

LEVEL 3 COMMUNICATIONS INC

FORM 8-K (Current report filing)

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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): March 1, 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))
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Item 8.01. Other Events

On March 2, 2007, Level 3 announced that, as part of its previously announced tender offer and consent solicitation for its 11% Senior Notes due 2008 (the “11% Notes”) and Level 3 Financing, Inc.’s Floating Rate Senior Notes due 2011 (the “Floating Rate Notes”), as of 12:01 a.m., New York City time, on March 1, 2007 (the “Consent Time”), Level 3 had accepted tenders and consents for approximately 73% of the aggregate principal amount outstanding of the 11% Notes and Level 3 Financing had accepted tenders and consents for approximately 96% of the aggregate principal amount outstanding of the Floating Rate Notes.

A press release relating to that announcement is attached hereto as Exhibit 99.1.

In connection with the tender offer and related consent solicitation for the 11% Notes, on March 1, 2007, Level 3 Communications, Inc. entered into a Supplemental Indenture (the “11% Supplemental Indenture”) amending the Indenture, dated as of February 29, 2000, among Level 3 and The Bank of New York, as Trustee, relating to the 11% Notes (the “11% Note Indenture”). The 11% Supplemental Indenture was entered into between Level 3 and The Bank of New York, as Trustee. Pursuant to the 11% Supplemental Indenture, the 11% Note Indenture is amended to eliminate substantially all of the covenants and certain events of default and related provisions contained in the 11% Note Indenture.

The 11% Supplemental Indenture is filed as Exhibit 4.1 to this Current Report and is incorporated herein by reference as if set forth in full.

In connection with the tender offer and related consent solicitation for the Floating Rate Notes, on March 1, 2007, Level 3 Financing, Inc. entered into a Supplemental Indenture (the “Floating Rate Supplemental Indenture”) amending the Indenture, dated as of March 14, 2006, among Level 3, as Guarantor, Level 3 Financing, Inc., as Issuer, and The Bank of New York, as Trustee, relating to the Floating Rate Notes (the “Floating Rate Note Indenture”). The Floating Rate Supplemental Indenture was entered into among Level 3, Level 3 Financing, Inc., Level 3 Communications, LLC, Broadwing Financial Services, Inc. and The Bank of New York, as Trustee. Pursuant to the Floating Rate Supplemental Indenture, the Floating Rate Note Indenture is amended to (i) eliminate substantially all of the covenants and certain events of default and related provisions contained in the Floating Rate Note Indenture and (ii) modify the provisions in the Floating Rate Note Indenture providing for satisfaction and discharge and covenant defeasance.

The Floating Rate Supplemental Indenture is filed as Exhibit 4.2 to this Current Report and is incorporated herein by reference as if set forth in full.

The tender offer for the 11% Notes (the “Level 3 Tender Offer”) and the tender offer for the Floating Rate Notes (the “Level 3 Financing Tender Offer” and together with the Level 3 Tender Offer, the “Tender Offers”) are each scheduled to expire at 12:01 a.m., New York City time, on March 15, 2007 (the “Expiration Date”). Notes tendered in the Tender Offers after the Consent Time but prior to the Expiration Date will not receive a consent payment. Notes tendered in the Tender Offers on or prior to the Consent Time may no longer be withdrawn. The settlement date for notes tendered in the Tender Offers on or prior to the Consent Time was March 1, 2007.

This report is not an offer to purchase, a solicitation of an offer to purchase, or a solicitation of an offer to sell securities with respect to the 11% Notes and the Floating Rate Notes. The Tender Offers may only be made pursuant to the terms of the applicable Offer to Purchase and the related Letter of Transmittal.

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

- 4.1 Supplemental Indenture, dated as of March 1, 2007, between Level 3 Communications, Inc. and The Bank of New York, as Trustee, supplementing the Indenture dated as of February 29, 2000, between Level 3 Communications, Inc. and The Bank of New York as Trustee, relating to Level 3 Communications, Inc.'s 11% Senior Notes due 2008.
- 4.2 Supplemental Indenture, dated as of March 1, 2007, among Level 3 Financing, Inc., Level 3 Communications, Inc., Level 3 Communications, LLC, Broadwing Financial Services, Inc. and The Bank of New York, as Trustee, supplementing the Indenture dated as of March 14, 2006, among Level 3 Financing, Inc., as Issuer, Level 3 Communications, Inc., as Guarantor, and The Bank of New York as Trustee, relating to Level 3 Financing, Inc.'s Floating Rate Senior Notes due 2011.
- 99.1 Press Release dated March 2, 2007, relating to the receipt of requisite consents in Level 3's tender offers and consent solicitations for Level 3's 11% Senior Notes due 2008 and Level 3 Financing, Inc.'s Floating Rate Senior Notes due 2011.

