

LEVEL 3 COMMUNICATIONS INC

FORM 8-K (Current report filing)

Filed 02/20/07 for the Period Ending 02/16/07

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

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Address	1025 ELDORADO BOULEVARD BLDG 2000 BROOMFIELD, Colorado 80021
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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): February 16, 2007

Level 3 Communications, Inc.

(Exact name of Registrant as specified in its charter)

Delaware	0-15658	47-0210602
(State or other	(Commission File	(IRS employer
jurisdiction of incorporation)	Number)	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)

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 8.01. Other Events

Consent Solicitation

On February 16, 2007, Level 3 Communications, Inc. ("Level 3") issued a press release announcing that its wholly owned subsidiary, Level 3 Financing, Inc., has commenced a consent solicitation with respect to certain amendments to the indenture governing Level 3 Financing's outstanding 12.25% Senior Notes due 2013 (the "Consent Solicitation"). The Consent Solicitation will expire at 5:00 p.m., New York City time, on February 23, 2007, unless extended (such date, as it may be extended, the "Consent Date").

On the terms and subject to the conditions of the Consent Solicitation, if Level 3 Financing receives the requisite consents and the supplemental indenture that contains the amendments is executed, Level 3 Financing will pay, following the Consent Date and the satisfaction of the other conditions contained in the Consent Solicitation, to each Holder who has validly delivered (and has not revoked) a valid consent on or prior to the Consent Date, \$5.00 for each \$1,000 in principal amount of 12.25% Senior Notes due 2013.

The press release is filed as Exhibit 99.1 to this Current Report and is incorporated herein by reference as if set forth in full.

Tender Offers

On February 20, 2007, Level 3 issued a press release announcing that it commenced a tender offer to purchase for cash any and all of its outstanding 11.5% Senior Notes due 2010 (the "11.5% Senior Notes") for a price equal to \$1,115.26 per \$1,000 principal amount of the 11.5% Senior Notes, which includes \$1,085.26 as the purchase price and \$30.00 as a consent payment (the "11.5% Notes Tender Offer"). The 11.5% Senior Notes were initially issued in January 2006 in an aggregate principal amount of approximately \$692 million, all of which is currently outstanding.

The press release also announced that Level 3 commenced a tender offer to purchase for cash any and all of its outstanding 10 3/4% Senior Euro Notes due 2008 (the "Senior Euro Notes") for a price equal to euro 1,061.45 per euro 1,000 principal amount of the Senior Euro Notes, which includes euro 1,031.45 as the purchase price and euro 30.00 as a consent payment (the "Euro Tender Offer" and together with the 11.5% Notes Tender Offer, the "Tender Offers"). The 10 3/4% Senior Euro Notes due 2008 were initially issued in February 2000 in an aggregate principal amount of euro 500 million, of which euro 49,773,000 is currently outstanding.

In connection with the Tender Offers, Level 3 is soliciting consents to certain proposed amendments to the respective indentures governing the notes that are subject to the Tender Offers to eliminate substantially all of the covenants, certain repurchase rights and certain events of default and respective related provisions contained in those indentures.

The Tender Offers are also subject to the satisfaction or waiver of certain other conditions as set forth in the applicable Offer to Purchase. It is a condition to the consummation of the Tender Offers that the holders of at least a majority of the outstanding aggregate principal amount of each series of notes consent to the amendments to the applicable indenture governing those notes.

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 notes that are the subject of the Tender Offers. The Tender Offers may only be made pursuant to the terms of the respective Offer to Purchase and the related Letter of Transmittal.

The press release is filed as Exhibit 99.2 to this Current Report and is incorporated herein by reference as if set forth in full.

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 February 16, 2007, relating to the consent solicitation being made by Level 3 Financing, Inc.

99.2 Press Release dated February 20, 2007, relating to the launching of tender offers by 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, hereunto duly authorized.

Level 3 Communications, Inc.

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

Date: February 20, 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 Subsidiary Launches Consent Solicitation for 12.25% Senior Notes due 2013

BROOMFIELD, Colo., February 16, 2007 -- Level 3 Communications, Inc. (Nasdaq: LVLT) today announced that its wholly owned subsidiary, Level 3 Financing, Inc., has commenced a consent solicitation with respect to certain amendments to the indenture governing Level 3 Financing's outstanding 12.25% Senior Notes due 2013 (the "Consent Solicitation"). The Consent Solicitation will expire at 5:00 p.m., New York City time, on February 23, 2007, unless extended (such date, as it may be extended, the "Consent Date").

On the terms and subject to the conditions of the Consent Solicitation, if Level 3 Financing receives the requisite consents and the supplemental indenture that contains the amendments is executed, Level 3 Financing will pay, following the Consent Date and the satisfaction of the other conditions contained in the Consent Solicitation, to each Holder who has validly delivered (and has not revoked) a valid consent on or prior to the Consent Date, \$5.00 for each \$1,000 in principal amount of 12.25% Senior Notes due 2013.

