

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE GLOBAL CROSSING LTD. SECURITIES LITIGATION : Case No. 02 Civ. 910 (GEL)

IN RE GLOBAL CROSSING LTD. ERISA LITIGATION : Case No. 02 Civ. 7453 (GEL)

JOHN PUSLOSKIE, et al., on Behalf of Themselves
and All Others Similarly Situated,

Plaintiffs,

v. GARY WINNICK, et al.,

Defendants.

RANDAL SIMONETTI, et al., on Behalf of Themselves
and All Others Similarly Situated,

Plaintiffs,

v. JOSEPH PERRONE, et al.,

Defendants.

COURT-ORDERED LEGAL NOTICE

IF YOU BOUGHT GLOBAL CROSSING LTD. OR ASIA GLOBAL CROSSING LTD. SECURITIES BETWEEN FEBRUARY 1, 1999 AND DECEMBER 8, 2003, OR WERE A PARTICIPANT OR BENEFICIARY OF THE GLOBAL CROSSING EMPLOYEES' RETIREMENT SAVINGS PLAN OR THE FRONTIER GROUP BARGAINING UNIT EMPLOYEES RETIREMENT SAVINGS PLAN BETWEEN SEPTEMBER 28, 1999 AND DECEMBER 8, 2003, OR WERE A PARTICIPANT IN THE FRONTIER CORPORATION/GLOBAL CROSSING LTD. CHANGE OF CONTROL SEVERANCE PLAN YOU COULD GET A PAYMENT FROM A CLASS ACTION SETTLEMENT

Para una notificación en Español, llamar o visitar nuestro website.

A partial settlement has been preliminarily approved in a class action lawsuit concerning the alleged fraudulent inflation of the price of stock and bonds of Global Crossing Ltd. and Asia Global Crossing Ltd. The settlement will provide approximately \$245 million to pay claims from investors who bought Global Crossing and Asia Global Crossing securities between February 1, 1999 and December 8, 2003 (the "Class Period").

A settlement has also been preliminarily approved in a class action lawsuit about fiduciary duties under ERISA and the Global Crossing Employees' Retirement Savings Plan, the Frontier Group Bargaining Unit Employees Retirement Savings Plan and the Frontier Corporation/Global Crossing Severance Plan. This settlement will provide approximately \$79 million to pay claims for losses suffered by participants and beneficiaries of these Plans.

If you qualify, you may – depending on the class or classes for which you qualify – send in a claim form to get benefits, exclude yourself from the settlement, or object to it. The United States District Court for the Southern District of New York authorized this Notice. The Court will hold a hearing on July 23, 2004 to decide whether to approve the settlement.

WHO IS INCLUDED?

You may be a Class Member and able to participate in the settlement if you bought Global Crossing or Asia Global Crossing securities during the Class Period. Current or former officers and directors of Global Crossing or Asia Global Crossing, as well as their immediate family members, are not Class Members. You may contact your broker to see if you purchased or held Global Crossing or Asia Global Crossing securities during the Class Period.

You may also be a Class Member if you were a participant or beneficiary of the Global Crossing Employees' Retirement Savings Plan or the Frontier Group Bargaining Unit Employees Retirement Savings Plan between September 28, 1999 and December 8, 2003, or were a participant in the Frontier Corporation/Global Crossing Change of Control Severance Plan.

If you are not sure whether you are included in the settlement, you can get more information, including a detailed Notice concerning the settlement, at www.globalcrossinglitigation.com or by calling toll free 1-866-808-3497.

WHAT IS THIS ABOUT?

