

# LEVEL 3 COMMUNICATIONS INC

Filed by  
**LEVEL 3 FINANCE LLC**

## **FORM SC TO-I/A** (Amended tender offer statement by Issuer)

Filed 09/25/01

|             |  |
|-------------|--|
| Address     | 1025 ELDORADO BOULEVARD<br>BLDG 2000<br>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 SC TO-I/A (Amended tender offer statement by Issuer)

Filed 9/25/2001

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|-------------|---|
| Address     | 1025 ELDORADO BOULEVARD BLDG 2000<br>BROOMFIELD, Colorado 80021 |
| Telephone   | 720-888-1000  |
| CIK         | 0000794323  |
| Industry    | Communications Services   |
| Sector      | Services  |
| Fiscal Year | 12/31   |

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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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**SCHEDULE TO-I/A**  
Tender Offer Statement under Section 14(d)(1)  
or Section 13(e)(1) of the Securities Exchange Act of 1934  
Amendment No. 1

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## LEVEL 3 COMMUNICATIONS, INC.

(Name of Subject Company (Issuer))

**LEVEL 3 FINANCE, LLC**  
(Name of Filing Person (Offeror))

6% Convertible Subordinated Notes due 2009  
6% Convertible Subordinated Notes due 2010  
(Title of Class of Securities)

**52729NAG5**  
**52729NAS9**  
(Cusip Numbers of Class of Securities)

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Thomas C. Stortz, Esq.  
General Counsel  
Level 3 Communications, Inc.  
1025 Eldorado Boulevard  
Broomfield, Colorado 80021  
Telephone: (720) 888-1000

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications on Behalf of the Filing Person(s))

### Copies to:

|                           |                           |
|---------------------------|---------------------------|
| John S. D'Alimonte, Esq.  | Allan G. Sperling, Esq.   |
| Willkie Farr & Gallagher  | Cleary, Gottlieb, Steen & |
| 787 Seventh Avenue        | Hamilton                  |
| New York, New York 10019  | One Liberty Plaza         |
| Telephone: (212) 728-8000 | New York, New York 10006  |
|                           | Telephone: (212) 225-2000 |

### CALCULATION OF FILING FEE

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| Transaction Valuation* | Amount of Filing Fee |
|------------------------|----------------------|
| -----                  | -----                |
| \$165,750,000          | \$33,150             |

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\* Determined pursuant to Rule 0-11(b)(1) of the Securities Exchange Act of 1934.

[X] Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

☐ Check box if filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

☐ third-party tender offer subject to Rule 14d-1

☒ issuer tender offer subject to Rule 13e-4

☐ going private transaction subject to Rule 13e-3

☐ amendment to Schedule 13D under Rule 13d-2

Check the following box if the filing is a final amendment reporting the results of the tender offer: ☐

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Level 3 Finance, LLC ("Purchaser"), a Delaware limited liability company and a wholly owned subsidiary of Level 3 Communications, Inc., a Delaware corporation ("Level 3"), hereby amends and supplements its Tender Offer Statement on Schedule TO (the "Schedule TO"), originally filed on September 13, 2001, with respect to its offers to purchase (1) up to \$275,000,000 aggregate principal amount of Level 3's outstanding 6% Convertible Subordinated Notes due 2009 (the "2009 Convertible Notes") at a price not greater than \$310 nor less than \$270 per \$1,000 principal amount, plus accrued and unpaid interest thereon to, but not including, the date of purchase, and (2) up to \$200,000,000 aggregate principal amount of Level 3's outstanding 6% Convertible Subordinated Notes due 2010 (the "2010 Convertible Notes" and, together with the 2009 Convertible Notes, the "Convertible Notes") at a price not greater than \$300 nor less than \$260 per \$1,000 principal amount, plus accrued and unpaid interest thereon to, but not including, the date of purchase. Purchaser's offers for the Convertible Notes are being made upon the terms and subject to the conditions relating to the Convertible Notes set forth in the Offers to Purchase dated September 10, 2001, as supplemented by the Supplement to the Offers to Purchase, dated September 25, 2001 (as so supplemented, the "Offer to Purchase"), and in the related letter of transmittal (which, with respect to the Convertible Notes, as amended or supplemented from time to time, together constitute the "Convertible Note Offers").

