



Global Crossing (UK) Telecommunications Limited and Subsidiaries
Summary of Consolidated Revenues
 Results below are in pounds sterling in thousands.

Table 1

	Three months ended		Year ended	
	December 31, 2007	December 31, 2006	December 31, 2007	December 31, 2006
	(unaudited)	(unaudited)		
Revenues:				
Enterprise and carrier data	£ 74,797	£ 60,401	£ 291,072	£ 235,693
Wholesale voice	1,141	1,155	5,048	4,394
	<u>75,938</u>	<u>61,556</u>	<u>296,120</u>	<u>240,087</u>
Global Crossing group companies	125	151	500	525
Consolidated revenues	<u>£ 76,063</u>	<u>£ 61,707</u>	<u>£ 296,620</u>	<u>£ 240,612</u>

On October 11, 2006, GC Acquisitions, a wholly-owned subsidiary of Global Crossing Limited and affiliate of Global Crossing (UK) Telecommunications Ltd. (GCUK), took control of Fibernet Group Plc (Fibernet), and since that date the results of Fibernet have been consolidated into Global Crossing's results. On December 28, 2006, GCUK acquired all of Fibernet's UK operations from GC Acquisitions. Accordingly, Fibernet's UK operation results are included in GCUK's 2006 results as of December 28, 2006.

Global Crossing (UK) Telecommunications Limited and Subsidiaries
Consolidated Statements of Operations
Results below are in pounds sterling in thousands.

Table 2

IFRS in IFRS Reporting Format	Three months ended		Year ended	
	December 31, 2007	December 31, 2006 ⁽¹⁾	December 31, 2007	December 31, 2006 ⁽¹⁾
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	£ 76,063	£ 61,707	£ 296,620	£ 240,612
Cost of sales	(45,157)	(40,295)	(177,665)	(147,481)
Gross profit	30,906	21,412	118,955	93,131
Distribution costs	(4,232)	(2,822)	(15,710)	(10,385)
Administrative expenses	(14,969)	(13,319)	(69,468)	(53,683)
Net gain arising from acquisition of Fibernet	-	7,755	-	7,755
Operating profit	11,705	13,026	33,777	36,818
Finance revenue	1,608	(20)	4,527	1,503
Finance charges	(10,303)	(4,327)	(33,548)	(16,191)
Profit before tax	3,010	8,679	4,756	22,130
Tax (charge) benefit	(4,646)	(11,020)	(6,297)	(9,377)
(Loss) profit for the period	£ (1,636)	£ (2,341)	£ (1,541)	£ 12,753

IFRS in U.S. Reporting Format	Three months ended		Year ended	
	December 31, 2007	December 31, 2006 ⁽¹⁾	December 31, 2007	December 31, 2006 ⁽¹⁾
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
REVENUES	£ 76,063	£ 61,707	£ 296,620	£ 240,612
Cost of revenue (excluding depreciation and amortization shown separately below)				
Cost of access	(22,727)	(19,678)	(87,973)	(76,975)
Real estate, network and operations	(10,322)	(9,543)	(48,196)	(38,461)
Third party maintenance	(4,121)	(3,938)	(17,923)	(16,632)
Cost of equipment sales	(7,900)	(9,701)	(30,416)	(26,779)
Total cost of revenue	(45,070)	(42,860)	(184,508)	(158,847)
Selling, general and administrative	(8,424)	(9,115)	(35,983)	(30,885)
Depreciation and amortization	(10,877)	(6,387)	(42,161)	(24,551)
Total operating expenses	(64,371)	(58,362)	(262,652)	(214,283)
OPERATING INCOME	11,692	3,345	33,968	26,329
OTHER INCOME (EXPENSE)				
Interest expense, net	(7,439)	(7,828)	(30,192)	(26,740)
Other income (expense), net	(1,243)	12,112	980	21,491
INCOME BEFORE BENEFIT (PROVISION) FOR INCOME TAXES	3,010	7,629	4,756	21,080
(Provision) benefit for income taxes	(4,646)	(11,020)	(6,297)	(9,377)
Extraordinary gain, net of tax	-	1,050 ⁽¹⁾	-	1,050 ⁽¹⁾
NET (LOSS) INCOME	£ (1,636)	£ (2,341)	£ (1,541)	£ 12,753

Note: The classification differences between reporting under IFRS and U.S. GAAP are as follows:

Cost of sales:

Under IFRS, the company includes cost of access, third party maintenance, customer-specific costs and depreciation on network assets within cost of sales.

