

Global Crossing Limited and Subsidiaries
Summary of Consolidated Revenues (unaudited)
(\$ in millions)

	Quarter Ended September 30, 2006			Quarter Ended June 30, 2006			Quarter Ended September 30, 2005		
	GCUK	ROW ¹	Total	GCUK	ROW ¹	Total	GCUK	ROW ¹	Total
Revenues:									
Enterprise, carrier data and indirect channels	\$ 108	\$ 205	\$ 313	\$ 103	\$ 196	\$ 299	\$ 102	\$ 167	\$ 269
Wholesale voice	2	149	151	3	157	160	-	189	189
Consumer voice, small business group and trader voice ²	-	2	2	-	2	2	-	23	23
Consolidated revenues	<u>\$ 110</u>	<u>\$ 356</u>	<u>\$ 466</u>	<u>\$ 106</u>	<u>\$ 355</u>	<u>\$ 461</u>	<u>\$ 102</u>	<u>\$ 379</u>	<u>\$ 481</u>
Cost of access:									
Enterprise, carrier data and indirect channels	\$ (33)	\$ (108)	\$ (141)	\$ (31)	\$ (113)	\$ (144)	\$ (28)	\$ (98)	\$ (126)
Wholesale voice	(2)	(131)	(133)	(3)	(139)	(142)	-	(170)	(170)
Consumer voice, small business group and trader voice ²	-	(1)	(1)	-	-	-	-	(10)	(10)
Consolidated cost of access	<u>\$ (35)</u>	<u>\$ (240)</u>	<u>\$ (275)</u>	<u>\$ (34)</u>	<u>\$ (252)</u>	<u>\$ (286)</u>	<u>\$ (28)</u>	<u>\$ (278)</u>	<u>\$ (306)</u>
Adjusted gross margin:									
Enterprise, carrier data and indirect channels	\$ 75	\$ 97	\$ 172	\$ 72	\$ 83	\$ 155	\$ 74	\$ 69	\$ 143
Wholesale voice	-	18	18	-	18	18	-	19	19
Consumer voice, small business group and trader voice ²	-	1	1	-	2	2	-	13	13
Consolidated adjusted gross margin	<u>\$ 75</u>	<u>\$ 116</u>	<u>\$ 191</u>	<u>\$ 72</u>	<u>\$ 103</u>	<u>\$ 175</u>	<u>\$ 74</u>	<u>\$ 101</u>	<u>\$ 175</u>

¹Rest of World (ROW) represents operations of Global Crossing Limited excluding Global Crossing (UK) Telecommunications Ltd. (GCUK).

²Global Crossing's small business group and trader voice assets were sold in 2005.

Table 2

Global Crossing Limited and Subsidiaries
Condensed Consolidated Statements of Operations (unaudited)
(\$ in millions)

	Quarter Ended September 30, 2006			Quarter Ended June 30, 2006			Quarter Ended September 30, 2005		
	GCUK	ROW ¹	Total	GCUK	ROW ¹	Total	GCUK	ROW ¹	Total
REVENUES	\$ 110	\$ 356	\$ 466	\$ 106	\$ 355	\$ 461	\$ 102	\$ 379	\$ 481
OPERATING EXPENSES:									
Cost of access	(35)	(240)	(275)	(34)	(252)	(286)	(28)	(278)	(306)
Real estate, network and operations	(18)	(51)	(69)	(17)	(56)	(73)	(15)	(60)	(75)
Third party maintenance	(8)	(14)	(22)	(7)	(14)	(21)	(8)	(16)	(24)
Cost of equipment sales	(11)	(4)	(15)	(10)	(3)	(13)	(11)	(2)	(13)
Total Cost of Revenue	(72)	(309)	(381)	(68)	(325)	(393)	(62)	(356)	(418)
Selling, general and administrative	(13)	(65)	(78)	(16)	(69)	(85)	(8)	(88)	(96)
Depreciation and amortization	(12)	(29)	(41)	(10)	(26)	(36)	(10)	(26)	(36)
Total Operating Expenses	(97)	(403)	(500)	(94)	(420)	(514)	(80)	(470)	(550)
OPERATING INCOME (LOSS)	13	(47)	(34)	12	(65)	(53)	22	(91)	(69)
OTHER INCOME (EXPENSE)									
Interest income	3	2	5	1	4	5	1	2	3
Interest expense	(13)	(14)	(27)	(13)	(13)	(26)	(13)	(11)	(24)
Other income (expense), net	4	(6)	(2)	9	(11)	(2)	(5)	4	(1)
INCOME (LOSS) BEFORE REORGANIZATION ITEMS, NET AND INCOME TAXES	7	(65)	(58)	9	(85)	(76)	5	(96)	(91)
Net, gain on preconfirmation contingencies	-	10	10	-	13	13	-	9	9
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE PROVISION FOR INCOME TAXES	7	(55)	(48)	9	(72)	(63)	5	(87)	(82)
Provision for income taxes	(1)	(1)	(2)	-	(13)	(13)	(3)	(17)	(20)
INCOME (LOSS) FROM CONTINUING OPERATIONS	6	(56)	(50)	9	(85)	(76)	2	(104)	(102)
Discontinued operations, net of income tax	-	-	-	-	-	-	-	8	8
NET INCOME (LOSS)	6	(56)	(50)	9	(85)	(76)	2	(96)	(94)
Preferred stock dividends	-	(1)	(1)	-	(1)	(1)	-	(1)	(1)
INCOME (LOSS) APPLICABLE TO COMMON SHAREHOLDERS	6	(57)	(51)	9	(86)	(77)	2	(97)	(95)