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: March 2, 2007

LEVEL 3 COMMUNICATIONS, INC.,

as Issuer,

and

THE BANK OF NEW YORK,

as Trustee

Supplemental Indenture

Dated as of March 1, 2007

11% Senior Notes Due 2008

SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE (this “Supplemental Indenture”), dated as of March 1, 2007, between LEVEL 3 COMMUNICATIONS, INC., a Delaware corporation (the “Issuer”), and THE BANK OF NEW YORK, a New York banking corporation (the “Trustee”), as Trustee under the Indenture (as hereinafter defined).

WHEREAS, the Issuer and the Trustee have as of February 29, 2000 entered into an Indenture (the “Indenture”), providing for the issuance by the Issuer from time to time of its 11% Senior Notes due 2008;

WHEREAS, Section 902 of the Indenture provides, among other things, that the Issuer and the Trustee, with the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities, may enter into one or more supplemental indentures for the purpose of adding provisions to or changing or eliminating certain of the provisions of the Indenture;

WHEREAS, the Issuer has received the written consents of the Holders of a majority of the aggregate principal amount of the Outstanding Securities to amend the Indenture as provided herein and enter into this Supplemental Indenture;

WHEREAS, the Issuer desires to enter into this Supplemental Indenture, and has duly authorized the execution and delivery of this Supplemental Indenture to modify the Indenture;

WHEREAS, concurrent with the execution hereof, the Issuer has delivered to the Trustee an Officers’ Certificate and has caused its counsel to deliver to the Trustee an Opinion of Counsel; and

WHEREAS, all conditions and requirements of the Indenture necessary to make this Supplemental Indenture a valid, binding and legal instrument in accordance with its terms have been performed and fulfilled by the parties hereto and the execution and delivery thereof have been in all respects duly authorized by the parties hereto.

NOW, THEREFORE:

For and in consideration of the mutual premises and agreements herein contained, the Issuer and the Trustee covenant and agree, for the equal and proportionate benefit of all Holders of the Securities, as follows:

ARTICLE I.

EFFECTIVENESS AND EFFECT

Section 1.1 Effectiveness and Effect.

This Supplemental Indenture shall take effect on the date hereof, provided, however, that the amendments provided for in Article Two hereof shall only become operative if an aggregate principal amount of Securities exceeding \$39,028,500 is accepted by the Issuer for payment on the Initial Payment Date (as defined in that certain Offer to Purchase and Consent Solicitation Statement of the Issuer, dated February 14, 2007), and such amendments provided for in Article Two hereof shall have no force or effect prior to the operative time specified in this Section. Subject to the foregoing, the provisions set

forth in this Supplemental Indenture shall be deemed to be, and shall be construed as part of, the Indenture. All references to the Indenture in the Indenture or in any other agreement, document or instrument delivered in connection therewith or pursuant thereto shall be deemed to refer to the Indenture as amended by this Supplemental Indenture. Except as amended hereby, the Indenture shall remain in full force and effect.

ARTICLE II.

AMENDMENT OF THE INDENTURE

Section 2.1 Deletion of Definitions and Related References

Section 101 of the Indenture is hereby amended to delete in their entirety all terms and their respective definitions for which all references are eliminated in the Indenture as a result of the amendments set forth in Section 2.2 of this Supplemental Indenture.

Section 2.2 Amendments to Indenture.

The Indenture is hereby amended by deleting the following sections of the Indenture and all references thereto in the Indenture in their entirety and replacing each such section with the term “INTENTIONALLY OMITTED”:

Section 1004 (Corporate Existence);
Section 1005 (Maintenance of Properties);
Section 1006 (Insurance);
Section 1007 (Reports);
Section 1008 (Statement by Officers as to Default);
Section 1010 (Limitation on Consolidated Debt);
Section 1011 (Limitation on Debt of Restricted Subsidiaries);
Section 1012 (Limitation on Restricted Payments);
Section 1013 (Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries);
Section 1014 (Limitation on Liens);
Section 1015 (Limitation on Sale and Leaseback Transactions);
Section 1016 (Limitation on Asset Dispositions);
Section 1017 (Limitation on Issuance and Sales of Capital Stock of Restricted Subsidiaries);
Section 1018 (Transactions with Affiliates);
Section 1019 (Limitation on Designations of Unrestricted Subsidiaries);
Section 501(4), (6) and (7) (Events of Default); and
Section 801(3) and (4) (Company May Consolidate, etc., Only on Certain Terms).

