



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

Table 1

	Three months ended		Six months ended	
	June 30, 2006 (unaudited)	June 30, 2005 (unaudited)	June 30, 2006 (unaudited)	June 30, 2005 (unaudited)
Revenues:				
Enterprise and carrier data	£ 58,394	£ 59,980	£ 116,383	£ 120,006
Wholesale voice	1,494	419	2,109	831
Consolidated revenues	£ 59,888	£ 60,399	£ 118,492	£ 120,837

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

Table 2

IFRS in IFRS Reporting Format	Three months ended		Six months ended	
	June 30, 2006	June 30, 2005	June 30, 2006	June 30, 2005
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	£ 59,888	£ 60,399	£ 118,492	£ 120,837
Cost of sales	(36,021)	(34,928)	(70,716)	(70,624)
Gross profit	23,867	25,471	47,776	50,213
Distribution costs	(2,454)	(2,672)	(5,226)	(5,274)
Administrative expenses	(14,021)	(11,986)	(27,238)	(27,179)
Operating profit	7,392	10,813	15,312	17,760
Finance revenue	742	145	1,188	632
Finance charges	(1,769)	(11,981)	(7,598)	(22,132)
Profit (loss) before tax	6,365	(1,023)	8,902	(3,740)
Tax (charge) benefit	-	(1,170)	2,100	890
Profit (loss) for the period	£ 6,365	£ (2,193)	£ 11,002	£ (2,850)

IFRS in U.S. Reporting Format	Three months ended		Six months ended	
	June 30, 2006	June 30, 2005	June 30, 2006	June 30, 2005
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
REVENUES	£ 59,888	£ 60,399	£ 118,492	£ 120,837
Cost of revenue (excluding depreciation and amortization shown separately below)				
Cost of access	(19,831)	(19,686)	(37,861)	(38,033)
Real estate, network and operations	(9,723)	(9,280)	(19,446)	(17,480)
Third party maintenance	(4,100)	(4,246)	(8,565)	(8,991)
Cost of equipment sales	(5,533)	(5,790)	(11,142)	(11,650)
Total cost of revenue	(39,187)	(39,002)	(77,014)	(76,154)
Selling, general and administrative	(7,441)	(9,926)	(15,090)	(20,432)
Depreciation and amortization	(5,975)	(4,624)	(11,858)	(10,487)
Total operating expenses	(52,603)	(53,552)	(103,962)	(107,073)
OPERATING INCOME	7,285	6,847	14,530	13,764
OTHER INCOME (EXPENSE):				
Interest expense, net	(5,928)	(7,546)	(12,839)	(14,668)
Other income (expense), net	5,008	(324)	7,211	(2,836)
INCOME (EXPENSE) BEFORE BENEFIT (PROVISION) FOR INCOME TAXES	6,365	(1,023)	8,902	(3,740)
Benefit (provision) for income taxes	-	(1,170)	2,100	890
NET INCOME (LOSS)	£ 6,365	£ (2,193)	£ 11,002	£ (2,850)

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, whereas under U.S. GAAP all foreign exchange gains/(losses) are included in other income (expense), net.

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

Table 3

	June 30, 2006	December 31, 2005
	(unaudited)	
Non-current assets		
Intangible assets, net	£ 1,833	£ 1,296
Property, plant and equipment, net	125,542	129,005
Investment in associate	163	4
Retirement benefit asset	1,004	1,106
Derivative financial instrument	-	1,245
Trade and other receivables	30,611	3,669
Deferred tax assets	6,740	8,148
	<u>165,893</u>	<u>144,473</u>
Current assets		
Trade and other receivables	47,085	59,954
Deferred tax assets	9,200	5,693
Derivative financial instrument	-	415
Cash and cash equivalents	23,414	44,847
	<u>79,699</u>	<u>110,909</u>
Total Assets	<u>£ 245,592</u>	<u>£ 255,382</u>
Current liabilities		
Trade and other payables	£ (58,933)	£ (68,486)
Senior secured notes	-	(13,997)
Deferred revenue	(33,244)	(30,823)
Provisions	(2,768)	(2,980)
Obligations under finance leases	(7,101)	(6,681)
Derivative financial instrument	(441)	-
	<u>(102,487)</u>	<u>(122,967)</u>
Non-current liabilities		
Trade and other payables	(718)	-
Senior secured notes	(203,137)	(195,097)
Deferred revenue	(99,718)	(103,850)
Retirement benefit obligation	(2,620)	(2,922)
Provisions	(11,194)	(11,603)
Obligations under finance leases	(21,225)	(23,661)
Derivative financial instrument	(1,102)	-
	<u>(339,714)</u>	<u>(337,133)</u>
Total Liabilities	<u>(442,201)</u>	<u>(460,100)</u>
Net liabilities	<u>£ (196,609)</u>	<u>£ (204,718)</u>
Capital and reserves		
Equity share capital	£ 101	£ 101
Capital reserve	25,691	25,151
Hedging reserve	(1,525)	1,908
Accumulated deficit	(220,876)	(231,878)
Total Equity	<u>£ (196,609)</u>	<u>£ (204,718)</u>

