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January 28, 2002

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COMMISSION

**VIA FACSIMILE AND FEDERAL EXPRESS**

Mr. Thomas Dorman  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602-8294

Dear Mr. Dorman:

The purpose of this letter is to advise you that Global Crossing Ltd. and certain of its subsidiaries, including Global Crossing Telecommunications, Inc., Budget Call Long Distance, Inc., Global Crossing North American Networks, Inc., and Global Crossing Telemanagement, Inc. (collectively, "Global Crossing"), filed a petition today under Chapter 11 of the United States Bankruptcy Code in order to reorganize their operations and financial structure. Global Crossing expects to continue its day-to-day operations during the Chapter 11 process and intends to continue to offer the services it currently offers, including retail voice services, in the markets that it currently serves, including Kentucky. Furthermore, Global Crossing is aware of the obligations arising from its authorizations and intends to take the actions necessary to comply with those obligations during the reorganization process.

Global Crossing has been affected by the problems besetting the entire competitive telecommunications industry, as well as by issues that are specific to international network operators. As with other competitive providers, the changed expectations of investors have resulted in a dramatic decline in the price of Global Crossing's stock and reduced access to capital. Finally, the economic downturn has resulted in reduced spending by carrier and enterprise customers for telecommunications services.

To address these problems, Global Crossing has redoubled its focus on the global services market, leveraging its worldwide fiber optic broadband network to address the sophisticated telecommunications needs of enterprise customers worldwide. In addition to expanded sales and marketing activities, this effort has involved the sale of non-core assets, operational restructuring, and significant efficiency-enhancing initiatives.

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Throughout this process, Global Crossing will communicate with its customers and provide them the information necessary to retain their confidence in the Global Crossing network and vision.

Global Crossing is undertaking these efforts for the long-term success of the company, its investors and its customers. However, it recently became clear that these efforts are not enough to meet the short-term financial requirements of the company. Chapter 11 will give Global Crossing the opportunity to reorganize its debt and capital structure under court supervision and, it is hoped, to emerge in a stronger financial position, thus enabling Global Crossing to better compete in the global marketplace and better serve its customers, including those in the Commonwealth of Kentucky.

Attached to this letter is a copy of a press release issued today; further information, including information distributed to our customers, vendors and employees, can be found on the Internet at <http://www.globalcrossing.com>. As discussed in the press release, Global Crossing is evaluating a potential investment by international investors that would inject substantial new capital into the company and strengthen its financial position. The terms and conditions of the potential investment are not final. Global Crossing will provide such notice or obtain such approval as may be required in connection with the transaction should the parties reach a definitive agreement.

If you would like to discuss this matter in greater detail, please do not hesitate to contact me at 716-777-1028 or [michael.shortley@globalcrossing.com](mailto:michael.shortley@globalcrossing.com). You may also contact our outside counsel, Andrew Lipman and Jean Kiddoo of Swidler Berlin Shereff Friedman, LLP, at 202-424-7500.

Very truly yours,

*Michael J. Shortley, III / WMC*

Michael J. Shortley, III  
Senior Associate General Counsel

Global Crossing North America, Inc.

Attachment

cc: Martin J. Huelsmann, Jr., Chairman (via facsimile)  
Paul Kouroupas  
Andrew D. Lipman  
Jean L. Kiddoo

## Hutchison Whampoa Limited and Singapore Technologies Telemedia Pte. Ltd. Plan to Invest \$750 Million in Global Crossing

- Investment, combined with Chapter 11 filing, will restructure balance sheet
- Operations worldwide unaffected by filing

FOR IMMEDIATE RELEASE: MONDAY, JANUARY 28, 2002

**HAMILTON, BERMUDA** – Global Crossing (NYSE: GX) today announced that it has signed a letter of intent with Hutchison Whampoa Limited and Singapore Technologies Telemedia Pte. Ltd. for a \$750 million cash investment for a joint majority stake in the company's equity in connection with a restructuring of the company's balance sheet. In order to begin the restructuring process, Global Crossing and certain of its affiliates commenced Chapter 11 cases in the United States Bankruptcy Court for the Southern District of New York and coordinated proceedings in the Supreme Court of Bermuda.

Under the terms of the proposed investment, which is conditional on, among other things, the confirmation of a plan of reorganization by the courts before the end of August 2002, creditors would share in a combination of cash, new debt, and new equity in the restructured company. Existing common equity and preferred shareholders would not participate in the new capital structure.