ARTICLE III.

MISCELLANEOUS

Section 3.1 Counterparts.

This Supplemental Indenture may be executed in counterparts, each of which when so executed shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

Section 3.2 Severability.

In the event that any provision in this Supplemental Indenture shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 3.3 Headings.

The article and section headings herein are for convenience only and shall not affect the construction hereof.

Section 3.4 Successors and Assigns.

Any covenants and agreements in this Supplemental Indenture by the Issuer and the Trustee shall bind their successors and assigns, whether so expressed or not.

Section 3.5 Governing Law.

THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

Section 3.6 Effect of Supplemental Indenture.

Except as amended by this Supplemental Indenture, the terms and provisions of the Indenture shall remain in full force and effect.

Section 3.7 Trustee.

The Issuer hereby acknowledges and agrees to comply with its reporting obligations under the Trust Indenture Act of 1939. The Trustee assumes no responsibility for the correctness of the recitals herein contained, which shall be taken as the statements of the Issuer, and the Trustee shall not be responsible or accountable in any way whatsoever for or with respect to the validity or execution or sufficiency of this Supplemental Indenture, and the Trustee makes no representation with respect thereto.

Section 3.8 Endorsement and Change of Form of Securities.

Any Securities authenticated and delivered after the close of business on the date that this Supplemental Indenture becomes effective may be affixed to, stamped, imprinted or otherwise legended by the Trustee, with a notation as follows:

“Effective as of March 1, 2007, certain restrictive covenants of the Indenture and certain of the Events of Default have been eliminated, as provided in the Supplemental Indenture, dated as of March 1, 2007. Reference is hereby made to said Supplemental Indenture, copies of which are on file with the Trustee, for a description of the amendments made therein.”

Section 3.9 Definitions.

Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Indenture.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed by their respective officers hereunto duly authorized, all as of the day and year first above written.

LEVEL 3 COMMUNICATIONS, INC.

By: /s/ Robin E. Grey

Name: Robin E. Grey

Title: Senior Vice President

THE BANK OF NEW YORK, as Trustee

By: /s/ Stacey B. Poindexter

Name: Stacey B. Poindexter

Title: Assistant Vice President

LEVEL 3 FINANCING, INC.,
as Issuer,
LEVEL 3 COMMUNICATIONS, INC.,
LEVEL 3 COMMUNICATIONS, LLC
and
BROADWING FINANCIAL SERVICES, INC.
as Guarantors,
and
THE BANK OF NEW YORK,
as Trustee

Supplemental Indenture

Dated as of March 1, 2007

Floating Rate Senior Notes Due 2011

SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE (this “Supplemental Indenture”), dated as of March 1, 2007, among LEVEL 3 FINANCING, INC., a Delaware corporation (the “Issuer”), LEVEL 3 COMMUNICATIONS, INC., a Delaware corporation (“Parent”), LEVEL 3 COMMUNICATIONS, LLC, a Delaware limited liability company (“Level 3 LLC”), BROADWING FINANCIAL SERVICES, INC., a Delaware corporation (“Broadwing Financial” and, together with Parent and Level 3 LLC, the “Guarantors”), and THE BANK OF NEW YORK, a New York banking corporation (the “Trustee”), as Trustee under the Indenture (as hereinafter defined).

WHEREAS, the Issuer, Parent and the Trustee have as of March 14, 2006 entered into an Indenture, as supplemented by (i) a supplemental indenture, dated as of October 12, 2006, by and among the Issuer, Level 3 LLC and the Trustee, (ii) a supplemental indenture, dated as of October 12, 2006, by and among the Issuer, Parent, Level 3 LLC and the Trustee and (iii) a supplemental indenture, dated as of January 4, 2007, by and among the Issuer, Parent, Level 3 LLC, Broadwing Financial Services, Inc. and the Trustee (as supplemented, the “Indenture”), providing for the issuance by the Issuer from time to time of its Floating Rate Senior Notes due 2011;

WHEREAS, Section 902 of the Indenture provides, among other things, that the Issuer, the Guarantors and the Trustee, with the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities, may enter into one or more supplemental indentures for the purpose of adding provisions to or changing or eliminating certain of the provisions of the Indenture;