All information set forth in the Offer to Purchase (but solely with respect to the Convertible Notes and the Convertible Note Offers) is incorporated by reference in response to Items 1 through 11 in this Schedule TO except those items as to which information is specifically provided herein.

Capitalized terms used and not defined herein have the meanings given to them in the Offer to Purchase and the Schedule TO.

#### **Item 7. Source and Amount of Funds or Other Consideration.**

(a) Item 7(a) of the Schedule TO is hereby amended and restated in its entirety to read as follows:

The maximum amount of funds required by Purchaser to purchase the Convertible Notes pursuant to the Convertible Note Offers is estimated to be approximately \$145,250,000, assuming that (i) \$275,000,000 aggregate principal amount of outstanding 2009 Convertible Notes are purchased at a price of \$310 per \$1,000 principal amount, and (ii) \$200,000,000 aggregate principal amount of outstanding 2010 Convertible Notes are purchased at a price of \$300 per \$1,000 principal amount.

#### **Item 12. Exhibits.**

- (a)(1)(i) Offers to Purchase\*
- (a)(1)(i)(a) Supplement to Offers to Purchase
- (a)(1)(ii) Letter of Transmittal\*
- (a)(1)(iii) Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees\*
- (a)(1)(iv) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees\*
- (a)(1)(v) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9\*
- (a)(5)(i) Press Release, dated September 10, 2001\*
- (a)(5)(ii) Press Release, dated September 25, 2001

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\* Previously filed.

## **SIGNATURE**

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

### **LEVEL 3 FINANCE, LLC**

*By: /S/ NEIL J. ECKSTEIN*

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*Name: Neil J. Eckstein*

*Title: Manager*

*Dated: September 25, 2001*

## EXHIBIT INDEX

| Exhibit<br>Number | Description  |
|-------------------|--|
| -----             | -----  |
| (a)(1)(i)         | Offers to Purchase*  |
| (a)(1)(i)(a)      | Supplement to Offers to Purchase   |
| (a)(1)(ii)        | Letter of Transmittal*   |
| (a)(1)(iii)       | Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees* |
| (a)(1)(iv)        | Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees*                    |
| (a)(1)(v)         | Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9*               |
| (a)(5)(i)         | Press Release, dated September 10, 2001*   |
| (a)(5)(ii)        | Press Release, dated September 25, 2001  |

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\* Previously filed.

**LEVEL 3 FINANCE, LLC,**

a wholly owned subsidiary of Level 3 Communications, Inc. Supplement to Offers to Purchase for Cash the Following Series of Notes Issued by Level 3 Communications, Inc.

Up to \$300,000,000 aggregate principal amount of outstanding 9 1/8% Senior Notes due 2008  
Up to \$100,000,000 aggregate principal amount at maturity of outstanding 101/2% Senior Discount Notes due 2008  
Up to (Euro)200,000,000 aggregate principal amount of outstanding 10 3/4% Senior Notes due 2008  
Up to (Euro)110,000,000 aggregate principal amount of outstanding 111/4% Senior Notes due 2010  
Up to \$200,000,000 aggregate principal amount of outstanding 11% Senior Notes due 2008  
Up to \$75,000,000 aggregate principal amount of outstanding 11 1/4% Senior Notes due 2010  
Up to \$75,000,000 aggregate principal amount at maturity of outstanding 12 7/8% Senior Discount Notes due 2010  
Up to \$275,000,000 aggregate principal amount of outstanding 6% Convertible Subordinated Notes due 2009  
Up to \$200,000,000 aggregate principal amount of outstanding 6% Convertible Subordinated Notes due 2010

in each case, at a price determined by the "Modified Dutch Auction" procedure described in the Offer to Purchase and within the price ranges set forth in this Supplement

Each Offer (as defined in the Offer to Purchase) will expire at 11:59 p.m., New York City time, on October 9, 2001, unless such Offer is extended (such time and date with respect to an Offer, as it may be extended, the "Expiration Date"). Tendered Notes may be withdrawn at any time prior to the applicable Expiration Date.

