

LEVEL 3 COMMUNICATIONS INC

FORM 8-K (Current report filing)

Filed 09/23/03 for the Period Ending 09/23/03

| | |
|-------------|--|
| 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 9/23/2003 For Period Ending 9/23/2003

| | |
|-------------|---|
| Address | 1025 ELDORADO BOULEVARD BLDG 2000 BROOMFIELD, Colorado 80021 |
| Telephone | 720-888-1000 |
| CIK | 0000794323 |
| 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): September 23, 2003

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)

Item 7. Financial Statements and Exhibits

(a) Financial Statements of business acquired

None

(b) Pro forma financial information

None

(c) Exhibits

None

Item 9. Regulation FD Disclosure

On September 23, 2003, the Company made the following simple calculations of various financial metrics available. This information is based on the following assumptions, and is not intended as a projection of management's view of the Company's expected performance during the periods indicated. The assumptions are presented to allow the reader to understand the components of the calculations that are summarized in the table of financial metrics presented. The following is intended as a simplified credit scenario for consideration by the reader, who is cautioned to evaluate the assumptions used. The furnishing of this information shall not be deemed an admission as to the materiality of the information included in this Current Report. This information is not filed but is furnished pursuant to Regulation FD.

Assumptions used in the following calculation are for illustrative purposes only and are not a projection of expected performance:

Revenue growth of 10% a year

Incremental EBITDA margin of 65%

Base capital expenditures of \$100 million a year

Incremental Capital expenditures of \$0.45 for every incremental \$1.00 of revenue

The Company's Information Services business generates \$30 million of unlevered cash flow a year

The Company's annual cash need for working capital equals \$20 million

Minimum cash balance is \$500 million and excess cash is used to repay outstanding debt

The foregoing assumptions will cause the following results for the future periods indicated:

| | 2004 | 2005 | 2006 | 2007 | 2008 |
|-------------------------|----------|----------|----------|----------|----------|
| Revenue | \$1.89B | \$2.08B | \$2.29B | \$2.52B | \$2.77B |
| EBITDA | \$585M | \$705M | \$840M | \$990M | \$1.15B |
| EBITDA Margin | 31% | 34% | 37% | 39% | 42% |
| CapEx | \$180M | \$190M | \$195M | \$200M | \$210M |
| ISG Unlevered Cash Flow | \$30M | \$30M | \$30M | \$30M | \$30M |
| Working Capital | \$(20M) | \$(20M) | \$(20M) | \$(20M) | \$(20M) |
| Unlevered Cash Flow | \$420M | \$525M | \$655M | \$800M | \$950M |
| Net Cash Interest | \$(410M) | \$(425M) | \$(440M) | \$(420M) | \$(330M) |
| Free Cash Flow | \$10M | \$100M | \$215M | \$380M | \$620M |
| Debt | \$5.0B | \$4.9B | \$4.8B | \$4.5B | \$3.9B |
| Debt/EBITDA | 8.6x | 7.0x | 5.7x | 4.5x | 3.4x |

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.

September 23, 2003
Date

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

End of Filing

Powered By **EDGAR**
Online

© 2005 | EDGAR Online, Inc.