

# LEVEL 3 COMMUNICATIONS INC

## **FORM 8-K** (Current report filing)

Filed 07/19/11 for the Period Ending 07/14/11

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

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**UNITED STATES  
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): **July 14, 2011**

**Level 3 Communications, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction  
of incorporation)

**0-15658**

(Commission  
File Number)

**47-0210602**

(IRS Employer  
Identification No.)

**1025 Eldorado Blvd., Broomfield, Colorado**

(Address of principal executive offices)

**80021**

(Zip Code)

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

**N/A**

(Former name or 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))
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## **Item 2.02. Results of Operations and Financial Condition**

### **Item 7.01. Regulation FD Disclosure**

On July 14, 2011, Level 3 Communications, Inc. (“Level 3”) issued a press release announcing, among other things, that Level 3 confirmed its previously issued statement on expectations for the second quarter of 2011 and such statement could be attributed to the proposed private offering of senior notes to “qualified institutional buyers” under the Securities Act of 1933 and to non-U.S. persons outside the United States under Regulation S.

That press release is furnished as Exhibit 99.1 to this Current Report and is incorporated herein by reference as if set forth in full. This information, including the Exhibit 99.1 attached hereto, is not filed but is furnished to the Securities and Exchange Commission pursuant to Items 2.02 and 7.01 of Form 8-K. The furnishing of this information shall not be deemed an admission as to the materiality of the information included in this Form 8-K.

Some of the statements made in Exhibit 99.1 are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, (i) statements about the benefits of the acquisition of Global Crossing by Level 3, including financial and operating results and synergy benefits that may be realized from the acquisition and the timeframe for realizing those benefits; Level 3’s and Global Crossing’s plans, objectives, expectations and intentions and other statements contained in this communication that are not historical facts; and (ii) other statements identified by words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates” or words of similar meaning.

These forward-looking statements are based upon management’s current beliefs or expectations and are inherently subject to significant business, economic and competitive uncertainties and contingencies and third-party approvals, many of which are beyond our control. The following factors, among others, could cause actual results to differ materially from those expressed or implied in the forward-looking statements: (1) the occurrence of any event, change or other circumstances that could give rise to the termination of the Agreement and Plan of Amalgamation among Level 3, Global Crossing and Apollo Amalgamation Sub, Ltd. (the “Amalgamation Agreement”); (2) the inability to complete the transactions contemplated by the Amalgamation Agreement due to the failure to obtain the required stockholder approvals, (3) the inability to satisfy the other conditions specified in the Amalgamation Agreement, including without limitation the receipt of necessary governmental or regulatory approvals required to complete the transactions contemplated by the Amalgamation Agreement; (4) the inability to successfully integrate the businesses of Level 3 and Global Crossing or to integrate the businesses within the anticipated timeframe; (5) the risk that the proposed transactions disrupt current plans and operations, increase operating costs and the potential difficulties in customer loss and employee retention as a result of the announcement and consummation of such transactions; (6) the ability to recognize the anticipated benefits of the combination of Level 3 and Global Crossing, including the realization of revenue and cost synergy benefits and to recognize such benefits within the anticipated timeframe; (7) the outcome of any legal proceedings that may be instituted against Level 3, Global Crossing or others following announcement of the Amalgamation Agreement and transactions contemplated therein; and (8) the possibility that Level 3 or Global Crossing may be adversely affected by other economic, business, and/or competitive factors.

Other important factors that may affect Level 3’s and the combined business’ results of operations and financial condition include, but are not limited to: the current uncertainty in the global financial markets and the global economy; a discontinuation of the development and expansion of the Internet as a communications medium and marketplace for the distribution and consumption of data and video; disruptions in the financial markets that could affect Level 3’s ability to obtain additional financing, and the company’s ability to: increase and maintain the volume of traffic on its network; develop effective business support systems; manage system and network failures or disruptions; develop new services that meet customer demands and generate acceptable margins; defend intellectual property and proprietary

rights; adapt to rapid technological changes that lead to further competition; attract and retain qualified management and other personnel; successfully integrate acquisitions; and meet all of the terms and conditions of debt obligations.