This Supplement (this "Supplement") supplements and amends the Offers to Purchase, dated September 10, 2001 (the "Offer to Purchase"), and the related Letter of Transmittal (the "Letter of Transmittal") of Level 3 Finance, LLC ("Purchaser"), a Delaware limited liability company. Purchaser is a wholly owned subsidiary of Level 3 Communications, Inc., a Delaware corporation ("Level 3"). Unless otherwise indicated, capitalized terms used in this Supplement have the same meanings given to them in the Offer to Purchase.

Except as set forth in this Supplement, the terms and conditions of each of the Offers remain as set forth in the Offer to Purchase.

**Amendment of Offer Amounts and Purchase Price Ranges**

With respect to each Offer, Purchaser hereby amends the Offer Amount for that Offer and the purchase price range for that Offer as follows:

Upon the terms and subject to the conditions of each Offer (including, if an Offer is amended or extended, the terms and conditions of any amendment or extension), Purchaser is offering to purchase for cash, at prices determined by the "Modified Dutch Auction" procedure described in the Offer to Purchase and within the purchase price ranges set forth below:

. up to \$300,000,000 aggregate principal amount of outstanding 9 1/8% Notes at a price not greater than \$520 nor less than \$440 per \$1,000 principal amount, plus accrued and unpaid interest thereon to, but not including, the date of purchase;

. up to \$100,000,000 aggregate principal amount at maturity of outstanding 10 1/2% Discount Notes at a price not greater than \$350 nor less than \$290 per \$1,000 principal amount at maturity;



. up to (Euro)200,000,000 aggregate principal amount of outstanding 10 3/4% Euro Notes at a price not greater than (Euro)510 nor less than (Euro)430 per (Euro)1,000 principal amount, plus accrued and unpaid interest thereon to, but not including, the date of purchase;

. up to (Euro)110,000,000 aggregate principal amount of outstanding 11 1/4% Euro Notes at a price not greater than (Euro)530 nor less than (Euro)430 per (Euro)1,000 principal amount, plus accrued and unpaid interest thereon to, but not including, the date of purchase;

. up to \$200,000,000 aggregate principal amount of outstanding 11% Notes at a price not greater than \$550 nor less than \$470 per \$1,000 principal amount, plus accrued and unpaid interest thereon to, but not including, the date of purchase;

. up to \$75,000,000 aggregate principal amount of outstanding 11 1/4% Notes at a price not greater than \$530 nor less than \$450 per \$1,000 principal amount, plus accrued and unpaid interest thereon to, but not including, the date of purchase;

. up to \$75,000,000 aggregate principal amount at maturity of outstanding 12 7/8% Discount Notes at a price not greater than \$280 nor less than \$220 per \$1,000 principal amount at maturity;

. up to \$275,000,000 aggregate principal amount of outstanding 2009 Convertible Notes at a price not greater than \$310 nor less than \$270 per \$1,000 principal amount, plus accrued and unpaid interest thereon to, but not including, the date of purchase; and

. up to \$200,000,000 aggregate principal amount of outstanding 2010 Convertible Notes at a price not greater than \$300 nor less than \$260 per \$1,000 principal amount, plus accrued and unpaid interest thereon to, but not including, the date of purchase.

The term "Minimum Offer Price" with respect to a series of Notes is hereby amended in its entirety to refer to the lowest price in each of the price ranges listed above for that series of Notes.

