

LEVEL 3 COMMUNICATIONS INC

FORM 8-K (Current report filing)

Filed 12/13/05 for the Period Ending 12/12/05

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

LEVEL 3 COMMUNICATIONS INC

FORM 8-K

(Unscheduled Material Events)

Filed 12/13/2005 For Period Ending 12/12/2005

Address	1025 ELDORADO BOULEVARD BLDG 2000 BROOMFIELD, Colorado 80021
Telephone	720-888-1000
CIK	0000794323
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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): December 12, 2005

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))

8.01 Other Events

On December 12, 2005, Level 3 Communications, Inc. (the "Company") announced the commencement of private offers to exchange any and all of its 9 1/8% Senior Notes due 2008, 11% Senior Notes due 2008 and 10 1/2% Senior Discount Notes due 2008 in a private placement for cash and a maximum of \$1,230,272,000 aggregate principal amount of its new 11.50% Senior Notes due 2010.

A press release announcing the exchange offers is attached hereto as Exhibit 99.1.

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 December 12, 2005 of Level 3 Communications, 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, thereunto duly authorized.

Level 3 Communications, Inc.

December 13, 2005
Date

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

[Logo]

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
	Jennifer Daumler 720-888-3356		Sandra Curlander 720-888-2501

Level 3 Announces Private Debt Exchange Offer For \$1.23 Billion of Debt Securities

BROOMFIELD, Colo., December 12, 2005 -- Level 3 Communications, Inc. (NASDAQ: LVLT) announced today that it is commencing private offers to exchange any and all of its 9 1/8% Senior Notes due 2008, 11% Senior Notes due 2008 and 10 1/2% Senior Discount Notes due 2008 (together the "old notes") in a private placement for cash and a maximum of \$1,230,272,000 aggregate principal amount of its new 11.50% Senior Notes due 2010 (the "new notes"). The exchange offers are being made only to qualified institutional buyers and institutional accredited investors inside the United States and to certain non-U.S. investors located outside the United States ("eligible holders"). Each exchange offer will expire at 11:59 p.m., New York City time, on January 10, 2006, unless extended. Eligible holders who validly tender and do not withdraw their old notes on or prior to 5:00 p.m., New York City time, on December 22, 2005, unless extended (the "early participation date"), will also receive an early participation payment, as set forth below.

The cash and principal amount of new notes to be issued to eligible holders for each \$1,000 principal amount, or principal amount at maturity, as applicable, of old notes accepted in exchange as well as the cash payment that will be paid to eligible holders who validly tender their old notes on or prior to the early participation date is set forth in the table below.

		Consideration per \$1,000 principal amount				
		Aggregate Principal Amount Outstanding	of old notes exchanged		Cash Payment	Total Cash Payment (1)
Title of old notes to be exchanged	CUSIP		Principal Amount of new notes to be Issued			
9 1/8% Senior Notes due 2008	52729NAC4 U52782AA4 52729NAA8	\$954,195,000	\$1,000.00		\$40.00	\$65.00
11% Senior Notes due 2008	52729NAK6	\$132,495,000	\$1,000.00		\$70.00	\$95.00
101/2% Senior Discount Notes due 2008(2)	52729NAE0	\$143,582,000	\$1,000.00		\$37.00	\$62.00

(1) Received only if old notes are tendered on or prior to the early participation date.

(2) Fully accreted.

The purpose of these private exchange offers is to improve Level 3's financial flexibility by extending the maturities of its overall indebtedness and reducing the amount of its outstanding indebtedness with maturities in 2008, the first year in which its outstanding senior unsecured indebtedness is due.

Tendered old notes may be validly withdrawn at any time prior to 5:00 p.m., New York City time, on December 22, 2005. Notes tendered after the withdrawal date for any exchange offer may not be withdrawn unless Level 3 reduces the consideration being offered, the early participation payment or the aggregate principal amount of notes being sought in that exchange offer.

Each of the exchange offers is conditioned upon, among other things, there being validly tendered and not withdrawn prior to the expiration of the exchange offers at least \$645.1 million aggregate principal amount of old notes (representing approximately 50% of the aggregate principal amount outstanding of all of Level 3's notes with a 2008 maturity and approximately 52% of the aggregate principal amount outstanding of the old notes). Certain eligible holders holding approximately 42% of the aggregate principal amount outstanding of old notes (representing approximately 40% of the aggregate principal amount outstanding of all of Level 3's notes with a 2008 maturity) have indicated their intent to exchange their old notes in the exchange offers, subject to the terms and conditions of the exchange offers.

The new notes have not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Level 3 will enter into a registration rights agreement pursuant to which it will agree to file an exchange offer registration statement with the Securities and Exchange Commission with respect to the new notes.

The new notes will be senior unsecured obligations of Level 3, ranking equal in right of payment with old notes not tendered in the exchange offers. The new notes will mature on March 1, 2010, and will bear interest at a rate per annum equal to 11.50%. Interest on the new notes will be payable on March 1 and September 1 of each year, beginning on September 1, 2006. Level 3 may redeem some or all of the new notes at any time on or after March 1, 2009, at 100% of their principal amount plus accrued interest. The other terms of the new notes will be the same in all material respects as the terms of the 9 1/8% Senior Notes due 2008 of Level 3, except that the new notes will not be registered under

the Securities Act or any state securities laws and will therefore be subject to substantial restrictions on transfer.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any security and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offering, solicitation or sale would be unlawful.

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 subsidiary, Software Spectrum. For additional information, visit its Web site at www.softwarespectrum.com.

The Level 3 logo is a registered service mark of Level 3 Communications, Inc. in the United States and/or other countries. Level 3 services are provided by a wholly owned subsidiary of Level 3 Communications, Inc.

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: developing new products and services that meet customer demands and generate acceptable margins; increasing the volume of traffic on Level 3's network; overcoming the softness in the economy given its disproportionate effect on the telecommunications industry; integrating strategic acquisitions; attracting and retaining qualified management and other personnel; successfully completing commercial testing of new technology and information systems to support new products and services, including voice transmission services; ability to meet all of the terms and conditions of our debt obligations; overcoming Software Spectrum's reliance on financial incentives, volume discounts and marketing funds from software publishers; reducing downward pressure of Software Spectrum's margins as a result of the use of volume licensing and maintenance agreements; and reducing rate of price compression on certain of the Company's existing transport and IP services. 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.

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End of Filing

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