¹Rest of World (ROW) represents operations of Global Crossing Limited excluding Global Crossing (UK) Telecommunications Ltd. (GCUK).

Table 3

Global Crossing Limited and Subsidiaries
Condensed Consolidated Balance Sheets
(\$ in millions)

	September 30, 2006	December 31, 2005
	<u>(unaudited)</u>	
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 417	\$ 224
Restricted cash and cash equivalents	2	5
Accounts receivable, net	227	225
Prepaid costs and other current assets	89	94
Total current assets	<u>735</u>	<u>548</u>
Property and equipment, net	1,002	963
Other assets	97	79
Total assets	<u><u>\$ 1,834</u></u>	<u><u>\$ 1,590</u></u>
LIABILITIES:		
Current liabilities:		
Accounts payable	\$ 240	\$ 197
Accrued cost of access	124	134
Current portion of long term debt	13	26
Accrued restructuring costs - current portion	29	31
Deferred revenue - current portion	97	89
Other current liabilities	311	323
Total current liabilities	<u>814</u>	<u>800</u>
Debt with controlling shareholder	268	262
Long term debt	535	361
Obligations under capital leases	87	62
Deferred revenue	124	115
Accrued restructuring costs	68	89
Other deferred liabilities	69	74
Total liabilities	<u>1,965</u>	<u>1,763</u>
SHAREHOLDERS' DEFICIT:		
Common stock, 85,000,000 and 55,000,000 shares authorized, \$.01 par value, 36,457,065 and 22,586,703 shares issued and outstanding as of September 30, 2006 and December 31, 2005, respectively	-	-
Preferred stock with controlling shareholder, 45,000,000 shares authorized, \$.10 par value, 18,000,000 shares issued and outstanding	2	2
Additional paid-in capital	815	534
Accumulated other comprehensive loss	(13)	(8)
Accumulated deficit	(935)	(701)
Total shareholders' deficit	<u>(131)</u>	<u>(173)</u>
Total liabilities and shareholders' deficit	<u><u>\$ 1,834</u></u>	<u><u>\$ 1,590</u></u>

Table 4

Global Crossing Limited and Subsidiaries
Condensed Consolidated Statement of Cash Flows
(\$ in millions)

	Nine Months Ended September 30,	
	2006	2005
Cash flows provided by (used in) operating activities:		
Net loss	\$ (234)	\$ (275)
Adjustments to reconcile net loss to net cash used in operating activities:		
Income from discontinued operations	-	(9)
Gain on sale of property and equipment	-	(2)
Gain on sale of marketable securities	(1)	(2)
Gain on sale of assets	-	(14)
Non-cash income tax provision	28	36
Non-cash stock compensation expense	18	39
Depreciation and amortization	114	106
Provision for doubtful accounts	2	7
Amortization of prior period IRUs	(4)	(3)
Deferred reorganization costs	-	(12)
Gain on preconfirmation contingencies	(29)	(21)
Changes in operating working capital	15	(4)
Other	5	68
Net cash used in operating activities	<u>(86)</u>	<u>(86)</u>
Cash flows provided by (used in) investing activities:		
Purchases of property and equipment	(73)	(60)
Purchases of marketable securities	(20)	-
Proceeds from sale of discontinued operations	-	5
Proceeds from sale of marketable securities	1	5
Proceeds from sale of assets	-	55
Change in restricted cash and cash equivalents	16	(6)
Net cash used in investing activities	<u>(76)</u>	<u>(1)</u>
Cash flows provided by (used in) financing activities:		
Proceeds from issuance of common stock	240	-
Proceeds from long term debt	144	-
Repayment of capital lease obligations	(12)	(12)
Repayment of long term debt	(6)	-
Proceeds from exercise of stock options	3	2
Finance costs incurred	(17)	-
Other	-	(2)
Cash flows provided by (used in) financing activities	<u>352</u>	<u>(12)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>3</u>	<u>(6)</u>
Net increase (decrease) in cash and cash equivalents	193	(105)
Cash and cash equivalents, beginning of period	<u>224</u>	<u>365</u>
Cash and cash equivalents, end of period	<u>\$ 417</u>	<u>\$ 260</u>
Non-cash investing and financing activities:		
Capital lease and debt obligations incurred	<u>\$ 46</u>	<u>\$ 2</u>
Accrued interest paid with the issuance of convertible notes	<u>\$ 6</u>	<u>\$ 6</u>