The term "Offer Amount" with respect to a series of Notes is hereby amended in its entirety to refer to the maximum aggregate principal amount (or principal amount at maturity, as applicable) listed above for that series of Notes.

The term "Purchase Price" with respect to a series of Notes is hereby amended in its entirety to refer to the single lowest price specified by tendering holders within the applicable price range set forth above for the series of Notes subject to that Offer that will enable Purchaser to purchase the Offer Amount for that series (or, if less than the Offer Amount for that series are validly tendered (and not withdrawn), all Notes of that series so tendered).

All references in the Offer to Purchase to the applicable price range for a series of Notes are hereby amended to refer instead to the price range for that series of Notes set forth above in this Supplement.

The table on page 7 of the Offer to Purchase is hereby deleted in its entirety and replaced with the following table that sets forth (i) the aggregate outstanding principal amounts (or principal amounts at maturity, as applicable) of each series of Notes as of August 31, 2001, and (ii) the percentage that the Offer Amount (as hereby amended) for each series represents of the aggregate outstanding principal amount of that series as of such date:

| Series of Notes          | Outstanding<br>Principal Amount | Percentage of Offer<br>Amount to Aggregate<br>Outstanding<br>Principal Amount |
|--------------------------|---------------------------------|---|
| -----                    | -----                           | -----   |
|                          | (in millions)                   |   |
| 9 1/8% Notes.....        | \$2,000                         | 15%   |
| 10 1/2% Discount Notes*  | \$ 834                          | 12%   |
| 10 3/4% Euro Notes.....  | (Euro) 500                      | 40%   |
| 11 1/4% Euro Notes.....  | (Euro) 300                      | 37%   |
| 11% Notes.....           | \$ 800                          | 25%   |
| 11 1/4% Notes.....       | \$ 250                          | 30%   |
| 12 7/8% Discount Notes*  | \$ 675                          | 11%   |
| 2009 Convertible Notes.. | \$ 693                          | 40%   |
| 2010 Convertible Notes.. | \$ 824                          | 24%   |

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\* Principal amount at maturity

**Item 8, "Source and Amount of Funds" on page 16 of the Offer to Purchase is hereby deleted in its entirety and replaced with the following paragraph:**

The aggregate maximum amount of funds required by Purchaser to purchase the Notes pursuant to the Offers is estimated to be approximately \$654,000,000. This amount is calculated using, in the case of the Euro Notes, a currency conversion rate of 1.0906 euros to 1 U.S. dollar, the euro exchange rate as of September 24, 2001. Of this aggregate maximum amount of funds, Purchaser estimates that a maximum aggregate of approximately \$145,250,000 would be required by Purchaser to purchase the Convertible Notes pursuant to the Convertible Note Offers. Purchaser expects to fund its purchase of Notes hereunder with cash and marketable securities that have been contributed to it by Level 3. See Item 1, "Purpose of the Offers" in the Offer to Purchase.

Extension of the Expiration Date with respect to Each Offer

Purchaser has extended the Expiration Date for each Offer until 11:59 p.m., New York City time, on October 9, 2001. Purchaser reserves the right, in its sole discretion, to further extend the period of time for which each Offer is open.

### Selected Financial Data

The following disclosure is hereby added to the Offer to Purchase under Item 4, "Certain Information Concerning Purchaser and Level 3."

