

Global Crossing (UK) Telecommunications Limited and Subsidiaries
Consolidated Statement of Financial Position
Results below are in pounds sterling in thousands

Table 1

	March 31, 2009	December 31, 2008
	(unaudited)	(audited)
Non-current assets		
Intangible assets, net	£ 11,857	£ 11,955
Property, plant and equipment, net	174,121	179,544
Investment in associate	910	178
Retirement benefit asset	1,020	1,020
Trade and other receivables	37,726	37,006
	<u>224,934</u>	<u>229,703</u>
Current assets		
Trade and other receivables	61,184	56,276
Derivative financial instrument	3,013	2,787
Cash and cash equivalents	32,658	36,100
	<u>96,855</u>	<u>95,163</u>
Total assets	<u>£ 321,789</u>	<u>£ 324,866</u>
Current liabilities		
Trade and other payables	£ (85,951)	£ (81,909)
Senior secured notes	(7,382)	(7,382)
Deferred revenue	(40,188)	(38,751)
Provisions	(1,779)	(1,590)
Obligations under finance leases	(8,524)	(10,182)
Other debt obligations	(741)	(740)
	<u>(144,565)</u>	<u>(140,554)</u>
Non-current liabilities		
Trade and other payables	(257)	(335)
Senior secured notes	(281,593)	(279,546)
Deferred revenue	(96,989)	(100,694)
Retirement benefit obligation	(957)	(988)
Provisions	(2,429)	(3,786)
Obligations under finance leases	(12,295)	(14,043)
Other debt obligations	(110)	(240)
	<u>(396,630)</u>	<u>(401,524)</u>
Total liabilities	<u>(541,195)</u>	<u>(542,078)</u>
Net liabilities	<u>£ (219,406)</u>	<u>£ (217,212)</u>
Capital and reserves		
Equity share capital (101,000 shares outstanding at £1 each)	£ 101	£ 101
Capital reserve	31,047	30,504
Hedging reserve	2,148	2,694
Accumulated deficit	<u>(252,702)</u>	<u>(250,511)</u>
Total equity	<u>£ (219,406)</u>	<u>£ (217,212)</u>

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		
	March 31, 2009 (unaudited)	December 31, 2008 (unaudited)	March 31, 2008 (unaudited)
Revenue	£ 78,588	£ 81,647	£ 78,402
Cost of sales	(50,524)	(51,435)	(48,592)
Gross profit	28,064	30,212	29,810
Distribution costs	(4,574)	(4,723)	(4,073)
Administrative expenses	(16,902)	(22,694)	(16,987)
Operating profit	6,588	2,795	8,750
Finance revenue	1,678	8,233	1,036
Finance charges	(10,299)	(36,140)	(8,735)
(Loss)/profit before tax	(2,035)	(25,112)	1,051
Tax charge	(158)	(142)	(244)
(Loss)/profit for the period	£ (2,191)	£ (25,254)	£ 807

IFRS in U.S. GAAP Reporting Format	Three months ended		
	March 31, 2009 (unaudited)	December 31, 2008 (unaudited)	March 31, 2008 (unaudited)
REVENUES	£ 78,588	£ 81,647	£ 78,402
Cost of revenue (excluding depreciation and amortization shown separately below)			
Cost of access	(24,580)	(26,058)	(24,048)
Real estate, network and operations	(12,784)	(11,568)	(12,735)
Third party maintenance	(3,659)	(3,681)	(4,417)
Cost of equipment and other sales	(11,217)	(9,954)	(8,882)
Total cost of revenue	(52,240)	(51,261)	(50,082)
Gross margin	26,348	30,386	28,320
Selling, general and administrative	(9,012)	(14,143)	(8,619)
Depreciation and amortization	(10,463)	(11,393)	(10,951)
Total operating expenses	(71,715)	(76,797)	(69,652)
OPERATING INCOME	6,873	4,850	8,750
OTHER INCOME (EXPENSE)			
Interest expense, net	(7,322)	(7,201)	(7,759)
Other income (expense), net	(1,584)	(22,761)	60
(LOSS) INCOME BEFORE PROVISION FOR INCOME TAXES	(2,035)	(25,112)	1,051
Provision for income taxes	(158)	(142)	(244)
NET (LOSS) INCOME	£ (2,191)	£ (25,254)	£ 807

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

Cost of sales:

Under IFRS reporting format, 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 reporting format, the company includes cost of access, real estate, network and operations, third party maintenance and cost of equipment and other sales within cost of revenue.

Foreign currency gains and losses:

Under IFRS reporting format, 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 reporting format, all foreign exchange gains and losses are included in other income (expense), net.