WHEREAS, the Issuer has received the written consents of the Holders of a majority of the aggregate principal amount of the Outstanding Securities to amend the Indenture as provided herein and enter into this Supplemental Indenture;

WHEREAS, the Issuer desires to enter into this Supplemental Indenture, and has duly authorized the execution and delivery of this Supplemental Indenture to modify the Indenture;

WHEREAS, concurrent with the execution hereof, the Issuer has delivered to the Trustee an Officers’ Certificate and has caused its counsel to deliver to the Trustee an Opinion of Counsel; and

WHEREAS, all conditions and requirements of the Indenture necessary to make this Supplemental Indenture a valid, binding and legal instrument in accordance with its terms have been performed and fulfilled by the parties hereto and the execution and delivery thereof have been in all respects duly authorized by the parties hereto.

NOW, THEREFORE:

For and in consideration of the mutual premises and agreements herein contained, the Issuer, the Guarantors and the Trustee covenant and agree, for the equal and proportionate benefit of all Holders of the Securities, as follows:

ARTICLE I.

EFFECTIVENESS AND EFFECT

Section 1.1 Effectiveness and Effect.

This Supplemental Indenture shall take effect on the date hereof, provided, however, that the amendments provided for in Article Two hereof shall only become operative if an aggregate principal amount of Securities exceeding \$75,000,000 is accepted by the Issuer for payment on the Initial Payment Date (as defined in that certain Offer to Purchase and Consent Solicitation Statement of the Issuer, dated February 14, 2007), and such amendments provided for in Article Two hereof shall have no force or effect prior to the operative time specified in this Section. Subject to the foregoing, the provisions set forth in this Supplemental Indenture shall be deemed to be, and shall be construed as part of, the Indenture. All references to the Indenture in the Indenture or in any other agreement, document or instrument delivered in connection therewith or pursuant thereto shall be deemed to refer to the Indenture as amended by this Supplemental Indenture. Except as amended hereby, the Indenture shall remain in full force and effect.

ARTICLE II.

AMENDMENT OF THE INDENTURE

Section 2.1 Deletion of Definitions and Related References

Section 101 of the Indenture is hereby amended to delete in their entirety all terms and their respective definitions for which all references are eliminated in the Indenture as a result of the amendments set forth in Section 2.2 of this Supplemental Indenture.

Section 2.2 Amendments to Indenture.

(a) The Indenture is hereby amended by deleting the following sections of the Indenture and all references thereto in the Indenture in their entirety and replacing each such section with the term "INTENTIONALLY OMITTED":

- Section 1004 (Corporate Existence);
- Section 1005 (Maintenance of Properties);
- Section 1006 (Insurance);
- Section 1007 (Reports);
- Section 1008 (Statement by Officers as to Default);
- Section 1010 (Limitation on Consolidated Debt);
- Section 1011 (Limitation on Debt of the Issuer and Issuer Restricted Subsidiaries);
- Section 1012 (Limitation on Restricted Payments);
- Section 1013 (Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries);
- Section 1014 (Limitation on Liens);
- Section 1015 (Limitation on Sale and Leaseback Transactions);
- Section 1016 (Limitation on Asset Dispositions);
- Section 1017 (Limitation on Issuance and Sales of Capital Stock of Restricted Subsidiaries);
- Section 1018 (Transactions with Affiliates);
- Section 1019 (Limitation on Designations of Unrestricted Subsidiaries);
- Section 1021 (Covenant Suspension);
- Section 501(4), (6) and (7) (Events of Default);
- Section 801(3) and (4) (Parent May Consolidate, etc., Only on Certain Terms); and
- Section 803(3) and (4) (Issuer May Consolidate, etc., Only on Certain Terms).

(b) Paragraph (1) of Section 401 (Satisfaction and Discharge of Indenture) of the Indenture is hereby amended and restated in its entirety as follows:

(1) either

(a) all Outstanding Securities have been delivered to the Trustee for cancellation; or

(b) all such Securities not theretofore delivered to the Trustee for cancellation

(i) have become due and payable, or

(ii) will become due and payable within one year, or

(iii) are to be called for redemption within one year under irrevocable arrangements satisfactory to the Trustee in its sole discretion for the giving of notice of redemption by the Trustee in the name and at the expense of the Issuer,

and the Issuer, in the case of (i), (ii) or (iii) above, has irrevocably deposited or caused to be deposited with the Trustee funds in an amount sufficient to pay and discharge the entire indebtedness on the Securities not theretofore delivered to the Trustee for cancellation, for principal of (and premium, if any, on), and interest on, the Securities to Maturity or the Redemption Date, as the case may be, assuming that the interest rate on the Securities shall be the interest rate on the date such funds are so deposited, *provided*, that nothing contained in this paragraph (1) shall eliminate or otherwise affect the Company's obligation to pay the full amount due on the outstanding Securities at Maturity or the Redemption Date, including without limitation, all accrued and unpaid interest thereon;