## SUMMARY HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

Set forth below is certain summary historical financial information of Level 3 and its subsidiaries. The historical financial information has been derived from the consolidated financial statements included in Level 3's Annual Report on Form 10-K for the year ended December 31, 2000 and Quarterly Report on Form 10-Q for the quarter ended June 30, 2001. The information presented below should be read in conjunction with Level 3's consolidated financial statements, and the financial information which follows is qualified in its entirety by reference to such financial statements and related notes, copies of which may be obtained as set forth under "Incorporation of Documents by Reference" in the Offer to Purchase.

|   | Six Months Ended June 30,                       |        | Fiscal Year Ended |        |
|---|---|--------|-------------------|--------|
|   | 2001  | 2000   | 2000              | 1999   |
|   | (dollars in millions, except per share amounts) |        |                   |        |
| Results of Operations:                  |   |        |                   |        |
| Revenue.....                            | \$ 838  | \$ 411 | \$ 1,185          | \$ 515 |
| Net loss(1).....                        | (1,266)   | (552)  | (1,455)           | (487)  |
| Per Common Share:                       |   |        |                   |        |
| Net loss(2).....                        | (3.44)  | (1.54) | (4.01)            | (1.46) |
| Financial Position:                     |   |        |                   |        |
| Total Assets.....                       | 14,888  |        | 14,919            | 8,906  |
| Current portion of long-term debt.....  | 9   |        | 7                 | 6      |
| Long-term debt, less current portion(2) | 7,959   |        | 7,318             | 3,989  |
| Stockholders' equity(3).....            | 3,385   |        | 4,549             | 3,405  |
| Book Value per Share.....               | \$ 9.19   |        |                   |        |

(1) Level 3 incurred significant expenses in conjunction with the expansion of its communications and information services business.

Level 3's proportionate share of RCN Corporation's losses exceeded the remaining carrying value of Level 3's investment in RCN during the fourth quarter of 2000. Level 3 does not have additional financial commitments to RCN; therefore it did not recognize approximately \$276 million and \$20 million of additional equity losses attributable to RCN for the six months ended June 30, 2001 and three months ended December 31, 2000.

RCN issued stock in public offerings and for certain transactions. These transactions reduced Level 3's ownership in RCN to 31% and 35% at December 31, 2000 and 1999, respectively, and resulted in pre-tax gains to Level 3 of \$95 million and \$117 million in 2000 and 1999, respectively. Level 3 does not expect to recognize future gains on RCN stock activity until Level 3 recognizes the suspended equity losses.

(2) In 2000, Level 3 received net proceeds of approximately \$3.2 billion from the offering of \$863 million in 2009 Convertible Notes, \$1.4 billion in three tranches of U.S. dollar denominated senior debt securities, \$780 million from two tranches of Euro denominated senior debt securities and \$233 million from mortgage financings.

In 2001, Level 3 increased its borrowing capacity under the 1999 \$1.375 billion senior secured credit facility to \$1.775 billion and borrowed an additional \$650 million against the facility.

(3) In 2000, Level 3 received approximately \$2.4 billion of net proceeds from the sale of 23 million shares of its Common Stock.

Level 3 had deficiencies of earnings to fixed charges of \$1.290 billion for the six months ended June 30, 2001, \$603 million for the six months ended June 30, 2000, \$1.553 billion for the fiscal year ended 2000 and \$695 million for the fiscal year ended 1999.

## Convertible Note Offers

Level 3's 6% Convertible Subordinated Notes due 2009 and 6% Convertible Subordinated Notes due 2010 are referred to in this Supplement collectively as the "Convertible Notes." Purchaser's Offer for each series of Convertible Notes is being made upon the terms and subject to the conditions relating to the Convertible Notes set forth in the Offer to Purchase and in the related Letter of Transmittal (which, as amended or supplemented from time to time, with respect to each series of Convertible Notes, together constitute a "Convertible Note Offer" and with respect to both series of Convertible Notes, together constitute the "Convertible Note Offers").

**Proration.** With respect to the Convertible Note Offers only, the Offer to Purchase and the Letter of Transmittal are hereby amended to provide the following proration mechanism with respect to each series of Convertible Notes in place of the proration mechanism set forth in the Offer to Purchase:

In the event that the amount of either series of Convertible Notes validly tendered (and not withdrawn) prior to the applicable Expiration Date at or below the applicable Purchase Price exceeds the Offer Amount for that series of Convertible Notes then, subject to the terms and conditions of the applicable Convertible Note Offer, Purchaser will accept for payment such Convertible Notes of that series that are validly tendered (and not withdrawn) at or below the applicable Purchase Price on a pro rata basis from among such tendered Convertible Notes of that series. In all cases, Purchaser will make appropriate adjustments to avoid purchases of Convertible Notes in a principal amount other than an integral multiple of \$1,000.

