

LEVEL 3 COMMUNICATIONS INC

FORM 8-K (Current report filing)

Filed 10/23/01 for the Period Ending 10/23/01

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 10/23/2001 For Period Ending 10/23/2001

Address	1025 ELDORADO BOULEVARD BLDG 2000 BROOMFIELD, Colorado 80021
Telephone	720-888-1000
CIK	0000794323
Industry	Communications Services
Sector	Services
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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): October 23, 2001

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 80021
(Address of principal executive offices)(Zip code)

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

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

Item 5. Other Events

On October 23, 2001, Level 3 Communications, Inc. ("Level 3") announced that Level 3 Finance, LLC ("Level 3 Finance"), its first tier, wholly owned subsidiary, had completed Level 3 Finance's "Modified Dutch Auction" tender offers for a portion of Level 3's outstanding debt and convertible debt securities, which were commenced on September 10, 2001 and expired at 11:59 p.m. New York City time on October 22, 2001. On October 23, 2001, Level 3 issued a press release relating to the completion of the tender offers by Level 3 Finance. This press release, which summarizes the results of each tender offer, is filed as Exhibit 99.1 to this Current Report and incorporated by reference as if set forth in full.

Item 7. Financial Statements and Exhibits

(a) Financial Statements of business acquired

None

(b) Pro forma financial information

None

(c) Exhibits

99.1 October 23, 2001 Press Release relating to the tender offers.

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.

October 23, 2001
Date

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

Broomfield, CO 80021

www.Level3.com

NEWS RELEASE

FOR IMMEDIATE RELEASE

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Level 3 Communications Announces Final Results of "Modified Dutch Auction" Tender Offers for a Portion of its Debt Securities

Tender Offers Result in Purchase of Approximately \$1.713 Billion Aggregate Face Amount of Debt at Maturity

BROOMFIELD, Colo., October 23, 2001 - Level 3 Communications, Inc. ("Level 3") (Nasdaq: LVLT) today announced that Level 3 Finance, LLC ("Level 3 Finance"), its first tier, wholly owned subsidiary, has completed its "Modified Dutch Auction" tender offers for a portion of Level 3's senior debt and convertible debt securities described below.

Each tender offer expired on October 22, 2001 at 11:59 p.m., New York City time. The table below sets forth, as of the expiration of each tender offer (1) the principal amount of each series of Notes validly tendered, (2) the principal amount of each series of Notes to be purchased by Level 3 Finance and (3) the purchase price per \$1,000 (or Euro1,000 in the case of the Euro Notes) principal amount (or principal amount at maturity, as applicable), of Level 3's 9 1/8% Senior Notes due 2008, 10 1/2% Senior Discount Notes due 2008, 10 3/4% Senior Notes due 2008, 11 1/4% Senior Notes due 2010, 11% Senior Notes due 2008, 11 1/4% Senior Notes due 2010, 12 7/8% Senior Discount Notes due 2010, 6% Convertible Subordinated Notes due 2009 and 6% Convertible Subordinated Notes due 2010 tendered in each tender offer. The purchase prices listed below apply to Notes tendered without specifying a price and Notes tendered at or below the applicable purchase price.

Series of Notes	Principal Amount Tendered (in millions)	Principal Amount to be Purchased (in millions)	Purchase Price per \$1,000 (or Euro1,000) Principal Amount
9 1/8% Notes	\$569,978	\$569,978	\$450
10 1/2% Discount Notes*	\$395,114	\$125,000	\$210
10 3/4% Euro Notes	Euro147,021	Euro147,021	Euro440
11 1/4% Euro Notes	Euro183,053	Euro183,053	Euro440
11% Notes	\$358,458	\$358,458	\$480
11 1/4% Notes	\$115,196	\$115,196	\$460
12 7/8% Discount Notes*	\$231,440	\$100,000	\$150
2009 Convertible Notes	\$80,388	\$80,388	\$220
2010 Convertible Notes	\$71,182	\$71,182	\$220
* Principal amount at maturity			

Since the principal amount of validly tendered 10 1/2% Discount Notes and 12 7/8% Discount Notes exceeded the principal amount of each such series that Level 3 Finance was seeking to purchase, Level 3 Finance accepted for payment Notes of such series as follows. First, Level 3 Finance accepted for payment all Notes of each such series that were tendered at prices below the purchase price for that series. Next, Level 3 Finance accepted for payment such Notes of that series that were tendered at the applicable purchase price on a pro rata basis from among the tendered Notes of that series. The proration factor for each such series of Notes is as follows:

Series of Notes	Proration Factor
10 1/2% Discount Notes*	62.495%
12 7/8% Discount Notes*	79.089%

* Principal amount at maturity

Level 3 Finance will pay the aggregate purchase price including accrued interest, if any, through October 24, 2001, approximately \$720.6 million, to the depositary for those Notes accepted for payment on Thursday, October 25, 2001, and all Notes not accepted for payment will be promptly returned to holders.

Salomon Smith Barney and J.P. Morgan Securities Inc. served as the dealer managers and Mellon Investor Services LLC served as both the information agent and the depositary in connection with the tender offers.

Level 3 is aware that the various issuances of its outstanding senior notes, senior discount notes and convertible subordinated notes continue to trade at discounts to their respective face or accreted amounts. In order to continue to reduce future cash interest payments, as well as future amounts due at maturity, Level 3 or its affiliates may, from time to time, purchase these outstanding debt securities for cash or exchange shares of Level 3 common stock for these outstanding debt securities pursuant to the exemption provided by Section 3(a)(9) of the Securities Act of 1933, as amended, in open market or privately negotiated transactions. Level 3

will evaluate any such transactions in light of then existing market conditions. The amounts involved in any such transactions, individually or in the aggregate, may be material.

About Level 3 Communications

Level 3 Communications, Inc. (Nasdaq:LVT) is a global communications and information services company offering a wide selection of services including IP services, broadband transport, colocation services and the industry's first Softswitch based services. Its Web address is www.Level3.com.

Forward Looking Statement

Some of the statements made by Level 3 and Level 3 Finance, LLC 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: substantial capital requirements; development of effective internal processes and systems; the ability to attract and retain high quality employees; changes in the overall economy; 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.

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End of Filing

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