Cost of revenue:

Under U.S. GAAP, the company includes cost of access, real estate, network and operations, third party maintenance and cost of equipment sales within cost of revenue.

Foreign currency gains/(losses):

Under IFRS, the company includes foreign currency gains and losses within operating profit, except for those related to the senior secured notes, which are included in finance costs, and those related to loans to related parties, which are included in finance revenue. Under U.S. GAAP, all foreign exchange gains/(losses) are included in other income (expense), net.

Net gain arising from acquisition of Fibernet:

Under IFRS, the company includes the gain on settlement of contracts due to Fibernet acquisition (£8,411), the gain on recognition of negative goodwill (£1,050) and charges related to restructuring Fibernet's operations (£1,706) in net gain arising from acquisition of Fibernet within operating profit. Under U.S. GAAP, the gain on settlement of contracts due to Fibernet acquisition is included in other income (expense), net; the gain on recognition of negative goodwill is recognized as an extraordinary gain, net of tax; and charges related to restructuring Fibernet's operations are included in sales, general and administrative expenses.

⁽¹⁾ Initial accounting for the acquisition of Fibernet was determined only provisionally as at December 31, 2006. In accordance with IFRS 3, any adjustment to the provisional values as a result of completing the initial accounting requires adjustment of comparative financial statements. During the year ended December 31, 2007, an adjustment to increase the liabilities assumed in the acquisition was recorded which resulted in a change in the amount of negative goodwill and resulting gain recorded at the acquisition date. This adjustment has been reflected in the consolidated income statement for the year ended December 31, 2006.

On October 11, 2006, GC Acquisitions, a wholly-owned subsidiary of Global Crossing Limited and affiliate of Global Crossing (UK) Telecommunications Ltd. (GCUK), took control of Fibernet Group Plc (Fibernet), and since that date the results of Fibernet have been consolidated into Global Crossing's results. On December 28, 2006, GCUK acquired all of Fibernet's UK operations from GC Acquisitions. Accordingly, Fibernet's UK operation results are included in GCUK's 2006 results as of December 28, 2006.

Global Crossing (UK) Telecommunications Limited and Subsidiaries
Consolidated Balance Sheets
Results below are in pounds sterling in thousands.

Table 3

	December 31, 2007	December 31, 2006 ⁽¹⁾
Non-current assets		
Intangible assets, net	13,351	14,241
Property, plant and equipment, net	185,719	182,556
Investment in associate	200	163
Retirement benefit asset	961	922
Trade and other receivables	28,511	33,130
Deferred tax asset	-	5,262
	<u>228,742</u>	<u>236,274</u>
Current assets		
Inventory	-	1,112
Trade and other receivables	66,237	59,182
Cash and cash equivalents	23,954	40,309
	<u>90,191</u>	<u>100,603</u>
Total assets	<u>318,933</u>	<u>336,877</u>
Current liabilities		
Trade and other payables	(65,619)	(77,581)
Senior secured notes	(1,158)	-
Deferred revenue	(47,126)	(49,587)
Provisions	(2,137)	(3,266)
Obligations under finance leases	(11,945)	(9,214)
Other debt obligations	(463)	(167)
Derivative financial instrument	(1,048)	(894)
	<u>(129,496)</u>	<u>(140,709)</u>
Non-current liabilities		
Trade and other payables	(650)	(647)
Senior secured notes	(247,788)	(249,631)
Deferred revenue	(106,961)	(108,881)
Retirement benefit obligation	(3,110)	(2,808)
Provisions	(4,160)	(5,243)
Obligations under finance leases	(20,242)	(23,209)
Other debt obligations	(430)	(232)
Derivative financial instrument	(1,048)	(1,789)
	<u>(384,389)</u>	<u>(392,440)</u>
Total liabilities	<u>(513,885)</u>	<u>(533,149)</u>
Net liabilities	<u>(194,952)</u>	<u>(196,272)</u>
Capital and reserves		
Equity share capital	101	101
Capital reserve	27,648	25,368
Hedging reserve	(2,035)	(2,616)
Accumulated deficit	(220,666)	(219,125)
Total equity	<u>(194,952)</u>	<u>(196,272)</u>

