

LEVEL 3 COMMUNICATIONS INC

FORM 8-K (Current report filing)

Filed 01/03/07 for the Period Ending 01/03/07

| | |
|-------------|--|
| 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 |

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): January 3, 2007

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) |

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 2.01 Completion of Acquisition or Disposition of Assets.

As previously reported, on October 16, 2006, Level 3 Communications, Inc., a Delaware corporation ("Level 3" or the "Company"), Level 3 Services, Inc., a Delaware corporation and a direct wholly owned subsidiary of Level 3 ("Merger Sub"), Level 3 Colorado, Inc., a Delaware corporation and a direct wholly owned subsidiary of Level 3 ("Sister Subsidiary"), and Broadwing Corporation, a Delaware corporation ("Broadwing"), entered into an Agreement and Plan of Merger, as amended by an Amendment, dated as of November 21, 2006 (as amended, the "Merger Agreement"), as described in the Current Report on Form 8-K filed by Level 3 on October 16, 2006 and the Current Report on Form 8-K/A filed by Level 3 on November 27, 2006. Pursuant to the Merger Agreement, on January 3, 2007, Merger Sub was merged with and into Broadwing (the "Merger") and Broadwing was subsequently merged with and into Sister Subsidiary. In the Merger, Level 3 paid consideration consisting of approximately 122 million shares of Level 3 common stock and approximately \$744 million in cash to the stockholders of Broadwing.

Broadwing, based in Austin, Texas, delivers data, voice and media solutions to enterprises and service providers over its 19,000 mile intercity fiber network. The description of the terms of the Merger Agreement is qualified in its entirety by reference to the copy of the Merger Agreement as attached as Annex A to the proxy statement/prospectus included in Level 3's Registration Statement on Form S-4 (333-138462) filed on November 24, 2006.

Item 9.01. Financial Statements and Exhibits

(a) Financial Statements of Business Acquired None

(b) Pro Forma Financial Information None

(c) Shell Company Transactions None

(d) Exhibits

99.1 Press Release dated January 3, 2007.

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.

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

Date: January 3, 2007

[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 |
| | Chris Hardman 720-888-2292 | | Valerie Finberg 720-888-2501 |

Level 3 Completes Acquisition of Broadwing

BROOMFIELD, Colo., January 3, 2007 -- Level 3 Communications, Inc. (Nasdaq: LVLT) today announced that it has completed its acquisition of Broadwing Corporation (Nasdaq: BWNG), a publicly held provider of optical network communication services.

Pursuant to the merger agreement dated October 16, 2006, Level 3 will pay consideration to Broadwing shareholders of \$8.18 of cash plus 1.3411 shares of Level 3 common stock for each share of Broadwing common stock outstanding at closing. In total, Level 3 will pay approximately \$744 million of cash and issue approximately 122 million shares of common stock.

"The acquisition of Broadwing benefits Level 3 in two distinct areas," said Kevin O'Hara, president and chief operating officer of Level 3. "The integration of the Broadwing backbone presents significant synergy opportunities, and the expansion of the customer base provides strategic growth opportunities for us moving forward."

Broadwing, based in Austin, Texas, delivers data, voice and media solutions to enterprises and service providers over its 19,000 mile intercity fiber network. Approximately half of Broadwing's revenue comes from the wholesale market, with business customers comprising the remaining revenue.

More information concerning this transaction, together with consolidated 2007 guidance for Level 3, will be provided in the company's fourth quarter 2006 earnings release and associated earnings conference call, which are tentatively scheduled for February of 2007.

About Level 3 Communications

Level 3 Communications, Inc (Nasdaq: LVT), an international communications company, operates one of the largest Internet backbones in the world. Through its customers, Level 3 is the primary provider of Internet connectivity for millions of broadband subscribers. The company provides a comprehensive suite of services over its broadband fiber optic network including Internet Protocol (IP) services, broadband transport and infrastructure services, colocation services, voice services and voice over IP services. These services provide building blocks that enable Level 3's customers to meet their growing demands for advanced communications solutions. The company's Web address is www.Level3.com.

"Level 3 Communications," "Level 3" and the Level 3 Communications logo are registered service marks of Level 3 Communications, Inc. in the United States and/or other countries. Any other product and company names herein may be trademarks of their respective owners. Level 3 services are provided by wholly owned subsidiaries 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: increasing the volume of traffic on Level 3's network; developing new products and services that meet customer demands and generate acceptable margins; successfully completing commercial testing of new technology and information systems to support new products and services, including voice transmission services; stabilizing or reducing the rate of price compression on certain of our communications services; integrating strategic acquisitions; attracting and retaining qualified management and other personnel; and the ability to meet all of the terms and conditions of our 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 release should be evaluated in light of these important factors.