The Plaintiffs in the securities litigation claim that the Defendants violated federal securities laws and misled investors by issuing false information about Global Crossing's and Asia Global Crossing's revenue and financial performance. Because some of the Defendants have agreed to settle and some have not, this is a partial settlement. The Plaintiffs in the ERISA litigation claim that the Defendants breached their fiduciary duties with respect to the Global Crossing and Frontier Group Bargaining Unit 401(k) Plans and the Frontier Corporation/Global Crossing Severance Plan and caused their participants and beneficiaries to suffer losses. The Settling Defendants deny they did anything wrong. This is a complete settlement of all claims in the ERISA litigation. The Court has not ruled in favor of either side. But both sides agreed to the settlement to ensure a resolution and to provide benefits to Class Members before the Settling Parties' available insurance proceeds are exhausted by the cost of defending this case. The Settling Parties are: Gary Winnick, Dan J. Cohrs, John L. Comparin, Linda Woodruff, Kenneth P. Schirmuhly, William S. Cohen, David L. Lee, James F. McDonald, Barry Porter, Abbott L. Brown, Lodwick M. Cook, John M. Scanlon, Hillel Weinberger, James C. Gorton, Joseph P. Clayton, Robert Annunziata, Leo J. Hindery, Jr., Thomas J. Casey, David A. Walsh, William B. Carter, Jr., S. Wallace Dawson, Jr., John A. Scarpati, John M. Finlayson, Jay R. Bloom, Dean C. Kehler, Jay R. Levine, William D. Phoenix, Bruce Raben, Geoffrey J.W. Kent, Eric Hippeau, Douglas H. McCorkindale, William E. Conway, Jr., K. Eugene Shutler, Joseph P. Perrone, Mark Attanasio, Thomas U. Koll, Pieter Knook, Maria Elena Lagomasino, John J. Legere and Stefan C. Riesenfeld. The Securities Action Settlement will also result in a release of claims as to Simpson Thacher & Bartlett LLP ("Simpson Thacher").

WHAT DOES THE SETTLEMENT PROVIDE?

The Settling Parties agreed to the creation of a Securities Settlement Fund of (depending on fluctuating foreign currency exchange rates) approximately \$245 million (less all taxes, approved costs, approved expended reserves, fees and expenses) to be divided among all Class Members who invested in Global Crossing or Asia Global Crossing securities during the Class Period, and an ERISA Settlement Fund of approximately \$79 million (less all taxes, approved costs, approved expended reserves, fees and expenses) to be divided among all Class Members who were participants or beneficiaries of the Global Crossing Employees' Retirement Savings Plan or the Frontier Group Bargaining Unit Employees Retirement Savings Plan between September 28, 1999 and December 8, 2003, or were a participant in the Frontier Corporation/Global Crossing Change of Control Severance Plan. To participate in the Securities Settlement Fund, Class Members must send in valid claim forms. Class Members in the ERISA Settlement will automatically receive settlement relief if the settlement is approved. A Settlement Agreement, available at the website below, describes the details of the proposed settlement.

The \$245 million Securities Settlement Fund consists of: (a) \$10 million from a Global Crossing excess director and officer liability insurance policy; (b) approximately \$185 million from another of Global Crossing's excess director and officer liability insurance policies; (c) \$30 million from Gary Winnick, Global Crossing's former Chairman; and (d) \$19.5 million from Global Crossing's former outside counsel, Simpson Thacher. The \$79 million ERISA Settlement Fund consists of: (a) \$22 million from a Global Crossing fiduciary duty liability policy; (b) approximately \$32 million from a foreign insurer of Global Crossing; and (c) \$25 million that had been pledged by Gary Winnick.

Because a substantial portion of the securities and ERISA settlement funds is being paid by foreign insurance companies in British currency, the actual amount of money available for distribution to the Class will depend on fluctuations in foreign exchange rates. In valuing the settlement for purposes of this summary notice, \$1.846 per British Pound was used as the exchange rate. This amount represents the average exchange rate in the thirty days prior to the Court's preliminary approval of the settlement on March 19, 2004. As of May 28, 2004, the current exchange rate was \$1.836 per British Pound.

The Parties to the Settlement Agreement agreed to establish what is referred to in the Settlement Agreement as the Implementation Period Claim Reserve. This reserve, which has a \$7 million cap, will be used to pay for costs associated with (i) the implementation of this Settlement, including costs to address any objections and appeals, and (ii) continued defense costs incurred with respect to related claims. Of the \$7 million cap, up to \$5.6 million (80%) may be paid out of the insurance proceeds for the Securities Action and up to \$1.4 million (20%) may be paid out of the insurance proceeds for the ERISA Actions. Any money left over in the reserve as of the Final Settlement Date will be distributed to the Securities Action Settlement and the ERISA Actions Settlement consistent with the terms of the Settlement Agreement. The Settling Defendants insisted on this reserve to cover costs associated with implementing this Settlement. Plaintiffs agreed to this reserve because those costs would normally be covered by the Settling Defendants' insurance policies, which are being exhausted in consummation of the Settlement. Such costs would include those associated with responding to any objections to the Settlement, participating in confirmatory discovery, on-going implementation costs, and responding to any appeals.

