

**Global Crossing (UK) Telecommunications Limited and Subsidiaries**  
**UK GAAP - Summary of Consolidated Revenues**  
 (£ in thousands)

	<u>Quarter Ended</u>		
	<u>December 31,</u>		
	<u>March 31, 2005</u>	<u>2004</u>	<u>March 31, 2004</u>
<b>Revenues:</b>			
Enterprise and carrier data	£ 59,992	£ 65,077	£ 62,775
Wholesale voice	412	1,711	5,023
Consolidated revenues	<u>£ 60,404</u>	<u>£ 66,788</u>	<u>£ 67,798</u>

Table 2

**Global Crossing (UK) Telecommunications Limited and Subsidiaries**  
**UK GAAP - Condensed Consolidated Statements of Operations (unaudited)**  
**(£ in thousands)**

UK GAAP in UK Reporting Format	Quarter Ended		
	March 31, 2005	December 31, 2004	March 31, 2004
Turnover	£60,404	£66,788	£67,798
Cost of sales	(42,230)	(31,997)	(50,417)
Gross profit	18,174	34,791	17,381
Distribution costs	(2,552)	(2,604)	(2,785)
Administrative expenses	(17,403)	(304)	(12,305)
	(19,955)	(2,908)	(15,090)
Operating profit/(loss)	(1,781)	31,883	2,291
Finance charges, net	(7,123)	(32)	(2,423)
Profit (loss) on ordinary activities before taxation	(8,904)	31,851	(132)
Taxation on loss on ordinary activities	3,285	5,063	-
Profit (loss) for the period	£ (5,619)	£ 36,914	£ (132)

UK GAAP in US Reporting Format	Quarter Ended		
	March 31, 2005	December 31, 2004	March 31, 2004
REVENUES	£60,404	£66,788	£67,798
OPERATING EXPENSES:			
Cost of access	(18,510)	(13,707)	(24,597)
Third party maintenance	(4,745)	(5,069)	(5,193)
Other operating expenses	(23,602)	(16,391)	(25,318)
Depreciation and amortization	(12,235)	(5,993)	(13,028)
	(59,092)	(41,160)	(68,136)
OPERATING INCOME (LOSS)	1,312	25,628	(338)
OTHER INCOME (EXPENSE)			
Interest expense, net	(7,123)	(32)	(2,423)
Other income (expense), net	(3,093)	6,255	2,629
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE BENEFIT (PROVISION) FOR INCOME TAXES	(8,904)	31,851	(132)
Benefit for income taxes	3,285	5,063	-
NET INCOME (LOSS)	£ (5,619)	£ 36,914	£ (132)

Note: The classification differences between reporting under UK GAAP and US GAAP are as follows:

Cost of sales: Under UK GAAP, the company presents cost of sales and gross profit. Under US GAAP, the company segregates what is constituted cost of sales under UK GAAP into the following and includes them within operating expenses: cost of access, third party maintenance, other operating expenses, and amortization and depreciation.

Foreign currency gains/(losses): Under UK GAAP the company includes foreign currency gains and losses within operating profit/(loss) whereas under US GAAP these amounts are included in other income (expense), net.

Table 3

Global Crossing (UK) Telecommunications Limited and Subsidiaries  
 UK GAAP - Condensed Consolidated Balance Sheets  
 (£ in thousands)

	March 31, 2005 <u>(unaudited)</u>	December 31, 2004	March 31, 2004 <u>(unaudited)</u>
<b>Fixed assets</b>			
Goodwill	£ -	£ -	£ -
Tangible assets	177,355	186,477	177,974
Trade investment	4	4	4
	<u>177,359</u>	<u>186,481</u>	<u>177,978</u>
<b>Current assets</b>			
Debtors: amounts receivable in less than one year (including amounts receivable from group companies of £6,755, £3,802, and £36,123 respectively)	72,542	65,138	112,425
Debtors: amounts receivable in more than one year	16,653	18,422	12,964
Investment—short term deposits	-	20,727	23,000
Cash at bank and in hand	22,431	466	7,377
	<u>111,626</u>	<u>104,753</u>	<u>155,766</u>
<b>Creditors: amounts falling due within one year</b> (including amounts owed to group companies of £8,416, £5,743, and £365,328 respectively)	<u>(101,328)</u>	<u>(94,407)</u>	<u>(466,661)</u>
<b>Net current assets</b>	<u>10,298</u>	<u>10,346</u>	<u>(310,895)</u>
<b>Total assets less current liabilities</b>	187,657	196,827	(132,917)
<b>Creditors: amounts falling due after more than one year</b>	(345,256)	(345,911)	(160,198)
<b>Provisions for liabilities and charges</b>	<u>(12,798)</u>	<u>(12,481)</u>	<u>(15,860)</u>
<b>Net liabilities</b>	<u>£ (170,397)</u>	<u>£ (161,565)</u>	<u>£ (308,975)</u>
<b>Capital and reserves</b>			
Called-up share capital	£101	£101	£100
Share premium	21,895	21,895	-
Profit and loss account	<u>(192,393)</u>	<u>(183,561)</u>	<u>(309,075)</u>
<b>Equity shareholder's deficit</b>	<u>£ (170,397)</u>	<u>£ (161,565)</u>	<u>£ (308,975)</u>

