

Table 1

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

| | Quarter Ended | | |
|-----------------------------|------------------|-------------------|------------------|
| | June 30, 2005 | March 31, 2005 | June 30, 2004 |
| Revenues: | | | |
| Enterprise and carrier data | £ 59,980 | £ 59,992 | £ 64,721 |
| Wholesale voice | 419 | 412 | 4,138 |
| Consolidated revenues | <u>£ 60,399</u> | <u>£ 60,404</u> | <u>£ 68,859</u> |

Table 2

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

| | Quarter Ended | | |
|--|------------------|-------------------|------------------|
| | Adjusted | | |
| | June 30, 2005 | March 31, 2005 | June 30, 2004 |
| UK GAAP in UK Reporting Format | | | |
| Turnover | £60,399 | £60,404 | £68,859 |
| Cost of sales | (39,691) | (39,420) | (47,524) |
| Gross profit | 20,708 | 20,984 | 21,335 |
| Distribution costs | (2,495) | (2,552) | (2,447) |
| Administrative expenses | (19,664) | (17,403) | (11,554) |
| | (22,159) | (19,955) | (14,001) |
| Operating profit/(loss) | (1,451) | 1,029 | 7,334 |
| Finance charges, net | (7,653) | (7,123) | (978) |
| Profit (loss) on ordinary activities before taxation | (9,104) | (6,094) | 6,356 |
| Taxation on profit on ordinary activities | (2,153) | 3,285 | - |
| Profit/(loss) for the period | £ (11,257) | £ (2,809) | £ 6,356 |

| | Quarter Ended | | |
|--|------------------|-------------------|------------------|
| | Adjusted | | |
| | June 30, 2005 | March 31, 2005 | June 30, 2004 |
| UK GAAP in US Reporting Format | | | |
| REVENUES | £60,399 | £60,404 | £68,859 |
| OPERATING EXPENSES: | | | |
| Cost of access | (19,686) | (18,510) | (24,156) |
| Third party maintenance | (4,246) | (4,745) | (5,106) |
| Other operating expenses | (24,072) | (23,602) | (19,880) |
| Depreciation and amortization | (9,387) | (9,425) | (10,627) |
| | (57,391) | (56,282) | (59,769) |
| OPERATING INCOME | 3,008 | 4,122 | 9,090 |
| OTHER EXPENSE: | | | |
| Interest expense, net | (7,653) | (7,123) | (978) |
| Other expense, net | (4,459) | (3,093) | (1,756) |
| INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE BENEFIT (PROVISION) FOR INCOME TAXES | (9,104) | (6,094) | 6,356 |
| Provision (benefit) for income taxes | (2,153) | 3,285 | - |
| NET INCOME (LOSS) | £ (11,257) | £ (2,809) | £ 6,356 |

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
 (Results below are in pounds sterling in thousands)

| | <u>June 30, 2005</u> (unaudited) | <u>December 31, 2004</u> |
|--|---|------------------------------|
| Fixed assets | | |
| Goodwill | £ - | £ - |
| Tangible assets | 174,159 | 186,477 |
| Trade investment | 4 | 4 |
| | <u>174,163</u> | <u>186,481</u> |
| Current assets | | |
| Debtors: amounts receivable in less than one year (including amounts receivable from group companies of 6,133 pounds and 3,802 pounds, respectively) | 51,240 | 65,138 |
| Debtors: amounts receivable in more than one year | 12,795 | 18,422 |
| Investment—short term deposits | - | 20,727 |
| Cash at bank and in hand | 26,039 | 466 |
| | <u>90,074</u> | <u>104,753</u> |
| Creditors: amounts falling due within one year (including amounts owed to group companies of 9,332 pounds and 5,743 pounds, respectively) | <u>(87,186)</u> | <u>(94,407)</u> |
| Net current assets | <u>2,888</u> | <u>10,346</u> |
| Total assets less current liabilities | 177,051 | 196,827 |
| Creditors: amounts falling due after more than one year | (340,370) | (345,911) |
| Provisions for liabilities and charges | <u>(13,141)</u> | <u>(12,481)</u> |
| Net liabilities | <u>£ (176,460)</u> | <u>£ (161,565)</u> |
| Capital and reserves | | |
| Called-up share capital | £101 | £101 |
| Share premium | 21,895 | 21,895 |
| Profit and loss account | (198,456) | (183,561) |
| Equity shareholder's deficit | <u>£ (176,460)</u> | <u>£ (161,565)</u> |

