31 |

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): October 29, 2004

Level 3 Communications, Inc.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

47-0210602
(I.R.S. Employer
Identification No.)

1025 Eldorado Blvd., Broomfield, Colorado
(Address of principal executive offices)

80021
(Zip code)

720-888-1000
(Registrant's telephone number including area code)

Not applicable
(Former name and former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 Other Events.

On October 29, 2004, Level 3 Communications, Inc. ("Level 3") issued a press release relating to the commencement of tender offers to purchase for cash up to \$450 million aggregate principal amount of the series of its debt securities due 2008 specified in the table below (the "Notes"). Level 3 is offering to purchase up to the "Maximum Offer Amount" for each series of Notes listed in the table below, subject to the "Acceptance Priority Levels" listed below (the "Offers"). In no event will Level 3 be obligated to accept for purchase or pay for Notes tendered pursuant to the Offers in an aggregate principal amount in excess of \$450 million (the "Tender Cap").

| Title of Security | Principal Amount Outstanding | Maximum Offer Amount | Acceptance Priority Level | Tender Offer Consideration* | Early Tender Payment* | Total Consideration* |
|---|------------------------------|----------------------|---------------------------|-----------------------------|-----------------------|----------------------|
| 9 1/8% Senior Notes due 2008 | \$ 1,203,652,000 | \$ 450,000,000 | 1 | \$ 837.50 | \$ 20.00 | \$ 857.50 |
| 11% Senior Notes due 2008 | \$ 362,036,000 | \$ 362,036,000 | 2 | \$ 867.50 | \$ 20.00 | \$ 887.50 |
| 10 1/2% Senior Discount Notes due 2008 ** | \$ 409,462,000 | \$ 409,462,000 | 3 | \$ 837.50 | \$ 20.00 | \$ 857.50 |
| 10 3/4% Senior Euro Notes due 2008 | EUR320,826,000 | EUR320,826,000 | 4 | EUR830.00 | EUR20.00 | EUR850.00 |

* Per \$1,000 or EUR1,000 principal amount of notes accepted for purchase, as applicable. ** Principal amount outstanding represents principal amount at maturity.

Each Offer is scheduled to expire at midnight, New York City time, on November 29, 2004, unless extended or earlier terminated with respect to an Offer (the "Expiration Date"). Holders of Notes of any series validly tendered prior to 5:00 p.m., New York City time on November 12, 2004, unless extended or earlier terminated with respect to an Offer (the "Early Tender Date"), will receive the "Total Consideration" for that series shown in the table above, consisting of the applicable "Tender Offer Consideration" for that series and the "Early Tender Payment" for that series, each as shown in the table above, if such Notes are accepted for purchase. Holders of Notes of any series who validly tender after the Early Tender Date and whose Notes are accepted for purchase will receive the applicable Tender Offer Consideration for that series but will not receive the Early Tender Payment. Accrued interest up to, but not including, the settlement date will be paid in cash on all validly tendered and accepted Notes.

This press release is filed as Exhibit 99.1 to this Current Report and incorporated by reference as if set forth in full.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of business acquired

None

(b) Pro forma financial information

None

(c) Exhibits

99.1 Press Release dated October 29, 2004.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Level 3 Communications, Inc.

November 2, 2004
Date

By: /s/ Neil J. Eckstein
Neil J. Eckstein, Senior Vice President

1025 Eldorado Boulevard Broomfield, Colorado 80021 www.Level3.com

NEWS RELEASE

Level 3 contacts:

| | | | |
|--------|--------------------------------|------------|----------------------------------|
| Media: | Josh Howell 720-888-2517 | Investors: | Robin Grey 720-888-2518 |
| | Paul Lonnegren 720-888-6099 | | Sandra Curlander 720-888-2501 |

Level 3 Announces Tender Offers For Up To \$450 Million Of Its Debt Securities Due 2008

BROOMFIELD, Colo., October 29, 2004-- Level 3 Communications, Inc. (Nasdaq:LVLT) announced today that it has commenced tender offers to purchase for cash up to \$450 million aggregate principal amount of the series of its debt securities due 2008 specified in the table below (the "Notes"). Level 3 is offering to purchase up to the "Maximum Offer Amount" for each series of Notes listed in the table below, subject to the "Acceptance Priority Levels" listed below (the "Offers"). In no event will Level 3 be obligated to accept for purchase or pay for Notes tendered pursuant to the Offers in an aggregate principal amount in excess of \$450 million (the "Tender Cap").

| Title of Security | Principal Amount Outstanding | Maximum Offer ----- Amount | Acceptance Priority Level | Tender Offer Consideration* | Early Tender Payment* | Total Consideration* |
|--|------------------------------|----------------------------------|---------------------------------|--------------------------------|-----------------------------|-------------------------|
| 9 3/4% Senior Notes due 2008 | \$ 1,203,652,000 | \$ 450,000,000 | 1 | \$ 837.50 | \$ 20.00 | \$ 857.50 |
| 11% Senior Notes due 2008 | \$ 362,036,000 | \$ 362,036,000 | 2 | \$ 867.50 | \$ 20.00 | \$ 887.50 |
| 101/2% Senior Discount Notes due 2008 ** | \$ 409,462,000 | \$ 409,462,000 | 3 | \$ 837.50 | \$ 20.00 | \$ 857.50 |
| 103/4% Senior Euro Notes due 2008 | EUR 320,826,000 | EUR 320,826,000 | 4 | EUR 830.00 | EUR 20.00 | EUR 850.00 |

* Per \$1,000 or EUR1,000 principal amount of notes accepted for purchase, as applicable.

