

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name  <b>Level 3 Communications, Inc.</b>		2 Issuer's employer identification number (EIN)  <b>47-0210602</b>	
3 Name of contact for additional information  <b>Investor Relations</b>	4 Telephone No. of contact  <b>720-888-2518</b>	5 Email address of contact  <b>investor.relations@level3.com</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact  <b>1025 Eldorado Boulevard</b>		7 City, town, or post office, state, and Zip code of contact  <b>Broomfield, CO 80021</b>	
8 Date of action  <b>10/31/14</b>		9 Classification and description  <b>Common stock issued in exchange for TWTC common stock</b>	
10 CUSIP number  <b>52729N308</b>	11 Serial number(s)  <b>N/A</b>	12 Ticker symbol  <b>LVLT</b>	13 Account number(s)  <b>N/A</b>

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶

**Please see attached statement.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶

**Please see attached statement.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶

**Please see attached statement.**

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶  
I.R.C. sections 354, 356, 358, 368(a), 1221.

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18 Can any resulting loss be recognized? ▶  
No.


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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶  
For shareholders reporting taxable income on a calendar year basis, the reportable tax year is 2014. For shareholders reporting taxable income on a basis other than the calendar year, the reportable tax year is the tax year that includes October 31, 2014.

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Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶  Date ▶ 12/2/14

Print your name ▶ Douglas A. Richards Title ▶ SVP, Tax

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶	Firm's EIN ▶		Phone no.	
Firm's address ▶				

## ATTACHMENT TO FORM 8937

### **Part II, Box 14**

On October 31, 2014, pursuant to the terms and conditions in the Agreement and Plan of Merger, dated as of June 15, 2014, by and among Level 3 Communications, Inc. (“LVLT”), Saturn Merger Sub 1, LLC (“Merger Sub 1”), Saturn Merger Sub 2, LLC (Merger Sub 2), and tw telecom inc. (“TWTC”), Merger Sub 1 merged with and into TWTC (the “First Step Merger”), which was immediately followed by the merger of TWTC, as the surviving entity in the First Step Merger, with and into Merger Sub 2, with Merger Sub 2 (k/n/a “tw telecom, llc”) surviving (the “Second Step Merger” and, together with the First Step Merger, the “Merger”).

As a result of the Merger, each share of TWTC common stock was exchanged for .7 shares of LVLT common stock and \$10.00 in cash. Where the exchange would have resulted in the issuance of a fractional share of LVLT common stock to a TWTC stockholder, one additional share of LVLT common stock was issued in exchange for the fractional share.

### **Part II, Box 15**

The Merger qualifies as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986. As a result, each TWTC stockholder will recognize gain – but not loss – equal to the lesser of (1) the amount of cash received in the Merger, or (2) the amount, if any, by which the sum of the cash received plus the fair market value of the shares received in the Merger (measured at the time of the Merger) exceeds the TWTC stockholder’s basis in the TWTC shares surrendered in the Merger.

Gain must be calculated separately for each identifiable block of TWTC common shares (i.e., shares acquired at the same time and price) surrendered in the Merger.

A TWTC stockholder’s tax basis in the shares of LVLT common stock received in the Merger is equal to: the aggregate adjusted basis of the TWTC common shares surrendered in the Merger; reduced by the amount of cash received in the Merger; and increased by the amount of gain, if any, recognized in the Merger (including any portion of the gain that is treated as a dividend).

Each TWTC stockholder should consult their tax advisor to determine the proper fair market value of LVLT common stock purposes of determining the amount of gain, if any, recognized in the Merger and the tax basis of the LVLT shares received in the Merger.

### **Part II, Box 16**

The calculation of the change in basis is described above in Part II, Box 15. The closing price of a single share of LVLT common stock on October 31, 2014 was \$46.91.