The Parties to this Settlement also agreed to establish what is referred to in the Settlement Agreement as the Post-Implementation Period Claim Reserve. This reserve, which has a \$25 million cap, will enable the Settling Defendants to defend claims that would otherwise be paid by the insurers funding this Settlement. Of the \$25 million cap, up to \$20 million (or 80%) may be paid out of the insurance proceeds that would cover the claims in the Securities Action and up to \$5 million (or 20%) may be paid out of the insurance proceeds that would cover the claims in the ERISA Actions. In certain circumstances, plaintiffs have a right to challenge the amount of money being paid by the Settling Defendants to settle any other claims against them. Any money left over in the reserve will be distributed in the same manner as the principal settlement proceeds are distributed.

Because the Settlement would result in the exhaustion of their insurance coverage, the Settling Defendants insisted on the formation of the reserve to provide them with some protection in defending themselves in related lawsuits in which they face a potential multi-billion dollar exposure. Even though the Settling Defendants face potential multi-billion dollar liabilities in the Secured Creditors' Action, the Estate Representative's Action, the Underwriters' Action and other suits, the Settling Defendants have agreed to settle the securities claims and exhaust the remaining insurance proceeds other than the amounts placed in the reserve accounts.

If you are a Class Member in the Securities Class, your share of the Securities Settlement Fund will depend on the number of valid claim forms that Class Members send in, how many Global Crossing or Asia Global Crossing securities you bought, and when you bought and sold them. Generally, if you bought more securities and have more Net Recognized Losses (as explained in the Notice), you will get more money. If you bought fewer securities and have fewer Net Recognized Losses, you

will get less. The approximate amount of recovery per damaged share of Global Crossing common stock is \$0.042; the amount per damaged share of Global Crossing preferred stock is \$1.044, and the recovery per damaged Global Crossing note is \$4.598. The approximate recovery per damaged Asia Global Crossing share and note is \$0.037 and \$22.531, respectively. If less than 100% of the Class Members in the Securities Class sends in a claim form, you could get a larger settlement payment. The number of class action claimants who send in claim forms varies widely from case to case.

If you were or are a participant or beneficiary of the Global Crossing Employees' Retirement Savings Plan or the Frontier Group Bargaining Unit Employees Retirement Savings Plan during the relevant period, your share of the ERISA Settlement Fund will depend on your Net Losses. If you were or are a participant in or beneficiary of the Frontier Corporation/Global Crossing Change of Control Severance Plan, your share of the ERISA Settlement Fund will depend on your unpaid entitlements.

As a consequence to the settlement, the Settling Parties will be released from claims. For a complete description of the release, you should review the Notice or Stipulation of Settlement available at www.globalcrossinglitigation.com or by calling toll free 1-866-808-3497. Generally and with some exceptions, the Settling Parties will be released from each and every Claim or Unknown Claim, whether arising under any federal, state or foreign statutory or common law or rule, that has been, could have been, or could be asserted against any of them (a) in these actions or (b) in any other court, tribunal or other forum of competent jurisdiction arising out of or related, directly or indirectly, to (i) the purchase, sale, exchange, acquisition, disposal, transfer or any other Investment Decision involving Global Crossing Securities, during the Securities Class Period, (ii) the purchase, sale, exchange, acquisition, disposal, transfer or any other Investment Decision involving Global Crossing Securities in any of the ERISA Plans, during the ERISA Class Period, and (iii) the participation in the Change of Control Severance Plan and/or the Global Crossing Severance Plan.

The payments that will be made by Global Crossing's insurers will exhaust all applicable insurance proceeds. If the settlement is finally approved, the insurers who are providing insurance proceeds to fund the settlement will be discharged of all further obligations under the relevant insurance policies.

The Settlement is a partial settlement of the Securities Action. As explained below, the Securities Action will continue as to other defendants who are not part of this Settlement.

All of the money in the Settlement Fund will be paid out.

WHAT ATTORNEYS' FEES AND EXPENSES ARE BEING SOUGHT?