** Principal amount outstanding represents principal amount at maturity.

Each Offer is scheduled to expire at midnight, New York City time, on November 29, 2004, unless extended or earlier terminated with respect to an Offer (the "Expiration Date"). Holders of Notes of any series validly tendered prior to 5:00 p.m., New York City time on November 12, 2004, unless extended or earlier terminated with respect to an Offer (the "Early Tender Date"), will receive the "Total Consideration" for that series shown in the table above, consisting of the applicable "Tender Offer Consideration" for that series and the "Early Tender Payment" for that series, each as shown in the table above, if such Notes are accepted for purchase. Holders of Notes of any series who validly tender after the Early Tender Date and whose Notes are accepted for purchase will receive the applicable Tender Offer Consideration for that series but will not receive the Early Tender Payment. Accrued interest up to, but not including, the settlement date will be paid in cash on all validly tendered and accepted Notes.

We intend to fund the purchase of the Notes pursuant to the Offers with net proceeds from borrowings under a proposed new senior secured credit facility expected to mature in 2011, into which our subsidiary, Level 3 Financing, Inc., will seek to enter (the "Proposed Credit Facility"), and may or may not also fund purchases pursuant to the Offers with proceeds from new issuances of debt or equity securities or cash on hand.

Our obligation to accept for purchase Notes pursuant to the Offers is conditioned on the receipt by Level 3 Financing, Inc. of borrowings of at least \$400 million under the Proposed Credit Facility. The Offers are subject to the satisfaction or waiver of certain other conditions. The Offers are not subject to the receipt of any minimum amount of tenders.

In addition, Level 3 will have no obligation to accept for purchase or to pay for Notes tendered pursuant to the Offers in an aggregate principal amount in excess of Tender Cap. In the event that one or more of the Offers are oversubscribed, validly tendered Notes in each series will be accepted for payment in accordance with each series' Maximum Tender Amount and Acceptance Priority Level. For instance, Notes in the Offer with the first Acceptance Priority Level will be accepted up to the Maximum Offer Amount for that series before Notes in the Offer with the second Acceptance Priority Level (subject to the amount of Tender Cap remaining available). If the aggregate principal amount or principal amount at maturity of Notes tendered in any Offer exceeds either the Maximum Offer Amount applicable to such series or, if lesser, the amount of the Tender Cap remaining available for application to the Acceptance Priority Level applicable to such Offer, then, if we accept Notes of such series for purchase, we will accept such Notes on a pro rata basis.

This announcement is not an offer to purchase, a solicitation of an offer to purchase, or a solicitation of an offer to sell securities with respect to any series of Notes. The Offers may only be made pursuant to the terms of the Offer to Purchase and the related Letter of Transmittal.

The complete terms and conditions of the Offers are set forth in an Offer to Purchase that is being sent to holders of the Notes. Holders are urged to read the tender offer documents carefully. Copies of the Offer to Purchase and the related Letter of Transmittal may be obtained from the Information Agent for the Offers, Global Bondholder Services Corporation, at (212) 430-3774 and (866) 873-6300 (collect).

Merrill Lynch & Co. is the Dealer Manager for the Offers. Questions regarding the Offers may be directed to Merrill Lynch & Co. at (800) ML4-TNDR (toll-free) and (212) 449-4914.

About Level 3 Communications

Level 3 (Nasdaq:LVT) is an international communications and information services company. The company operates one of the largest Internet backbones in the world, is one of the largest providers of wholesale dial-up service to ISPs in North America and is the primary provider of Internet connectivity for millions of broadband subscribers, through its cable and DSL partners. The company offers a wide range of communications services over its 23,000-mile broadband fiber optic network including Internet Protocol (IP) services, broadband transport and infrastructure services, colocation services, and patented softswitch managed modem and voice services. Its Web address is www.Level3.com.

The company offers information services through its subsidiaries, Software Spectrum and (i)Structure. For additional information, visit their respective Web sites at www.softwarespectrum.com and www.i-structure.com.

The Level 3 logo is a registered service mark of Level 3 Communications, Inc. in the United States and/or other countries.

Forward Looking Statement

Some of the statements made by Level 3 in this press release are forward-looking in nature. Actual results may differ materially from those projected in forward-looking statements. Level 3 believes that its primary risk factors include, but are not limited to: changes in the overall economy relating to, among other things, the September 11 attacks and subsequent events, substantial capital requirements; development of effective internal processes and systems; the ability to attract and retain high quality employees; technology; the number and size of competitors in its markets; law and regulatory policy; and the mix of products and services offered in the company's target markets. Additional information concerning these and other important factors can be found within Level 3's filings with the Securities and Exchange Commission. Statements in this release should be evaluated in light of these important factors.