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Global Crossing (UK) Telecommunications Limited and Subsidiaries
Consolidated Cash Flow Statements
Results below are in pounds sterling in thousands.

Table 4

	For the year ended	
	December 31, 2007	December 31, 2006 ⁽¹⁾
Operating activities		
Profit for the period	£ (1,541)	£ 12,753
Adjustments for:		
Finance costs, net	29,021	14,688
Income tax	6,297	9,377
Depreciation of property, plant and equipment	34,491	21,817
Amortization of intangible assets	2,883	1,120
Share based payment expense	2,280	217
Gain on settlement of contracts due to Fibernet acquisition	-	(8,411)
Gain on recognition of negative goodwill	-	(1,050)
Loss on disposal of property, plant and equipment	306	168
Equity pick up in associate	(37)	(159)
Change in provisions	(2,468)	(6,582)
Change in operating working capital	(21,302)	8,805
Change in other assets and liabilities	(1,934)	8,231
Cash generated from operations	47,996	60,974
Interest paid	(33,543)	(26,463)
Net cash provided from operating activities	<u>£ 14,453</u>	<u>£ 34,511</u>
Investing activities		
Interest received	£ 4,651	£ 3,740
Proceeds from disposal of property, plant and equipment	-	8
Purchase of property, plant and equipment	(32,531)	(20,435)
Acquisition of subsidiary, net of cash acquired	-	(45,013)
Net cash used in investing activities	<u>£ (27,880)</u>	<u>£ (61,700)</u>
Financing activities		
Loans provided to group companies	£ (2,500)	£ (43,835)
Loans repaid by group companies	6,100	16,114
Proceeds from debt obligations, net	774	514
Senior secured notes, net	-	55,394
Proceeds from new finance leases	2,020	-
Repayments of capital elements under finance leases	(9,073)	(5,421)
Repayment of capital element of other debt obligations	(249)	(115)
Net cash provided by financing activities	<u>£ (2,928)</u>	<u>£ 22,651</u>
Net increase (decrease) in cash and cash equivalents	<u>(16,355)</u>	<u>(4,538)</u>
Cash and cash equivalents at beginning of period	<u>40,309</u>	<u>44,847</u>
Cash and cash equivalents at end of period	<u>£ 23,954</u>	<u>£ 40,309</u>
Non-cash investing activities:		
Capital lease and debt obligations incurred	<u>£ 10,994</u>	<u>£ 5,072</u>

On October 11, 2006, GC Acquisitions, a wholly-owned subsidiary of Global Crossing Limited and affiliate of Global Crossing (UK) Telecommunications Ltd. (GCUK), took control of Fibernet Group Plc (Fibernet), and since that date the results of Fibernet have been consolidated into Global Crossing's results. On December 28, 2006, GCUK acquired all of Fibernet's UK operations from GC Acquisitions. Accordingly, Fibernet's UK operation results are included in GCUK's 2006 results as of December 28, 2006.

⁽¹⁾ Initial accounting for the acquisition of Fibernet was determined only provisionally as at December 31, 2006. In accordance with IFRS 3, any adjustment to the provisional values as a result of completing the initial accounting requires adjustment of comparative financial statements. During the year ended December 31, 2007, an adjustment to increase the liabilities assumed in the acquisition was recorded which resulted in a change in the amount of negative goodwill and resulting gain recorded at the acquisition date. This adjustment has been reflected in the consolidated income statement for the year ended December 31, 2006

Global Crossing (UK) Telecommunications Limited and Subsidiaries
Reconciliation of adjusted IFRS EBITDA to Profit (Loss) for the Period (unaudited)
Results below are in pounds sterling in thousands.