Pursuant to the SEC's Regulation G, the following table provides a reconciliation of Adjusted EBITDA, which is considered a non-GAAP (Generally Accepted Accounting Principles) financial metric, to net income, which is the most directly comparable GAAP measure. Global Crossing's calculation of its Adjusted EBITDA measure may not be consistent with EBITDA measures of other companies. Management believes that Adjusted EBITDA is a relevant indicator of operating performance, especially in a capital-intensive industry such as telecommunications. Adjusted 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 statement of operations. As some investors hold separate securities in the form of senior notes issued by Global Crossing (UK) Finance Plc, the company has provided the following information on Adjusted EBITDA contribution from the GCUK subsidiary.

Table 5

Global Crossing Limited
Reconciliation of Adjusted EBITDA to Income (loss) applicable to common shareholders (unaudited)
(\$ in millions)

	Quarter Ended September 30, 2006			Quarter Ended June 30, 2006			Quarter Ended September 30, 2005		
	GCUK	ROW ¹	Total	GCUK	ROW ¹	Total	GCUK	ROW ¹	Total
Adjusted EBITDA	\$ 25	\$ (18)	\$ 7	\$ 22	\$ (39)	\$ (17)	\$ 32	\$ (65)	\$ (33)
Depreciation and amortization	(12)	(29)	(41)	(10)	(26)	(36)	(10)	(26)	(36)
Interest income	3	2	5	1	4	5	1	2	3
Interest expense	(13)	(14)	(27)	(13)	(13)	(26)	(13)	(11)	(24)
Other income (expense), net	4	(6)	(2)	9	(11)	(2)	(5)	4	(1)
Net gain on pre-confirmation contingencies	-	10	10	-	13	13	-	9	9
Income tax provision	(1)	(1)	(2)	-	(13)	(13)	(3)	(17)	(20)
Discontinued operations, net of income tax	-	-	-	-	-	-	-	8	8
Preferred stock dividends	-	(1)	(1)	-	(1)	(1)	-	(1)	(1)
Income (loss) applicable to common shareholders	<u>\$ 6</u>	<u>\$ (57)</u>	<u>\$ (51)</u>	<u>\$ 9</u>	<u>\$ (86)</u>	<u>\$ (77)</u>	<u>\$ 2</u>	<u>\$ (97)</u>	<u>\$ (95)</u>

¹Rest of World (ROW) represents operations of Global Crossing Limited excluding Global Crossing (UK) Telecommunications Ltd. (GCUK).

Definitions:

Adjusted EBITDA is earnings before interest, taxes, depreciation and amortization, other income/ (expense), gain on pre-confirmation contingencies, reorganization items, net income from discontinued operations, and preferred stock dividends for the consolidated business of Global Crossing.

Pursuant to the SEC's Regulation G, the following table provides a reconciliation of Adjusted Gross Margin, which is considered a non-GAAP financial metric, to gross margin, which is the most directly comparable GAAP measure. Management believes 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 statement of operations.

Table 6

Global Crossing Limited and Subsidiaries
 Reconciliation of Adjusted Gross Margin to Gross Margin (unaudited)
 (\$ in millions)

	Quarter Ended September 30, 2006			Quarter Ended June 30, 2006			Quarter Ended September 30, 2005		
	GCUK	ROW ¹	Total	GCUK	ROW ¹	Total	GCUK	ROW ¹	Total
Adjusted Gross Margin	\$ 75	\$ 116	\$ 191	\$ 72	\$ 103	\$ 175	\$ 74	\$ 101	\$ 175
Real estate, network and operations	(18)	(51)	(69)	(17)	(56)	(73)	(15)	(60)	(75)
Third party maintenance	(8)	(14)	(22)	(7)	(14)	(21)	(8)	(16)	(24)
Cost of equipment sales	(11)	(4)	(15)	(10)	(3)	(13)	(11)	(2)	(13)
Gross margin	\$ 38	\$ 47	\$ 85	\$ 38	\$ 30	\$ 68	\$ 40	\$ 23	\$ 63

¹Rest of World (ROW) represents operations of Global Crossing Limited excluding Global Crossing (UK) Telecommunications Ltd. (GCUK).

Definition:

Adjusted gross margin is revenue minus cost of access.