Additional information concerning these and other important factors can be found within Level 3's and Global Crossing's respective filings with the SEC, which discuss the foregoing risks as well as other important risk factors that could contribute to such differences or otherwise affect our business, results of operations and financial condition. Statements in this communication should be evaluated in light of these important factors. The forward-looking statements in this communication speak only as of the date they are made. Except for the ongoing obligations of Level 3 and Global Crossing to disclose material information under the federal securities laws, neither Level 3 nor Global Crossing undertakes any obligation to, and expressly disclaim any such obligation to, update or alter any forward-looking statement to reflect new information, circumstances or events that occur after the date such forward-looking statement is made unless required by law.

#### **Item 8.01. Other Events**

On July 14, 2011, Level 3 issued a press release announcing that Level 3 Escrow, Inc., an indirect, wholly owned subsidiary of Level 3 ("Level 3 Escrow"), planned to issue an additional \$300 million aggregate principal amount of 8.125% Senior Notes due 2019 in a proposed private offering to "qualified institutional buyers" as defined in Rule 144A under the Securities Act of 1933, as amended, and non-U.S. persons outside the United States under Regulation S under the Securities Act of 1933. Later on July 14, 2011, Level 3 issued a subsequent press release announcing that Level 3 Escrow agreed to sell an additional \$600 million aggregate principal amount of 8.125% Senior Notes due 2019 in a private offering to "qualified institutional buyers" and to non-U.S. persons outside the United States under Regulation S. This offering represented an additional offering of the 8.125% Senior Notes due 2019 that were issued on June 9, 2011. The notes offered in this offering are being issued as additional notes under the same indenture as the 8.125% Senior Notes issued on June 9, 2011, and will be treated under that indenture as a single series of notes with the outstanding 8.125% Senior Notes.

The initial press release is filed as Exhibit 99.2 to this Current Report and is incorporated herein by reference as if set forth in full. The subsequent press release is filed as Exhibit 99.3 to this Current Report and is incorporated herein by reference as if set forth in full.

#### **Item 9.01. Financial Statements and Exhibits**

(d) Exhibits

99.1 Press Release, dated July 14, 2011, relating to the confirmation of expectations for the second quarter of 2011.

99.2 Press Release, dated July 14, 2011, relating to the launching of the private offering of additional 8.125% Senior Notes due 2019 by Level 3 Escrow, Inc.

99.3 Press Release, dated July 14, 2011, relating to the pricing of the private offering of additional 8.125% Senior Notes due 2019 by Level 3 Escrow, Inc.

## 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 hereunto duly authorized.

LEVEL 3 COMMUNICATIONS, INC.

/s/ Neil J. Eckstein

Neil J. Eckstein  
Senior Vice President

Date: July 19, 2011

## EXHIBIT INDEX

Exhibit Number	Exhibit
99.1	Press Release, dated July 14, 2011, relating to the confirmation of expectations for the second quarter of 2011.
99.2	Press Release, dated July 14, 2011, relating to the launching of the private offering of additional 8.125% Senior Notes due 2019 by Level 3 Escrow, Inc.
99.3	Press Release, dated July 14, 2011, relating to the pricing of the private offering of additional 8.125% Senior Notes due 2019 by Level 3 Escrow, Inc.



### Level 3 Releases Statement

**BROOMFIELD, Colo., July 14, 2011** — Level 3 Communication, Inc. (“Level 3”) (NASDAQ: LVLT) announced today that the following statement can be attributed to the Company in connection with its proposed private offering of senior notes to “qualified institutional buyers” as defined in Rule 144A under the Securities Act of 1933, as amended, and outside the United States under Regulation S under the Securities Act of 1933, as amended.

The Company is confirming its previously issued expectation that for the second quarter 2011, the Company expects sequential growth in Core Network Service revenue to strengthen. Additionally, the Company confirms that it expects low double digit percentage growth in Consolidated Adjusted EBITDA in 2011 vs. 2010. Capital expenditures are expected to be approximately 12 percent of Communications revenue for the full year 2011, and Free Cash Flow is expected to be roughly breakeven for the last three quarters of 2011 in aggregate. These expectations exclude any effect from the pending Global Crossing acquisition.

#### About Level 3 Communications

Level 3 Communications, Inc. (NASDAQ: LVLT) is a leading international provider of fiber-based communications services. Enterprise, content, wholesale and government customers rely on Level 3 to deliver services with an industry-leading combination of scalability and value over an end-to-end fiber network. Level 3 offers a portfolio of metro and long-haul services, including transport, data, Internet, content delivery and voice. For more information, visit [www.Level3.com](http://www.Level3.com).