Table 5

	Three months ended		Year ended	
	December 31,	December 31,	December 31,	December 31,
	2007	2006 ⁽¹⁾	2007	2006 ⁽¹⁾
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Adjusted IFRS EBITDA	£ 22,424	£ 19,372	£ 78,218	£ 61,586
Non-cash stock compensation	158	41	(2,280)	(217)
Depreciation and amortization	(10,877)	(6,387)	(42,161)	(24,551)
Finance revenue	1,608	(20)	4,527	1,503
Finance costs	(10,303)	(4,327)	(33,548)	(16,191)
Taxation	(4,646)	(11,020)	(6,297)	(9,377)
(Loss) profit for period	<u>£ (1,636)</u>	<u>£ (2,341)</u>	<u>£ (1,541)</u>	<u>£ 12,753</u>

Consistent with the SEC's Regulation G, the foregoing table provides a reconciliation of adjusted IFRS EBITDA, which is considered a non-GAAP (Generally Accepted Accounting Principles) financial metric, to profit (loss) for the period, which is the most directly comparable IFRS measure. Management believes that adjusted IFRS EBITDA is a relevant indicator of operating performance, especially in a capital-intensive industry such as telecommunications. Adjusted IFRS EBITDA is an important aspect of the company's internal reporting and is also used by the investment community in assessing financial performance. This non-GAAP measure should be used in addition to, but not as a substitute for, the analysis provided in the consolidated statement of operations.

Definition:

Adjusted IFRS EBITDA consists of profit (loss) for the period before non-cash stock compensation, taxation, finance costs, finance revenue and depreciation and amortization expense recorded to cost of sales and administrative expenses.

On October 11, 2006, GC Acquisitions, a wholly-owned subsidiary of Global Crossing Limited and affiliate of Global Crossing (UK) Telecommunications Ltd. (GCUK), took control of Fibernet Group Plc (Fibernet), and since that date the results of Fibernet have been consolidated into Global Crossing's results. On December 28, 2006, GCUK acquired all of Fibernet's UK operations from GC Acquisitions. Accordingly, Fibernet's UK operation results are included in GCUK's 2006 results as of December 28, 2006.

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Global Crossing (UK) Telecommunications Limited and Subsidiaries
Reconciliation of Adjusted Gross Margin to Gross Profit (unaudited)
Results below are in pounds sterling in thousands.

Table 6

	Three months ended		Year ended	
	December 31,	December 31,	December 31,	December 31,
	2007	2006	2007	2006
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Adjusted Gross Margin	£ 53,336	£ 42,029	£ 208,647	£ 163,637
Less:				
Customer-specific costs	(8,426)	(10,782)	(33,880)	(31,117)
Third-party maintenance	(4,121)	(3,938)	(17,923)	(16,632)
Depreciation & amortization (included within cost of sales)	(9,883)	(5,897)	(37,889)	(22,757)
Gross Profit (IFRS)	<u>£ 30,906</u>	<u>£ 21,412</u>	<u>£ 118,955</u>	<u>£ 93,131</u>

Consistent with the SEC's Regulation G, the foregoing table provides a reconciliation of adjusted gross margin, which is considered a non-GAAP financial metric, to gross profit, which is the most directly comparable IFRS measure. Adjusted gross margin is provided to increase the comparability to the parent company's financial presentations, which include this metric.

Definitions:

Adjusted gross margin is revenue minus cost of access.

Gross profit is revenue minus cost of access, customer-specific costs, third party maintenance and depreciation and amortization recorded to cost of sales.

On October 11, 2006, GC Acquisitions, a wholly-owned subsidiary of Global Crossing Limited and affiliate of Global Crossing (UK) Telecommunications Ltd. (GCUK), took control of Fibernet Group Plc (Fibernet), and since that date the results of Fibernet have been consolidated into Global Crossing's results. On December 28, 2006, GCUK acquired all of Fibernet's UK operations from GC Acquisitions. Accordingly, Fibernet's UK operation results are included in GCUK's 2006 results as of December 28, 2006.