Level 3 Financing is seeking consents to amend the indenture relating to the 12.25% Senior Notes due 2013 to provide that, on a one-time basis at any time between the date the indenture is amended and September 30, 2007, Level 3 may incur debt that is permitted based upon a multiple of cash flow available for fixed charges on a "pro forma" basis giving effect to any acquisition, merger or consolidation that was completed prior to February 1, 2007. The amendment would provide for the calculation of the ability to incur this type of debt in a manner that is consistent with such calculation under

the indentures of Level 3 Financing governing its 9.25% Senior Notes due 2013, Floating Rate Senior Notes due 2015 and 8.75% Senior Notes due 2017 other than with respect to the one-time nature of the adjustment and the limitation with respect to transactions that had been completed prior to February 1, 2007.

The complete terms and conditions of the Consent Solicitation are set forth in the Consent Solicitation Statement that is being sent to holders of the 12.25% Senior Notes due 2013. Holders are urged to read the Consent Solicitation documents carefully. Copies the Consent Solicitation Statement and related Consent Letter may be obtained from Global Bondholder Services Corporation, at 212-430-3774 and (866) 389-1500 (toll-free).

Merrill Lynch & Co. is the Solicitation Agent for the Consent Solicitation. Questions regarding the Consent Solicitation 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: LVLT), 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.

[Logo]

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Level 3 Launches Tender Offers for 11.5% Senior Notes due 2010 and 10 3/4% Senior Euro Notes due 2008

BROOMFIELD, Colo., February 20, 2007 -- Level 3 Communications, Inc. (Nasdaq: LVLT) today announced that it commenced a tender offer to purchase for cash any and all of its outstanding 11.5% Senior Notes due 2010 (the "11.5% Senior Notes") for a price equal to \$1,115.26 per \$1,000 principal amount of the 11.5% Senior Notes, which includes \$1,085.26 as the purchase price and \$30.00 as a consent payment (the "11.5% Notes Tender Offer"). The 11.5% Senior Notes were initially issued in January 2006 in an aggregate principal amount of approximately \$692 million, all of which is currently outstanding.

Level 3 also today announced that it commenced a tender offer to purchase for cash any and all of its outstanding 10 3/4% Senior Euro Notes due 2008 (the "Senior Euro Notes") for a price equal to euro 1,061.45 per euro 1,000 principal amount of the Senior Euro Notes, which includes euro 1,031.45 as the purchase price and euro 30.00 as a consent payment (the "Euro Tender Offer" and together with the 11.5% Notes Tender Offer, the "Tender Offers"). The 10 3/4% Senior Euro Notes due 2008 were initially issued in February 2000 in an aggregate principal amount of euro 500 million, of which euro 49,773,000 is currently outstanding.

In connection with the Tender Offers, Level 3 is soliciting consents to certain proposed amendments to the respective indentures governing the notes that are subject to the Tender Offers to eliminate substantially all of the covenants, certain repurchase rights,

certain discharge rights and certain events of default and related provisions contained in those indentures.

With respect to the Tender Offers, holders of notes validly tendered prior to 12:01 a.m., New York City time on March 6, 2007, unless extended or earlier terminated (the "Consent Time"), if such notes are accepted for purchase, will receive the applicable total consideration. The Tender Offers are scheduled to expire at 12:01 a.m., New York City time, on March 20, 2007, unless extended or earlier terminated (the "Expiration Date"). Payment for notes validly tendered on or prior to the Consent Time and accepted for purchase will be made after the Consent Time. Holder of notes who validly tender after the Consent Time but prior to the Expiration Date, if such notes are accepted for purchase, will receive the applicable tender offer consideration but will not receive the applicable consent payment. Payment for notes validly tendered after the Consent Time and on or prior to the Expiration Date and accepted for purchase will be made promptly after the Expiration Date. Accrued interest up to, but not including, the applicable settlement date will be paid in cash on all validly tendered and accepted notes.

The Tender Offers are also subject to the satisfaction or waiver of certain other conditions as set forth in the applicable Offer to Purchase. It is a condition to the consummation of the Tender Offers that the holders of at least a majority of the outstanding aggregate principal amount of each series of notes consent to the amendments to the applicable indenture governing those notes.

This announcement 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 notes that are the subject of the Tender Offers. The Tender Offers may only be made pursuant to the terms of the respective Offer to Purchase and the related Letter of Transmittal.

The complete terms and conditions of the Tender Offers are set forth in a separate Offer to Purchase with respect to each Tender Offer that is being sent to holders of the notes. Holders are urged to read the Tender Offer documents carefully. Copies of each Offer to Purchase and the 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 Offers may be directed to Merrill Lynch & Co. at (888) 654-8637 (toll-free) and 212-449-4914.

About Level 3 Communications

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their growing demands for advanced communications solutions. The company's Web address is www.Level3.com.

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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.