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#### Important Information For Investors And Stockholders

*This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. The proposed transaction will be submitted to the stockholders of Level 3 Communications, Inc. (“Level 3”) and the stockholders of Global Crossing Limited (“Global Crossing”) for their consideration.*

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*Level 3 and Global Crossing have filed with the SEC a registration statement on Form S-4, that includes a preliminary joint proxy statement of Level 3 and Global Crossing that also constitutes a preliminary prospectus of Level 3 and may in the future file with the SEC other relevant documents concerning the proposed transaction. Level 3 and Global Crossing have each provided the final joint proxy statement/prospectus to its respective stockholders. Investors and security holders are urged to read the registration statement and the joint proxy statement/prospectus and any other relevant documents filed with the SEC when they become available, as well as any amendments or supplements to those documents, because they contain and will contain important information about Level 3, Global Crossing and the proposed transaction. Investors and security holders may obtain a free copy of the registration statement and joint proxy statement/prospectus, as well as other filings containing information about Level 3 and Global Crossing, free of charge at the SEC's Web Site at <http://www.sec.gov>. In addition, the joint proxy statement/prospectus, the SEC filings that are incorporated by reference in the joint proxy statement/prospectus and the other documents filed or to be filed with the SEC by Level 3 may be obtained free of charge by directing such request to: Investor Relations, Level 3 Communications, Inc., 1025 Eldorado Boulevard, Broomfield, Colorado 80021 or from Level 3's Investor Relations page on its corporate website at <http://www.level3.com> and the joint proxy statement/prospectus, the SEC filings that are incorporated by reference in the joint proxy statement/prospectus and the other documents filed or to be filed with the SEC by Global Crossing may be obtained free of charge by directing such request to: Global Crossing by telephone at (800) 836-0342 or by submitting a request by e-mail to [glbc@globalcrossing.com](mailto:glbc@globalcrossing.com) or a written request to the Secretary, Wessex House, 45 Reid Street, Hamilton HM12 Bermuda or from Global Crossing's Investor Relations page on its corporate website at <http://www.globalcrossing.com>.*

*Level 3, Global Crossing and their respective directors, executive officers, and certain other members of management and employees may be deemed to be participants in the solicitation of proxies in favor of the proposed transaction from the stockholders of Level 3 and from the stockholders of Global Crossing, respectively. Information about the directors and executive officers of Level 3 is set forth in the proxy statement on Schedule 14A for Level 3's 2011 Annual Meeting of Stockholders, which was filed with the SEC on April 4, 2011 and information about the directors and executive officers of Global Crossing is set forth in the proxy statement on Schedule 14A for Global Crossing's 2010 Annual Meeting of Stockholders, which was filed with the SEC on May 19, 2010. Additional information regarding participants in the proxy solicitation may be obtained by reading the joint proxy statement/prospectus regarding the proposed transaction.*

#### **Cautionary Notice Regarding Forward-Looking Statements**

*This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, (i) statements about the benefits of the acquisition of Global Crossing by Level 3, including financial and operating results and synergy benefits that may be realized from the acquisition and the timeframe for realizing those benefits; Level 3's and Global Crossing's plans, objectives, expectations and intentions and other statements contained in this communication that are not historical facts; and (ii) other*

statements identified by words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates” or words of similar meaning.

*These forward-looking statements are based upon management’s current beliefs or expectations and are inherently subject to significant business, economic and competitive uncertainties and contingencies and third-party approvals, many of which are beyond our control. The following factors, among others, could cause actual results to differ materially from those expressed or implied in the forward-looking statements: (1) the occurrence of any event, change or other circumstances that could give rise to the termination of the Agreement and Plan of Amalgamation among Level 3, Global Crossing and Apollo Amalgamation Sub, Ltd. (the “Amalgamation Agreement”); (2) the inability to complete the transactions contemplated by the Amalgamation Agreement due to the failure to obtain the required stockholder approvals, (3) the inability to satisfy the other conditions specified in the Amalgamation Agreement, including without limitation the receipt of necessary governmental or regulatory approvals required to complete the transactions contemplated by the Amalgamation Agreement; (4) the inability to successfully integrate the businesses of Level 3 and Global Crossing or to integrate the businesses within the anticipated timeframe; (5) the risk that the proposed transactions disrupt current plans and operations, increase operating costs and the potential difficulties in customer loss and employee retention as a result of the announcement and consummation of such transactions; (6) the ability to recognize the anticipated benefits of the combination of Level 3 and Global Crossing, including the realization of revenue and cost synergy benefits and to recognize such benefits within the anticipated timeframe; (7) the outcome of any legal proceedings that may be instituted against Level 3, Global Crossing or others following announcement of the Amalgamation Agreement and transactions contemplated therein; and (8) the possibility that Level 3 or Global Crossing may be adversely affected by other economic, business, and/or competitive factors.*