John Legere, Chief Executive Officer of Global Crossing stated, "We believe this new equity investment from parties as strong as Hutchison Whampoa and Singapore Technologies Telemedia validates our confidence in the strong future of our company. This investment, along with the financial and operational restructuring that we're implementing, will strengthen our balance sheet and enable Global Crossing to build a sustainable business upon its existing unmatched global network. With this restructuring, we believe we can become the global leader providing networking services among the world's top 200 cities to global enterprises and carriers."

Mr. Legere said that business would continue as usual during the restructuring process. Employees will continue to be paid their wages and other benefits without interruption. Worldwide operations will be unaffected by the filing and customers will not experience any changes in their service.

"Ours is a balance sheet issue, not an operational one," Mr. Legere said, "and today's actions are intended to directly address this issue. Even with the financial uncertainty we've recently experienced, customers have continued to choose our network over many others. With this restructuring, we'll put financial uncertainty behind us and the power of our network will once again become the primary factor in the minds of our customers. Hutchison Whampoa and Singapore Technologies Telemedia are perfect matches for Global Crossing. They bring considerable financial resources and business acumen, which we are confident will add significant value to Global Crossing's prospects."

"With a strengthened balance sheet and reduced debt, we are confident that Global Crossing will be in an excellent position to take advantage of its unique global network, growing customer base, and outstanding service capabilities to create substantial value in the coming years. We are committed to an expedited restructuring process," Mr. Legere added.

Mr. Canning Fok, Group Managing Director of Hutchison Whampoa, and Mr. Lee Theng Kiat, President and CEO of Singapore Technologies Telemedia, said, "We are excited about the prospect of working with Global Crossing's management team and the opportunity presented by this transaction to develop and strengthen Global Crossing's business."

Hutchison Whampoa and Singapore Technologies Telemedia already have business relationships with Global Crossing and its affiliates. Asia Global Crossing and Hutchison Whampoa each own 50 percent of Hutchison Global Crossing, a leading telecommunications service provider in Hong Kong providing fixed-

line, Internet and data services. Asia Global Crossing and a subsidiary of Singapore Technologies Telemedia each own 50 percent of StarHub Crossing, which owns and operates a high capacity backhaul network in Singapore.

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#### **ABOUT GLOBAL CROSSING**

Global Crossing (NYSE: GX) provides telecommunications solutions over the world's first integrated global IP-based network, which reaches 27 countries and more than 200 major cities around the globe. Global Crossing serves many of the world's largest corporations, providing a full range of managed data and voice products and services. Global Crossing operates throughout the Americas and Europe, and provides services in Asia through its subsidiary, Asia Global Crossing (NYSE: AX). Please visit [www.globalcrossing.com](http://www.globalcrossing.com) or [www.asiaglobalcrossing.com](http://www.asiaglobalcrossing.com) for more information.

#### **ABOUT HUTCHISON WHAMPOA**

Hutchison Whampoa is a Hong Kong-based multinational conglomerate with origins dating back to the 1800s. Hutchison is also part of the Li Ka-shing group of companies, which together represent about 15% of the total market capitalization of the Hong Kong stock market. In 2000, consolidated turnover (including associates) was over US\$10 billion, and consolidated net profit was approximately US\$4.4 billion. With over 100,000 employees worldwide, Hutchison operates five core businesses in 36 countries: ports and related services; telecommunications and e-commerce; property and hotels; retail and manufacturing; and energy and infrastructure. For more information, visit <http://www.hutchison-whampoa.com>.

#### **ABOUT SINGAPORE TECHNOLOGIES TELEMEDIA**

Singapore Technologies Telemedia is a leading info-communications group that provides voice, data and video services. It focuses on three core businesses: data & voice, broadband, & multimedia. Through its subsidiaries and associate companies, Singapore Technologies Telemedia provides fixed and mobile telecom services, wireless data communications services, Internet mobile services, global IP network services, managed hosting services, satellite services, broadband cable and e-business software development services. Singapore Technologies Telemedia is a wholly-owned subsidiary of the Singapore Technologies group.

*Statements made in this press release that state the Company's or management's intentions, beliefs, expectations, or predictions for the future are forward-looking statements. Such forward-looking statements are subject to a number of risks, assumptions and uncertainties that could cause the Company's actual results to differ materially from those projected in such forward-looking statements. These risks, assumptions and uncertainties include: the ability to complete systems within currently estimated time frames and budgets; the ability to compete effectively in a rapidly evolving and price competitive marketplace; changes in the nature of telecommunications regulation in the United States and other countries; changes in business strategy; the successful integration of newly-acquired businesses; the impact of technological change; and other risks referenced from time to time in the Company's filings with the Securities and Exchange Commission.*

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