With respect to each series of Notes other than the Convertible Notes, the proration mechanism provided for in the Offer to Purchase remains unchanged.

**Withdrawal Rights.** With respect to the Convertible Note Offers only, the Offer to Purchase and related Letter of Transmittal are hereby amended to provide for the following additional withdrawal rights with respect to each series of Convertible Notes:

If Convertible Notes tendered pursuant to a Convertible Note Offer have not been accepted for payment by Purchaser on or before November 5, 2001, any tendering holder may, after that date, withdraw his or her Convertible Notes tendered in that Convertible Note Offer.

**Rule 13e-4.** With respect to the Convertible Note Offers only, the Offer to Purchase and related Letter of Transmittal are hereby amended to provide for the following disclosure:

Rule 13e-4 promulgated under the Exchange Act generally prohibits Purchaser and its affiliates, including Level 3, from purchasing Convertible Notes of a given series, other than pursuant to the applicable Convertible Note Offer, until at least ten business days after the expiration or termination of that Convertible Note Offer.

In addition to being limited by Rule 14e-1(c) under the Exchange Act, as described in the Offer to Purchase, Purchaser's reservation of the right to delay payment for Convertible Notes of either series which it has accepted for payment pursuant to the applicable Convertible Note Offer, is limited by Rule 13e-4(f)(5) promulgated under the Exchange Act, which requires that an offeror pay the consideration offered or return the securities tendered pursuant to a tender offer promptly after termination or withdrawal of that tender offer.

If Purchaser materially changes the terms of a Convertible Note Offer or the information concerning a Convertible Note Offer, or if it waives a material condition to a Convertible Note Offer, in addition to the legal requirements described in the Offer to Purchase, Purchaser will disseminate additional information and extend the applicable Convertible Note Offer to the extent required by Rules 13e-4(d)(2) and 13e-4(e)(3) promulgated under the Exchange Act.

Pursuant to Rule 13e-4 under the Exchange Act, Purchaser has filed with the Commission a Tender Offer Statement on Schedule TO (the "Schedule TO") which contains additional information with respect to the Convertible Note Offers. The Schedule TO, including the exhibits and any amendments thereto, may be examined, and copies may be obtained, at the same places and in the same manner as set forth under "Incorporation of Documents by Reference" in the Offer to Purchase.

\* \* \*

Purchaser's obligation to accept for payment, and to pay for, Notes validly tendered pursuant to each Offer continues to remain conditioned upon the satisfaction of the general conditions described in the Offer to Purchase for that Offer.

This Supplement should be read in conjunction with the Offer to Purchase and related Letter of Transmittal. These documents contain important information that should be read before any decision regarding whether or not to tender Notes pursuant to an Offer is made.

No person has been authorized to give any information or make any representation on behalf of Purchaser that is not contained in this Supplement, the Offer to Purchase or in the Letter of Transmittal, and, if given or made, such information or representation should not be relied upon. None of Purchaser, Level 3, the Depositary, the Dealer Managers, the Information Agent or any of their affiliates make any representation to any holder as to whether or not to tender such holder's Notes. Holders must make their own decision as to whether to tender the Notes.

**The Depositary for the Offers is:**

**Mellon Investor Services LLC**

By facsimile: (For Eligible Institutions only): (201) 296-4293

Confirmation: (201) 296-4860

By Mail:  
P.O. Box 3301  
South Hackensack, NJ  
07606

By Overnight Courier:  
85 Challenger Road  
  
Mail Stop-Reorg  
Ridgefield Park, NJ 07660  
Attn: Reorganization  
Dept.

