

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

**Table 1**

	<b>Three months ended</b>		
	<b>September 30, 2008</b>	<b>June 30, 2008</b>	<b>September 30, 2007</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Revenue:</b>			
Enterprise and carrier data	£ 80,660	£ 78,930	£ 71,227
Wholesale voice	1,325	1,618	1,272
	<u>81,985</u>	<u>80,548</u>	<u>72,499</u>
Global Crossing group companies	125	125	125
Consolidated revenue	<u>£ 82,110</u>	<u>£ 80,673</u>	<u>£ 72,624</u>

IFRS in IFRS Reporting Format	Three months ended		
	September 30, 2008 (unaudited)	June 30, 2008 (unaudited)	September 30, 2007 (unaudited)
Revenue	£ 82,110	£ 80,673	£ 72,624
Cost of sales	(50,832)	(49,628)	(43,062)
Gross profit	31,278	31,045	29,562
Distribution costs	(4,905)	(4,660)	(3,885)
Administrative expenses	(17,759)	(17,597)	(17,473)
Operating profit	8,614	8,788	8,204
Finance revenue	3,743	1,044	831
Finance charges	(18,902)	(8,639)	(7,683)
(Loss) profit before tax	(6,545)	1,193	1,352
Tax (charge) benefit	(97)	51	(746)
(Loss) profit for the period	£ (6,642)	£ 1,244	£ 606

IFRS in U.S. Reporting Format	Three months ended		
	September 30, 2008 (unaudited)	June 30, 2008 (unaudited)	September 30, 2007 (unaudited)
REVENUE	£ 82,110	£ 80,673	£ 72,624
Cost of revenue (excluding depreciation and amortization shown separately below)			
Cost of access	(25,881)	(25,105)	(20,562)
Real estate, network and operations	(12,642)	(12,464)	(12,527)
Third party maintenance	(3,920)	(4,559)	(4,582)
Cost of equipment sales	(9,264)	(8,766)	(6,256)
Total cost of revenue	(51,707)	(50,894)	(43,927)
Selling, general and administrative	(10,150)	(10,025)	(8,701)
Depreciation and amortization	(11,379)	(10,976)	(11,832)
Total operating expenses	(73,236)	(71,895)	(64,460)
OPERATING INCOME	8,874	8,778	8,164
OTHER INCOME (EXPENSE)			
Interest expense, net	(7,435)	(7,591)	(7,740)
Other income (expense), net	(7,984)	6	928
(LOSS) INCOME BEFORE PROVISION FOR INCOME TAXES	(6,545)	1,193	1,352
(Provision) benefit for income taxes	(97)	51	(746)
NET (LOSS) INCOME	£ (6,642)	£ 1,244	£ 606

Note: The classification differences between reporting under IFRS and U.S. Generally Accepted Accounting Principles (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 and 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 charges, and those related to loans to related parties, which are included in finance revenue. Under U.S. GAAP, all foreign exchange gains and losses are included in other income (expense), net.

**Global Crossing (UK) Telecommunications Limited and Subsidiaries**  
**Condensed Consolidated Balance Sheets**  
**Results below are in pounds sterling in thousands (except share information)**

**Table 3**

	<b>September 30,</b> <b>2008</b> <small>(unaudited)</small>	<b>December 31,</b> <b>2007</b>
<b>Non-current assets</b>		
Intangible assets, net	£ 12,487	£ 13,351
Property, plant and equipment, net	176,209	185,719
Investment in associate	200	200
Retirement benefit asset	961	961
Derivative financial instrument	60	-
Trade and other receivables (including amounts receivable from related parties of £27,876 and £25,277, respectively)	30,405	28,511
	<u>220,322</u>	<u>228,742</u>
<b>Current assets</b>		
Trade and other receivables (including amounts receivable from related parties of £2,788 and £2,659, respectively)	67,089	66,237
Derivative financial instrument	240	-
Cash and cash equivalents	33,732	23,954
	<u>101,061</u>	<u>90,191</u>
<b>Total assets</b>	<b>£ 321,383</b>	<b>£ 318,933</b>
<b>Current liabilities</b>		
Trade and other payables (including amounts payable to related parties of £3,901 and £7,832, respectively)	£ (78,077)	£ (65,619)
Senior secured notes	(9,717)	(1,158)
Deferred revenue	(42,722)	(47,126)
Provisions	(1,882)	(2,137)
Obligations under finance leases	(9,560)	(11,945)
Other debt obligations	(648)	(463)
Derivative financial instrument	-	(1,048)
	<u>(142,606)</u>	<u>(129,496)</u>
<b>Non-current liabilities</b>		
Trade and other payables	(414)	(650)
Senior secured notes	(249,180)	(247,788)
Deferred revenue	(102,176)	(106,961)
Retirement benefit obligation	(2,860)	(3,110)
Provisions	(3,489)	(4,160)
Obligations under finance leases	(13,449)	(20,242)
Other debt obligations	(400)	(430)
Derivative financial instrument	-	(1,048)
	<u>(371,968)</u>	<u>(384,389)</u>
<b>Total liabilities</b>	<u>(514,574)</u>	<u>(513,885)</u>
<b>Net liabilities</b>	<b>£ (193,191)</b>	<b>£ (194,952)</b>
<b>Capital and reserves</b>		
Equity share capital (101,000 shares outstanding at £1 each)	£ 101	£ 101
Capital reserve	31,439	27,648
Hedging reserve	526	(2,035)
Accumulated deficit	(225,257)	(220,666)
<b>Total equity</b>	<b>£ (193,191)</b>	<b>£ (194,952)</b>