(c) Paragraph (1) of Section 1204 (Conditions to Defeasance or Covenant Defeasance) of the Indenture is hereby amended and restated in its entirety as follows:

- (1) The Issuer shall irrevocably have deposited or caused to be deposited with the Trustee (or another trustee satisfying the requirements of Section 608 who shall agree to comply with the provisions of this Article Twelve applicable to it) as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such Securities, at any time prior to the Maturity of the Securities: (A) money in an amount, or (B) Government Securities which through the payment of interest and principal will provide, not later than one day before the due date of payment in respect of the Securities, money in an amount, or (C) a combination thereof, sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge the principal of (and premium, if any, on) and interest on, the Outstanding Securities on the Stated Maturity (or Redemption Date, if applicable) of such principal (and premium, if any) or installment of interest, assuming that the interest rate on the Outstanding Securities shall be the interest rate on the date such money, Government Securities or combination thereof is so deposited; provided that the Trustee (or such other trustee) shall have been irrevocably instructed in writing to apply such money or the proceeds of such Government Securities to said payments with respect to the Securities. Before such a deposit, the Issuer may give to the Trustee, in accordance with Section 1103, a notice of their election to redeem all of the Outstanding Securities at a future date in accordance with Article Eleven, which notice shall be irrevocable. Such irrevocable redemption notice, if given, shall be given effect in applying the foregoing.

ARTICLE III.
MISCELLANEOUS

Section 3.1 Counterparts.

This Supplemental Indenture may be executed in counterparts, each of which when so executed shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

Section 3.2 Severability.

In the event that any provision in this Supplemental Indenture shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 3.3 Headings.

The article and section headings herein are for convenience only and shall not affect the construction hereof.

Section 3.4 Successors and Assigns.

Any covenants and agreements in this Supplemental Indenture by the Issuer, the Guarantors and the Trustee shall bind their successors and assigns, whether so expressed or not.

Section 3.5 Governing Law.

THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

Section 3.6 Effect of Supplemental Indenture.

Except as amended by this Supplemental Indenture, the terms and provisions of the Indenture shall remain in full force and effect.

Section 3.7 Trustee.

Each of the Issuer and each Guarantor hereby acknowledges and agrees to comply with its reporting obligations under the Trust Indenture Act of 1939. The Trustee assumes no responsibility for the correctness of the recitals herein contained, which shall be taken as the statements of the Issuer, and the Trustee shall not be responsible or accountable in any way whatsoever for or with respect to the validity or execution or sufficiency of this Supplemental Indenture, and the Trustee makes no representation with respect thereto.

Section 3.8 Endorsement and Change of Form of Securities.

Any Securities authenticated and delivered after the close of business on the date that this Supplemental Indenture becomes effective may be affixed to, stamped, imprinted or otherwise legended by the Trustee, with a notation as follows:

“Effective as of March 1, 2007, certain restrictive covenants of the Indenture and certain of the Events of Default have been eliminated, as provided in the Supplemental Indenture, dated as of March 1, 2007. Reference is hereby made to said Supplemental Indenture, copies of which are on file with the Trustee, for a description of the amendments made therein.”

Section 3.9 Definitions.

Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Indenture.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed by their respective officers hereunto duly authorized, all as of the day and year first above written.

LEVEL 3 FINANCING, INC.

By: /s/ Sunit S. Patel
Name: Sunit S. Patel
Title: Group Vice President

LEVEL 3 COMMUNICATIONS, INC.

By: /s/ Robin E. Grey
Name: Robin E. Grey
Title: Senior Vice President

LEVEL 3 COMMUNICATIONS, LLC

By: /s/ Neil J. Eckstein
Name: Neil J. Eckstein
Title: Senior Vice President

BROADWING FINANCIAL SERVICES, INC.