By Hand:  
120 Broadway -- 13th  
Floor  
New York, New York 10271

Any questions or requests for assistance or additional copies of this Supplement, the Offer to Purchase and the Letter of Transmittal may be directed to the Information Agent at its telephone number or address set forth below. You may also contact your broker, dealer, commercial bank or trust company or other nominee for assistance concerning the Offers.

**The Information Agent for the Offers is:**

Mellon Investor Services LLC  
44 Wall Street, 7th/ Floor  
New York, New York 10005  
Banks and Brokers call: (917) 320-6286  
Toll free (888) 788-1979

**The Dealer Managers for the Offers are:**

Salomon Smith Barney  
390 Greenwich Street  
New York, New York 10013  
Attention: Liability Management Group  
Telephone: (212) 723-6106 (call collect)  
(800) 558-3745 (toll-free)

J.P. Morgan Securities Inc.  
270 Park Avenue  
New York, New York 10017  
Attention: Laura Yachimski  
Telephone: (212) 270-1100 (call collect)  
(800) 245-8812 (toll-free)

September 25, 2001

[LETTERHEAD of Level 3 Communications, Inc.]

**NEWS RELEASE  
FOR IMMEDIATE RELEASE**

Level 3 Contacts:

|        |                                |            |                            |
|--------|--------------------------------|------------|----------------------------|
| Media: | Josh Howell<br>720/888-2517    | Investors: | Robin Grey<br>720/888-2518 |
|        | Paul Lonnegren<br>720/888-6099 |            |                            |

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

Tender Offers Reduced to Maximum of \$1.5 Billion Aggregate Face Amount of Debt at Maturity

BROOMFIELD, Colo., September 25, 2001 - Level 3 Communications, Inc. (Nasdaq:LVT) today announced that Level 3 Finance, LLC ("Level 3 Finance"), its first tier, wholly owned subsidiary, has amended the "Modified Dutch Auction" tender offers for a portion of Level 3 Communications, Inc.'s ("Level 3") senior debt and convertible debt securities, which were commenced on September 10, 2001.

Level 3 Finance has amended its tender offers to provide that it is now offering to purchase for cash, at prices determined by a "Modified Dutch Auction" procedure within the amended purchase price ranges set forth in the table below, the following amended principal amount or principal amount at maturity 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.

A separate offer is being made with respect to each series of Notes.

| Series of Notes         | Maximum Principal Amount<br>or Principal Amount<br>at Maturity Sought | Maximum Amount Sought<br>as Percentage of<br>Outstanding as of<br>08/31/01 | Purchase Price Range<br>per \$1,000 (or(euro)1,000)<br>Principal Amount |
|-------------------------|---|--|---|
| -----                   | -----   | -----  | -----   |
| 9 1/8% Notes            | up to \$300 million   | 15%  | \$440 to \$520  |
| 10 1/2% Discount Notes* | up to \$100 million   | 12%  | \$290 to \$350  |
| 10 3/4% Euro Notes      | up to(euro)200 million  | 40%  | (euro)430 to(euro)510   |
| 11 1/4% Euro Notes      | up to(euro)110 million  | 37%  | (euro)430 to(euro)530   |
| 11% Notes               | up to \$200 million   | 25%  | \$470 to \$550  |
| 11 1/4% Notes           | up to \$75 million  | 30%  | \$450 to \$530  |
| 12 7/8% Discount Notes* | up to \$75 million  | 11%  | \$220 to \$280  |
| 2009 Convertible Notes  | up to \$275 million   | 40%  | \$270 to \$310  |
| 2010 Convertible Notes  | up to \$200 million   | 24%  | \$260 to \$300  |

\* Principal amount at maturity

The funds required for Level 3 Finance to consummate the tender offers have been contributed to Level 3 Finance by Level 3 from its available cash.