Table 4

Global Crossing (UK) Telecommunications Limited and Subsidiaries  
 UK GAAP - Condensed Consolidated Cash Flow Statements (unaudited)  
 (£ in thousands)

	Quarter Ended		
	March 31, 2005	December 31, 2004	March 31, 2004
Net cash inflow from operating activities	£ 5,676	£ 18,024	£ 6,289
Returns on investments and servicing of finance	(417)	(2,501)	(274)
Capital expenditure	<u>(2,492)</u>	<u>(1,314)</u>	<u>(2,704)</u>
<b>Cash inflow before management of liquid resources and financing</b>	2,767	14,209	3,311
<b>Management of liquid resources</b>	20,727	(1,727)	12,000
<b>Financing</b>	<u>(1,529)</u>	<u>(16,706)</u>	<u>(23,337)</u>
<b>Increase/(decrease) in cash</b>	<u>£ 21,965</u>	<u>£ (4,224)</u>	<u>£ (8,026)</u>

**Reconciliation of Net Cash Flow to Reduction/(Increase) in Net Debt**

Increase/(decrease) in cash in the period	£ 21,965	£ (4,224)	£ (8,026)
Cash inflow from decreases in short term deposits	(20,727)	1,727	(12,000)
Cash outflow from repayments of loans provided by group companies	—	234,463	22,733
Cash inflow from loans provided by group companies	—	—	(160)
Cash inflow from STT Bridge Loan Facility	—	(24,717)	—
Cash inflow from senior secured notes	—	(196,095)	—
Cash outflow from repayment of finance lease obligations	1,639	3,128	1,840
<b>Change in net debt resulting from cash flow</b>	2,877	14,282	4,387
Foreign exchange movements on loans to group companies	—	—	(3)
Foreign exchange movements on senior secured notes	(2,054)	760	—
Foreign exchange movements on STT Bridge Loan Facility	—	3,135	—
Assignment of STT Bridge Loan Facility to Global Crossing Limited	—	66,043	—
Increase in debt due to Global Crossing Limited	—	(66,043)	—
Intercompany debt waiver	—	54,461	—
Amortization of deferred finance fees	(272)	—	—
Amortization of discount on senior secured notes	(75)	—	—
Changes in lease related accruals	(1,248)	219	(254)
Disposal of finance leases	—	1,555	1,556
New finance leases	<u>(360)</u>	<u>(113)</u>	<u>(744)</u>
<b>Reduction/(increase) in net debt</b>	<u>(1,132)</u>	<u>74,299</u>	<u>4,942</u>
<b>Net debt at beginning of period</b>	<u>(213,757)</u>	<u>(288,056)</u>	<u>(321,464)</u>
<b>Net debt at end of period</b>	<u>£ (214,889)</u>	<u>£ (213,757)</u>	<u>£ (316,522)</u>

Table 5

**Global Crossing (UK) Telecommunications Limited and Subsidiaries**  
**UK GAAP - Reconciliation of UK GAAP EBITDA to Profit (Loss) for the Period**  
**(£ in thousands)**

	<u>Quarter Ended</u>		
	<u>March 31, 2005</u>	<u>December 31, 2004</u>	<u>March 31, 2004</u>
Profit (loss) for the period	£ (5,619)	£ 36,914	£ (132)
Finance charges, net	7,123	32	2,423
Taxes	(3,285)	(5,063)	-
Depreciation and amortization	12,235	5,993	13,028
UK GAAP EBITDA	<u>£ 10,454</u>	<u>£ 37,876</u>	<u>£ 15,319</u>

Pursuant to the SEC's Regulation G, the foregoing table provides a reconciliation of 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 GAAP measure. Management believes that EBITDA is a relevant indicator of operating performance, especially in a capital-intensive industry such as telecommunications. 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 provide in the condensed consolidated statement of operations.

Definition:

UK GAAP EBITDA consists of loss for the period before taxation, finance charges, net, and depreciation and amortization expense.

Table 6

**Global Crossing (UK) Telecommunications Limited and Subsidiaries**  
**UK GAAP - Reconciliation to US GAAP (unaudited)**  
**(£ in thousands)**

	Quarter Ended		
	March 31, 2005	December 31, 2004	March 31, 2004
Net Income (loss), under UK GAAP	£ (5,619)	£ 36,914	£ (132)
Reconciling items:			
Push down of Global Crossings fresh start accounting	5,381	2,368	4,328
Long-term IRU agreements	(274)	(93)	(93)
Third party service agreements	(18)	(183)	868
Restructuring costs	(48)	4,181	302
Share-based compensation	(227)	(208)	(131)
Income taxes	(2,660)	(16,055)	(1,567)
Other items	29	(708)	(54)
Net Income (loss) under US GAAP on a stand alone basis	£ (3,436)	£ 26,216	£ 3,521