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

Table 4

	For the six months ended	
	June 30, 2006	June 30, 2005
	(unaudited)	(unaudited)
Operating activities		
Profit (loss) for the period	£ 11,002	£ (2,850)
Adjustments for:		
Finance costs (net)	6,410	21,500
Income tax	(2,100)	(890)
Depreciation of property, plant and equipment	10,560	8,076
Amortization of intangible assets	538	571
Share-based payment expense	540	907
Loss (gain) on disposal of property, plant and equipment	(46)	407
(Decrease)/Increase in provisions	(937)	1,237
Other	(359)	(49)
	<hr/>	<hr/>
Operating cash flows before movements in working capital	25,608	28,909
Decrease in trade and other receivables	13,207	14,810
Decrease in trade and other payables	(9,896)	(19,763)
	<hr/>	<hr/>
Cash generated from operations	28,919	23,956
Interest paid	(13,115)	(12,645)
	<hr/>	<hr/>
Net cash provided from operating activities	£ 15,804	£ 11,311
Investing activities		
Interest received	£ 1,552	£ 710
Proceeds from disposal of property, plant and equipment	8	10
Purchase of property, plant and equipment	(8,545)	(4,670)
Loans granted to related parties	(43,835)	-
Loan repayments received from related parties	16,114	-
	<hr/>	<hr/>
Net cash used in investing activities	£ (34,706)	£ (3,950)
Financing activities		
Repayments of capital elements under finance leases	£ (2,531)	£ (2,515)
	<hr/>	<hr/>
Net cash used in financing activities	£ (2,531)	£ (2,515)
	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents	(21,433)	4,846
Cash and cash equivalents at beginning of period	44,847	21,193
	<hr/>	<hr/>
Cash and cash equivalents at end of period	£ 23,414	£ 26,039

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

Table 5

	<u>Three months ended</u>		<u>Six months ended</u>	
	<u>June 30, 2006</u>	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2005</u>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
IFRS EBITDA	£ 13,367	£ 15,437	£ 27,170	£ 28,247
Depreciation and amortization	(5,975)	(4,624)	(11,858)	(10,487)
Finance revenue	742	145	1,188	632
Finance costs	(1,769)	(11,981)	(7,598)	(22,132)
Taxation	-	(1,170)	2,100	890
Profit (loss) for period	<u>£ 6,365</u>	<u>£ (2,193)</u>	<u>£ 11,002</u>	<u>£ (2,850)</u>

Consistent with 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 provided in the consolidated statement of operations.

Definition:

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

Global Crossing (UK) Telecommunications Limited and Subsidiaries
Reconciliation of Profit (Loss) Under IFRS to U.S. GAAP (unaudited)
Results below are in pounds sterling in thousands.

Table 6

	<u>Three months ended</u>		<u>Six months ended</u>	
	<u>June 30, 2006</u> <u>(unaudited)</u>	<u>June 30, 2005</u> <u>(unaudited)</u>	<u>June 30, 2006</u> <u>(unaudited)</u>	<u>June 30, 2005</u> <u>(unaudited)</u>
Profit (loss) reported under IFRS	£ 6,365	£ (2,193)	£ 11,002	£ (2,850)
Reconciling items:				
Push down of Global Crossing's fresh start accounting:				
- Deferred income	(1,141)	(1,040)	(2,282)	(2,212)
Long-term IRU agreements	(87)	(274)	(174)	(548)
Restructuring costs	49	13	175	12
Pensions	-	(4)	1	(8)
Dilapidation provisions	33	81	66	163
Share-based compensation	(35)	(90)	(189)	(116)
Income taxes	(525)	706	(2,542)	(729)
Income (loss) under U.S. GAAP	£ 4,659	£ (2,801)	£ 6,057	£ (6,288)

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 7

	Three months ended		Six months ended	
	June 30, 2006 (unaudited)	June 30, 2005 (unaudited)	June 30, 2006 (unaudited)	June 30, 2005 (unaudited)
Adjusted Gross Margin	£ 40,057	£ 40,713	£ 80,631	£ 82,804
Less:				
Customer-specific costs	(6,617)	(6,744)	(13,266)	(13,837)
Third-party maintenance	(4,100)	(4,246)	(8,565)	(8,991)
Depreciation & amortization (included within cost of sales)	(5,473)	(4,252)	(11,024)	(9,763)
Gross Profit (IFRS)	<u>£ 23,867</u>	<u>£ 25,471</u>	<u>£ 47,776</u>	<u>£ 50,213</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 presented 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.