Securities Lead Counsel intends to seek an award of attorneys' fees and expenses for itself and nine other law firms representing the named plaintiffs in the Securities Action. Since the minimum value of the Securities Action settlement is approximately \$205 million, Securities Lead Counsel will seek no more than \$38.4 million in fees as is permitted under its agreement with the Lead Plaintiffs. The amount of expenses the Securities Lead Counsel intends to seek in the Securities Action will not exceed \$2.9 million. The requested fees and expenses would amount to an average of \$0.009 per share of damaged Global Crossing common stock; \$0.225 per share of damaged Global Crossing preferred stock; \$0.991 per damaged Global Crossing note; \$0.001 per damaged Asia Global Crossing share; and \$0.898 per damaged Asia Global Crossing note.

Lead Counsel in the ERISA Actions have agreed to seek an award of attorneys' fees not in excess of 20% of the recovery under the Settlement Agreement of the ERISA Actions, plus reimbursement of expenses incurred in connection with the prosecution of the ERISA Actions.

Neither the Securities Lead Counsel nor ERISA Lead Counsel will seek fees on reserves totaling \$32 million that are being funded from the Settlement Fund to pay for costs to implement this settlement and on-going defense and related costs associated with claims covered by Global Crossing's insurance policies.

WHAT ARE SOME OF THE EFFECTS OF THE SETTLEMENT?

The parties to this settlement have agreed to establish an Implementation Period Claim Reserve capped at \$7 million to pay for costs associated with the implementation of this settlement and other defense costs incurred during the period in which the settlement is being implemented, and a Post-Implementation Period Claim Reserve capped at \$25 million to enable the settling parties to defend claims that would otherwise be paid by the insurers funding this settlement.

In addition, if the Court approves the settlement, the Court will enter a "Securities Contribution Bar Order" that will – subject to certain specific exceptions – permanently bar any action by any person or entity seeking contribution for any of the claims asserted in the Securities Action against any settling party and any action seeking contribution for any of the claims asserted in the Securities Action by any of the settling parties against any person or entity. The Court will also enter a "Complete Bar Order" permanently barring – subject to certain specific exceptions – any person from filing any claim against any of the settling parties if such claim is based upon, arises out of, or relates to any of the released claims in the Securities and ERISA Actions.

HOW DO YOU ASK FOR A PAYMENT?

The Notice and claim form package contain everything you need. Just call or visit the website below to get one. Payments will be made in the Securities Action only to Securities Class Members who qualify for payment and who send in a claim form no later than September 6, 2004. If you are an ERISA Class Member, you need not do anything to receive a settlement payment; you will receive any payment for which you qualify automatically if the settlement is approved.

WHAT ARE YOUR OTHER OPTIONS?

If you do not want to be legally bound by the Securities settlement, you must exclude yourself by July 13, 2004 or you will not be able to bring any securities claims against the Settling Defendants. If you exclude yourself from the Securities Class, you will not be able to get any benefits from the Securities Settlement Fund. If you are an ERISA Class Member, you do not have the right to exclude yourself from the ERISA Settlement. The ERISA Actions have been certified as non "opt-out" class actions because of the way ERISA operates.

If you are an ERISA Class Member or a Securities Class Member who stays in the settlement, you may object to it by July 13, 2004.

The Notice explains how to exclude yourself or object. This settlement does not affect anyone's legal claims against the Defendants who did not agree to settle.

The Court will hold a hearing in these cases: In re Global Crossing Ltd. Securities Litig., 02 Civ. 910 and In re Global Crossing Ltd. ERISA Litig., 02 Civ. 7453, on July 23, 2004 at 9:30 a.m., to consider whether to approve the settlements in these cases and whether to grant requests by the lead lawyers representing the Class Members for attorneys' fees and costs as described herein. You may ask to appear at the hearing, but you do not have to. For more information or a detailed description and explanation concerning these settlements, call toll free 1-866-808-3497, visit the website www.globalcrossinglitigation.com, or write to Global Crossing, Ltd. Securities & ERISA Litigation, c/o The Garden City Group, Inc., Claims Administrator, P.O. Box 9000 #6152, Merrick, New York 11566-9000.

Further information regarding the Securities Action and this Notice may be obtained by contacting Securities Plaintiffs' Lead Counsel:

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Further information regarding the ERISA Actions and this Notice may be obtained by contacting ERISA plaintiffs' Lead Counsel:

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