The purchase price ranges listed above are per \$1,000 (or (euro)1,000 in the case of the Euro Notes) principal amount or principal amount at maturity in the case of the Discount Notes. The revised maximum aggregate principal amount (or principal amount at maturity, as applicable) listed above for a series of Notes is referred to as the "Offer Amount" for that series.

Under the "Modified Dutch Auction" procedure, Level 3 Finance will accept tendered Notes in each offer in the order of the lowest to the highest tender prices specified by tendering holders within the applicable revised price range for the applicable series of Notes, and will select the single lowest price so specified (with respect to such series, the "Purchase Price") that will enable Level 3 Finance to purchase the Offer Amount for that series (or, if less than the Offer Amount for that series are tendered, all Notes of that series so tendered). Level 3 Finance will pay the same Purchase Price for all Notes of a given series that are tendered at or below the Purchase Price for that series, upon the terms and subject to the conditions of the applicable offer, including the proration terms for that offer.

Level 3 has extended the expiration date of the tender offer for each series of Notes until 11:59 p.m., New York City time, on October 9, 2001, unless that offer is further extended. Tendered Notes may be withdrawn at any time prior to the applicable expiration date.

In the event that the amount of any series of Notes, other than the 2009 Convertible Notes and the 2010 Convertible Notes, tendered on or prior to the expiration date for that offer at or below the applicable Purchase Price exceeds the Offer Amount for that series then, subject to the terms and conditions of the applicable offer, Level 3 Finance will accept for payment such Notes of that series as follows. First, Level 3 Finance will accept for payment all Notes of that series that are tendered at prices below the applicable Purchase



Price. Next, Level 3 Finance will accept for payment such Notes of that series that are tendered at the applicable Purchase Price on a pro rata basis from among the tendered Notes of that series.

In the event that the amount of either series of Convertible Notes validly tendered (and not withdrawn) prior to the applicable expiration date at or below the applicable Purchase Price exceeds the Offer Amount for that series of Convertible Notes then, under and subject to the amended terms and conditions of the applicable Convertible Note offer, Purchaser will accept for payment such Convertible Notes of that series that are validly tendered (and not withdrawn) at or below the applicable Purchase Price on a pro rata basis from among such tendered Convertible Notes of that series.

The terms and conditions of each offer are set forth in Level 3 Finance's Offer to Purchase, dated September 10, 2001, as supplemented on September 25, 2001. Subject to applicable law, Level 3 Finance may, in its sole discretion, waive any condition applicable to any tender offer or extend or terminate or otherwise amend any offer.

No offer is conditioned on the consummation of any other offer, and no offer has as a condition that a minimum principal amount (or principal amount at maturity, as applicable) of Notes be tendered in that offer. The consummation of the tender offer for each series of Notes remain subject to certain conditions, which are described in the Offer to Purchase.

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 any series of Notes. The tender offers may only be made pursuant to the terms of the Offer to Purchase and the accompanying Letter of Transmittal, in each case as supplemented.

Salomon Smith Barney and JP Morgan Securities Inc. are acting as dealer managers and Mellon Investor Services LLC is both the information agent and the depository in connection with the tender offers. Copies of the Offer to Purchase, Letter of Transmittal and related documents may be obtained from the information agent at Mellon Investor Services LLC, 44 Wall Street, 7th Floor, New York, New York 10005, at (917) 320-6286 (banks and brokers) or (888) 788-1979 (toll free). Additional information concerning the terms of the tender offers, including all questions relating to the mechanics of the offers, may be obtained by contacting Salomon Smith Barney at (800) 558-3745 (toll-free) or (212) 723-6106 (call collect) or J.P. Morgan Securities Inc. at (800) 245-8812 (toll-free) or (212) 270-1100 (call collect).

#### About Level 3 Communications

Level 3 Communications, Inc. (Nasdaq:LVL) 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](http://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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