By: /s/ Neil J. Eckstein
Name: Neil J. Eckstein
Title: Senior Vice President

THE BANK OF NEW YORK, as Trustee

By: /s/ Stacey B. Poindexter
Name: Stacey B. Poindexter
Title: Assistant Vice President



1025 Eldorado Boulevard
Broomfield, Colorado 80021
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NEWS RELEASE**Level 3 contacts:**

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720-888-2517

Chris Hardman
720-888-2292

Investors: Robin Grey
720-888-2518

Valerie Finberg
720-888-2501

**Level 3 Announces Receipt of Requisite Consents in Tender
Offers and Consent Solicitations**

BROOMFIELD, Colo., March 2, 2007 — Level 3 Communications, Inc. (NASDAQ: LVLT) announced today that, as part of its previously announced tender offer and consent solicitation for its 11% Senior Notes due 2008 (the “11% Notes”) and Level 3 Financing, Inc.’s previously announced tender offer for its Floating Rate Senior Notes due 2011 (the “Floating Rate Notes”), as of 12:01 a.m., New York City time, on March 1, 2007 (the “Consent Time”), Level 3 had accepted tenders and consents for approximately 73% of the aggregate principal amount outstanding of the 11% Notes and Level 3 Financing had accepted tenders and consents for approximately 96% of the aggregate principal amount outstanding of the Floating Rate Notes.

In connection with the tender offer and related consent solicitation for the 11% Notes, on March 1, 2007, Level 3 Communications, Inc. entered into a Supplemental Indenture (the “11% Supplemental Indenture”) amending the Indenture, dated as of February 29, 2000, between Level 3 and The Bank of New York, as Trustee, relating to the 11% Notes (the “11% Note Indenture”). The 11% Supplemental Indenture was entered into by Level 3 and The Bank of New York, as Trustee. The 11% Supplemental Indenture amends the 11% Note Indenture to eliminate substantially all of the covenants and certain events of default and related provisions contained in the 11% Note Indenture.

In connection with the tender offer and related consent solicitation for the Floating Rate Notes, on March 1, 2007, Level 3 Financing, Inc. entered into a Supplemental Indenture (the “Floating Rate Supplemental Indenture”) amending the Indenture, dated as of March 14, 2006, among Level 3, as Guarantor, Level 3 Financing, Inc., as Issuer, and The Bank

of New York, as Trustee, relating to the Floating Rate Notes (the “Floating Rate Note Indenture”). The Floating Rate Supplemental Indenture was entered into among Level 3, Level 3 Financing, Inc., Level 3 Communications, LLC, Broadwing Financial Services, Inc. and The Bank of New York, as Trustee. The Floating Rate Supplemental Indenture amends the Floating Rate Note Indenture to (i) eliminate substantially all of the covenants and certain events of default and related provisions contained in the Floating Rate Indenture and (ii) modify the provisions in the Floating Rate Indenture providing for satisfaction and discharge and covenant defeasance.

The tender offer for the 11% Notes (the “Level 3 Tender Offer”) and the tender offer for the Floating Rate Notes (the “Level 3 Financing Tender Offer” and together with the Level 3 Tender Offer, the “Tender Offers”) are each scheduled to expire at 12:01 a.m., New York City time, on March 15, 2007 (the “Expiration Date”). Notes tendered in the Tender Offers after the Consent Time, but prior to the Expiration Date will not receive a consent payment. Notes tendered in the Tender Offers on or prior to the Consent Time may no longer be withdrawn. The settlement date for notes tendered in the Tender Offers on or prior to the Consent Time was March 1, 2007.

This press release is not an offer to purchase, a solicitation of an offer to purchase, or a solicitation of an offer to sell securities with respect to the 11% Notes and the Floating Rate Notes. The Tender Offers may only be made pursuant to the terms of the applicable Offer to Purchase and the related Letter of Transmittal.

The complete terms and conditions of the Tender Offers are set forth in separate Offers to Purchase that have been sent to holders of the 11% Notes and the Floating Rate Notes, as applicable. Holders are urged to read the tender offer documents carefully. Copies of each Offer to Purchase and each related Letter of Transmittal may be obtained from the Information Agent for the Tender Offers, Global Bondholder Services Corporation, at (212) 430-3774 and (866) 389-1500 (toll-free).

Merrill Lynch & Co. is the Dealer Manager for the Tender Offers. Questions regarding the tender offer may be directed to Merrill Lynch & Co. at (888) 654-8637 (toll-free) and (212) 449-4914.

About Level 3 Communications

Level 3 Communications, Inc (Nasdaq: LVL3), 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.

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: integrate strategic acquisitions; increase the volume of traffic on our network; defend our intellectual property and proprietary rights; develop new products and services that meet customer demands and generate acceptable margins; successfully complete commercial testing of new technology and information systems to support new products and services; attract and retain qualified management and other personnel; and 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 press release should be evaluated in light of these important factors.