Global Crossing (UK) Telecommunications Limited and Subsidiaries
Consolidated Statement of Cash Flows
Results below are in pounds sterling in thousands

Table 3

	Three months ended	
	March 31, 2009	March 31, 2008
	(unaudited)	(unaudited)
Operating activities:		
(Loss) profit for the period	£ (2,191)	£ 807
Adjustments for:		
Finance costs, net	8,621	7,699
Income tax	158	244
Depreciation of property, plant and equipment	8,262	8,668
Amortization of intangible assets	394	554
Amortization of prepaid connection costs	2,441	2,295
Share based payment expense	543	1,499
Loss on disposal of property, plant and equipment	(50)	-
Equity income from associate	(32)	-
Change in provisions	(1,223)	(472)
Change in operating working capital	(8,938)	(4,408)
Change in other assets and liabilities	(3,994)	(1,750)
Cash generated from operations	3,991	15,136
Interest paid	(528)	(446)
Net cash provided by operating activities	<u>£ 3,463</u>	<u>£ 14,690</u>
Investing activities:		
Interest received	121	£ 220
Purchase of property, plant and equipment	(3,142)	(4,550)
Proceeds from disposal of property, plant and equipment	58	-
Net cash used in investing activities	<u>£ (2,963)</u>	<u>£ (4,330)</u>
Financing activities:		
Repayments of capital elements under finance leases	£ (3,405)	£ (1,653)
Proceeds from debt obligations, net	-	474
Repayment of capital element of other debt obligations	(121)	(97)
Payment of employee taxes on share based compensation	(416)	-
Net cash used in financing activities	<u>£ (3,942)</u>	<u>£ (1,276)</u>
Net (decrease)/increase in cash and cash equivalents	(3,442)	9,084
Cash and cash equivalents at beginning of period	36,100	23,954
Cash and cash equivalents at end of period	<u>£ 32,658</u>	<u>£ 33,038</u>
Non-cash in financing activities:		
Capital lease and debt obligations incurred	£ -	£ 694

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

Table 4

	Three months ended		
	March 31, 2009	December 31, 2008	March 31, 2008
	(unaudited)	(unaudited)	(unaudited)
Revenues:			
Enterprise, carrier data and indirect sales channels	£ 76,589	£ 79,674	£ 76,958
Carrier voice	<u>1,874</u>	<u>1,848</u>	<u>1,319</u>
Revenue from third party customers	78,463	81,522	78,277
Revenues from Global Crossing group companies	<u>125</u>	<u>125</u>	<u>125</u>
Consolidated revenues	<u>£ 78,588</u>	<u>£ 81,647</u>	<u>£ 78,402</u>

Global Crossing (UK) Telecommunications Limited and Subsidiaries
Reconciliation of OIBDA to Net (Loss) Income
Results below are in pounds sterling in thousands

Table 5

Pursuant to the SEC's Regulation G, the following table provides a reconciliation of OIBDA, which is considered a non-GAAP (Generally Accepted Accounting Principles) financial measure, to net (loss) income under U.S. GAAP reporting format.

OIBDA is defined as operating income (loss) before depreciation and amortization, based upon our IFRS results in U.S. GAAP reporting format consolidated statement of operations. OIBDA differs from operating income (loss), in that it excludes depreciation and amortization. Such excluded expenses primarily reflect the non-cash impacts of historical capital investments, as opposed to the cash impacts of capital expenditures made in recent periods. In addition, OIBDA does not give effect to cash used for debt service requirements and thus does not reflect available funds for reinvestment, distributions or other discretionary uses.

Management uses OIBDA as an important part of our internal reporting and planning processes and as a key measure to evaluate profitability and operating performance, make comparisons between periods, and to make resource allocation decisions. Management believes that the investment community uses similar performance measures to compare performance of competitors in our industry.

There are material limitations to using non-GAAP financial measures. Our calculation of OIBDA may differ from similarly titled measures used by other companies, and may not be comparable to those other measures. Additionally, OIBDA does not include certain significant items such as depreciation and amortization, interest income, interest expense, income taxes and other non-operating income or expense items. OIBDA should be considered in addition to, and not as a substitute for, other measures of financial performance reported in accordance with GAAP.

Management believes that OIBDA is useful to our investors as it is a relevant indicator of operating performance, especially in a capital-intensive industry such as telecommunications. OIBDA provides investors with an indication of the underlying performance of our everyday business operations. It excludes the effect of items associated with our capitalization and tax structures, such as interest income, interest expense and income taxes, and of other items not associated with our everyday operations.

	<u>Three months ended</u>		
	<u>March 31,</u>	<u>December</u>	<u>March 31,</u>
	<u>2009</u>	<u>31, 2008</u>	<u>2008</u>
	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>
OIBDA	£ 17,336	£ 16,243	£ 19,701
Depreciation and amortization	(10,463)	(11,393)	(10,951)
Operating income	6,873	4,850	8,750
Interest expense, net	(7,322)	(7,201)	(7,759)
Other income (expense), net	(1,584)	(22,761)	60
Provision for income taxes	(158)	(142)	(244)
Net (loss) income	£ (2,191)	£ (25,254)	£ 807