Table 4

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

| | Quarter Ended | | |
|--|--------------------|--------------------|--------------------|
| | June 30, 2005 | March 31, 2005 | June 30, 2004 |
| Net cash inflow from operating activities | £ 18,171 | £ 5,676 | £ 17,614 |
| Returns on investments and servicing of finance | (11,519) | (417) | (510) |
| Capital expenditure | <u>(2,168)</u> | <u>(2,492)</u> | <u>(2,029)</u> |
| Cash inflow before management of liquid resources and financing | 4,484 | 2,767 | 15,075 |
| Management of liquid resources | — | 20,727 | 10,000 |
| Financing | <u>(876)</u> | <u>(1,529)</u> | <u>(26,525)</u> |
| Increase/(decrease) in cash | <u>£ 3,608</u> | <u>£ 21,965</u> | <u>£ (1,450)</u> |
| | | | |
| Reconciliation of Net Cash Flow to Reduction/(Increase) in Net Debt | | | |
| Increase/(decrease) in cash in the period | £ 3,608 | £ 21,965 | £ (1,450) |
| Cash inflow from decreases in short term deposits | — | (20,727) | (10,000) |
| Cash outflow from repayments of loans provided by group companies | — | — | 46,577 |
| Cash inflow from loans provided by group companies | — | — | (21,832) |
| Cash outflow from repayment of finance lease obligations | 876 | 1,639 | 1,780 |
| Change in net debt resulting from cash flow | 4,484 | 2,877 | 15,075 |
| Foreign exchange movements on loans to group companies | — | — | (366) |
| Foreign exchange movements on senior secured notes | (4,271) | (2,054) | — |
| Intercompany debt waiver | — | — | 3,275 |
| Amortization of deferred finance fees | (266) | (272) | — |
| Amortization of discount on senior secured notes | (76) | (75) | — |
| Changes in lease related accruals | 4,039 | (1,248) | (538) |
| Disposal of finance leases | — | — | — |
| New finance leases | <u>(228)</u> | <u>(360)</u> | <u>(615)</u> |
| Reduction/(increase) in net debt | 3,682 | (1,132) | 16,831 |
| Net debt at beginning of period | <u>(214,889)</u> | <u>(213,757)</u> | <u>(316,522)</u> |
| Net debt at end of period | <u>£ (211,207)</u> | <u>£ (214,889)</u> | <u>£ (299,691)</u> |

Table 5

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

| | Quarter Ended | | |
|-------------------------------|--------------------------|--|--------------------------|
| | June 30, 2005 | Adjusted March 31, 2005 | June 30, 2004 |
| Profit (loss) for the period | £ (11,257) | £ (2,809) | £ 6,356 |
| Finance charges, net | 7,653 | 7,123 | 978 |
| Taxes | 2,153 | (3,285) | - |
| Depreciation and amortization | 9,387 | 9,425 | 10,627 |
| UK GAAP EBITDA | <u>£ 7,936</u> | <u>£ 10,454</u> | <u>£ 17,961</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 Principals) 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 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)
(Results below are in pounds sterling in thousands)

| | Quarter Ended | | |
|---|------------------|-------------------------------|------------------|
| | June 30, 2005 | Adjusted March 31, 2005 | June 30, 2004 |
| Net Income (loss), under UK GAAP | £ (11,257) | £ (2,809) | £ 6,356 |
| Reconciling items: | | | |
| Push down of Global Crossing's fresh start accounting | 2,347 | 2,571 | 3,735 |
| Long-term IRU agreements | (274) | (274) | (92) |
| Third party service agreements | 5,697 | (18) | (250) |
| Restructuring costs | (53) | (48) | 302 |
| Share-based compensation | (796) | (227) | (196) |
| Income taxes | 1,689 | (2,660) | (3,020) |
| Other items | 29 | 29 | (54) |
| Net Income (loss) under US GAAP on a standalone basis | £ (2,618) | £ (3,436) | £ 6,781 |