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*Additional information concerning these and other important factors can be found within Level 3’s and Global Crossing’s respective filings with the SEC, which discuss the foregoing risks as well as other important risk factors that could contribute to such differences or otherwise affect our business, results of operations and financial condition. Statements in this communication should be evaluated in light of these important factors. The forward-looking statements in this communication speak only as*

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### **Forward-Looking Statement**

*Some of the statements made in this press release are forward looking in nature. These statements are based on management's current expectations or beliefs. These forward looking statements are not a guarantee of performance and are subject to a number of uncertainties and other factors, many of which are outside Level 3's control, which could cause actual events to differ materially from those expressed or implied by the statements. The most important factors that could prevent Level 3 from achieving its stated goals include, but are not limited to: the current uncertainty in the global financial markets and the global economy; a discontinuation of the development and expansion of the Internet as a communications medium and marketplace for the distribution and consumption of data and video; and disruptions in the financial markets that could affect Level 3's ability to obtain additional financing. Additional factors include, but are not limited to, the company's ability to: increase and maintain the volume of traffic on its network; develop effective business support systems; manage system and network failures or disruptions; develop new services that meet customer demands and generate acceptable margins; defend intellectual property and proprietary rights; adapt to rapid technological changes that lead to further competition; attract and retain qualified management and other personnel; successfully integrate acquisitions; and meet all of the terms and conditions of debt obligations. 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 press release should be evaluated in light of these important factors. Level 3 is under no obligation to, and expressly disclaims any such obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.*

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### **Contact Information**

#### **Contact Information**

Media:  
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720-888-3991  
Monica.Martinez@Level3.com

Investors:  
Mark Stoutenberg  
720-888-2518  
Mark.Stoutenberg@Level3.com



**Level 3 Announces Proposed Private Offering  
of Additional 8.125% Senior Notes due 2019**

**BROOMFIELD, Colo., July 14, 2011** — Level 3 Communications, Inc. (NASDAQ: LVL3) today announced that Level 3 Escrow, Inc., its indirect wholly owned subsidiary, plans to offer an additional \$300 million aggregate principal amount of 8.125% Senior Notes due 2019 in a proposed private offering to “qualified institutional buyers,” as defined in Rule 144A under the Securities Act of 1933, as amended, and non-U.S. persons outside the United States under Regulation S under the Securities Act of 1933. This offering represents an additional offering of the 8.125% Senior Notes due 2019 that were issued on June 9, 2011. The notes offered in this offering are being offered as additional notes under the same indenture as the 8.125% Senior Notes issued on June 9, 2011, and will be treated under that indenture as a single series of notes with the outstanding 8.125% Senior Notes.

The gross proceeds from the offering of the notes will be deposited into the same segregated escrow account into which the gross proceeds from the offering of the outstanding 8.125% Senior Notes were deposited on June 9, 2011. The gross proceeds from the offering of the notes will remain in the escrow account until the date on which certain escrow conditions, including, but not limited to, the substantially concurrent consummation of the acquisition by Level 3 of Global Crossing Limited and the assumption of the notes and the outstanding 8.125% Senior Notes by Level 3 Financing, Inc., a wholly owned subsidiary of Level 3 and the parent company of Level 3 Escrow, are satisfied. If the escrow conditions are not satisfied on or before April 10, 2012 (or any earlier date on which Level 3 determines that any of such escrow conditions cannot be satisfied), Level 3 Escrow will be required to redeem the notes and the outstanding 8.125% Senior Notes.