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

**Table 4**

	<b>Nine Months ended</b>	
	<b>September 30,</b>	
	<b>2008</b>	<b>2007</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Operating activities:</b>		
(Loss) profit for the period	£ (4,591)	£ 95
<i>Adjustments for:</i>		
Finance costs, net	30,453	20,326
Income tax charge	290	1,651
Depreciation of property, plant and equipment	26,520	25,653
Amortization of intangible assets	1,655	2,173
Share based payment expense	3,791	2,438
(Gain) loss on disposal of property, plant and equipment	(11)	273
Equity income from associate	-	(37)
Change in provisions	(1,122)	(1,726)
Change in operating working capital	(4,011)	(17,987)
Change in other assets and liabilities	(4,508)	(957)
Cash generated from operations	48,466	31,902
Interest paid	(17,164)	(17,768)
Net cash provided by operating activities	<u>£ 31,302</u>	<u>£ 14,134</u>
<b>Investing activities:</b>		
Interest received	£ 3,246	£ 2,642
Purchase of property, plant and equipment	(16,432)	(24,253)
Proceeds from disposal of property, plant and equipment	12	-
Net cash used in investing activities	<u>£ (13,174)</u>	<u>£ (21,611)</u>
<b>Financing activities:</b>		
Loans provided to group companies	£ -	£ (2,500)
Loans repaid by group companies	-	6,100
Repayment of Senior Secured notes	(1,158)	-
Repayment of capital elements under finance leases	(7,339)	(6,597)
Proceeds from debt obligations	474	774
Repayment of capital element of other debt obligations	(327)	(172)
Net cash used in financing activities	<u>£ (8,350)</u>	<u>£ (2,395)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	£ 9,778	£ (9,872)
<b>Cash and cash equivalents at the beginning of period</b>	<u>23,954</u>	<u>40,309</u>
<b>Cash and cash equivalents at the end of period</b>	<u>£ 33,732</u>	<u>£ 30,437</u>
<b>Non cash financing activities:</b>		
Capital lease and debt obligations incurred	<u>£ 1,079</u>	<u>£ 7,263</u>

**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**

	<b>Three months ended</b>		
	<b>September 30, 2008</b>	<b>June 30, 2008</b>	<b>September 30, 2007</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
Adjusted IFRS EBITDA	£ 20,931	£ 21,118	£ 20,542
Non-cash stock compensation	(938)	(1,354)	(506)
Depreciation and amortization	(11,379)	(10,976)	(11,832)
Finance revenue	3,743	1,044	831
Finance costs	(18,902)	(8,639)	(7,683)
Taxation	(97)	51	(746)
(Loss) profit for period	<u>£ (6,642)</u>	<u>£ 1,244</u>	<u>£ 606</u>

Consistent with the SEC's Regulation G, the foregoing table provides a reconciliation of adjusted IFRS EBITDA, which is considered a non-GAAP financial metric, to (loss) profit 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 condensed consolidated statement of operations.

**Definition:**

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

**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**

	<b>Three months ended</b>		
	<b>September 30, 2008 (unaudited)</b>	<b>June 30, 2008 (unaudited)</b>	<b>September 30, 2007 (unaudited)</b>
<b>Adjusted Gross Margin</b>	£ 56,229	£ 55,568	£ 52,062
Less:			
Customer-specific costs	(10,534)	(9,849)	(7,210)
Third-party maintenance	(3,920)	(4,559)	(4,582)
Depreciation & amortization (included within cost of sales)	(10,497)	(10,115)	(10,708)
Gross Profit (IFRS)	<u>£ 31,278</u>	<u>£ 31,045</u>	<u>£ 29,562</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. Management believe that Adjusted Gross Margin is a relevant indicator of operating performance since it links revenue lines with the largest and most directly related costs incurred to generate such revenue. Adjusted Gross Margin should be used in addition to, but not as a substitute for, the analysis provided in the condensed consolidated statement of operations and to provide 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.