Following the release of the escrowed funds in connection with the assumption of the notes by Level 3 Financing, the gross proceeds from the offering of the notes, along with the gross proceeds from the offering of the outstanding 8.125% Senior Notes, will be used to refinance certain existing indebtedness of Global Crossing, including fees and premiums, in connection with the closing of Level 3’s proposed acquisition of Global Crossing. The gross proceeds from the offering will further reduce the outstanding bridge commitment Level 3 has in place with certain financial institutions in connection with refinancing certain Global Crossing indebtedness.

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The notes will not be registered under the Securities Act of 1933 or any state securities laws and, unless so registered, may not be offered or sold except pursuant to an applicable exemption from the registration requirements of the Securities Act of 1933 and applicable state securities laws.

### **About Level 3 Communications**

Level 3 Communications, Inc. (NASDAQ: LVT) is a leading international provider of fiber-based communications services. Enterprise, content, wholesale and government customers rely on Level 3 to deliver services with an industry-leading combination of scalability and value over an end-to-end fiber network. Level 3 offers a portfolio of metro and long-haul services, including transport, data, Internet, content delivery and voice. For more information, visit [www.level3.com](http://www.level3.com).

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### **Forward-Looking Statement**

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### **Level 3 Announces Pricing of Private Offering of Senior Notes**

**BROOMFIELD, Colo., July 14, 2011** — Level 3 Communications, Inc. (NASDAQ: LVLT) today announced that Level 3 Escrow, Inc., its indirect, wholly owned subsidiary, has agreed to sell an additional \$600 million aggregate principal amount of 8.125% Senior Notes due 2019 in a private offering to “qualified institutional buyers,” as defined in Rule 144A under the Securities Act of 1933, as amended, and non-U.S. persons outside the United States under Regulation S under the Securities Act of 1933. This offering represents an additional offering of the 8.125% Senior Notes due 2019 that were issued on June 9, 2011. These notes are being offered as additional notes under the same indenture as the 8.125% Senior Notes issued on June 9, 2011, and will be treated under that indenture as a single series of notes with the outstanding 8.125% Senior Notes. The Company had originally announced its plans to issue \$300 million aggregate principal amount of additional 8.125% Senior Notes due 2019.

The new 8.125% Senior Notes due 2019 were priced to investors at 98.545% of their principal amount, plus accrued interest from June 9, 2011, and will mature on July 1, 2019.

The gross proceeds from the offering of the notes will be deposited into the same segregated escrow account into which the gross proceeds from the offering of the outstanding 8.125% Senior Notes were deposited on June 9, 2011. The gross proceeds from the offering of the notes will remain in the escrow account until the date on which certain escrow conditions, including, but not limited to, the substantially concurrent consummation of the acquisition by Level 3 of Global Crossing Limited and the assumption of the notes by Level 3 Financing, Inc., a wholly owned subsidiary of Level 3 and the direct parent company of Level 3 Escrow, are satisfied. If the escrow conditions are not satisfied on or before April 10, 2012 (or any earlier date on which Level 3 determines that any of such escrow conditions cannot be satisfied), Level 3 Escrow will be required to redeem the notes.

Following the release of the escrowed funds in connection with the assumption of the notes by Level 3 Financing, the gross proceeds from the offering of the notes will be used to refinance certain existing indebtedness of Global Crossing, including fees and premiums, in connection with the closing of Level 3’s proposed acquisition of Global Crossing. To the extent the gross proceeds from the offering of the notes, together with the gross proceeds from the offering of the outstanding 8.125% Senior Notes and proceeds from other indebtedness incurred concurrently with the closing of Level 3’s proposed acquisition of Global Crossing, exceed, in the aggregate, the amount

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necessary to refinance substantially all of such certain existing indebtedness of Global Crossing, such excess proceeds will be used for general corporate purposes. The gross proceeds from the offering will reduce to zero the outstanding bridge commitment for unsecured debt that Level 3 has in place with certain financial institutions in connection with refinancing certain Global Crossing indebtedness.

The offering is expected to be completed on July 28, 2011, subject to the satisfaction or waiver of customary closing conditions.

The notes will not be registered under the Securities Act of 1933 or any state securities laws and, unless so registered, may not be offered or sold except pursuant to an applicable exemption from the registration requirements of the Securities Act of 1933 and applicable state securities laws.

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