

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Listings/Market Watch

Date: January 3, 2007

Subject: Broadwing Corporation (BWNG/QBG) Merger With Level 3 Communications, Inc. (LVLTE)**EFFECTIVE**

On Wednesday, January 3, 2007, the shareholders of Broadwing Corporation (BWNG) voted to approve the proposed merger with Level 3 Communications, Inc. (LVLTE). Pursuant to the merger terms each BWNG share will be converted into the right to receive 1.3411 LVLTE common shares and \$8.18 cash. Cash will **NOT** be paid in lieu of fractional shares. Instead, any fractional shares will be rounded up to the nearest whole share. **The merger became effective on Wednesday, January 3, 2007.**

*\*\*The foregoing is an unofficial summary of the terms of the Merger, prepared by the PHLX for the convenience of its members. PHLX accepts no responsibility for the accuracy or completeness of the summary. Members should refer to the proxy statement for the authoritative description of the merger terms and conditions.*

Pursuant to Options Clearing Corporation (OCC) By-Laws, all outstanding QBG options will be adjusted as follows:

**EFFECTIVE DATE:** Thursday, January 4, 2007  
**SYMBOL(s):** QBG/ZGG/LIH becomes BVQ/ZQX/LNS respectively  
**STRIKE PRICE:** NO Change  
**POS/EXERCISE LIMIT:** 500,000 contracts until January 2009 expiration; where the limits revert to 250,000 contracts  
**MULTIPLIER:** 100\*(eg., Premium of 1.00 = \$100)  
**NEW DELIVERABLE:** 1) 135 LVLTE common shares.  
 2) \$818.00 cash (\$8.18 x 100)

Broadwing Corporation (BWNG/QBG) (Before 1/4/2007) 100 shares BWNG					Broadwing Corporation (BWNG/BVQ) (Beginning 1/4/2007) (See New Deliverable Above)				
			Calls	Puts				Calls	Puts
QBG	JAN	7 1/2	AU	MU	BVQ	JAN	7 1/2	AU	MU
QBG	JAN	10	AB	MB	BVQ	JAN	10	AB	MB
QBG	JAN	12 1/2	AV	MV	BVQ	JAN	12 1/2	AV	MV
QBG	JAN	15	AC	MC	BVQ	JAN	15	AC	MC
QBG	JAN	17 1/2	AW	MW	BVQ	JAN	17 1/2	AW	MW
QBG	JAN	20	AD	MD	BVQ	JAN	20	AD	MD
QBG	FEB	7 1/2	BU	NU	BVQ	FEB	7 1/2	BU	NU
QBG	FEB	10	BB	NB	BVQ	FEB	10	BB	NB
QBG	FEB	12 1/2	BV	NV	BVQ	FEB	12 1/2	BV	NV
QBG	FEB	15	BC	NC	BVQ	FEB	15	BC	NC
QBG	FEB	17 1/2	BW	NW	BVQ	FEB	17 1/2	BW	NW
QBG	MAY	7 1/2	EU	QU	BVQ	MAY	7 1/2	EU	QU
QBG	MAY	10	EB	QB	BVQ	MAY	10	EB	QB
QBG	MAY	12 1/2	EV	QV	BVQ	MAY	12 1/2	EV	QV
QBG	MAY	15	EC	QC	BVQ	MAY	15	EC	QC
QBG	MAY	17 1/2	EW	QW	BVQ	MAY	17 1/2	EW	QW
QBG	AUG	12 1/2	HV	TV	BVQ	AUG	12 1/2	HV	TV
QBG	AUG	15	HC	TC	BVQ	AUG	15	HC	TC
QBG	AUG	17 1/2	HW	TW	BVQ	AUG	17 1/2	HW	TW

Broadwing Corporation - 2008 Leap (BWNG/ZGG)  
 (Before 1/4/2007)  
 100 shares BWNG

			Call	Put
ZGG	JAN	5	AA	MA
ZGG	JAN	7 1/2	AU	MU
ZGG	JAN	10	AB	MB
ZGG	JAN	12 1/2	AV	MV
ZGG	JAN	15	AC	MC
ZGG	JAN	17 1/2	AW	MW
ZGG	JAN	20	AD	MD

Broadwing Corporation - 2008 Leap (BWNG/ZQX)  
 (Beginning 1/4/2007)  
 (See New Deliverable Above)

			Call	Put
ZQX	JAN	5	AA	MA
ZQX	JAN	7 1/2	AU	MU
ZQX	JAN	10	AB	MB
ZQX	JAN	12 1/2	AV	MV
ZQX	JAN	15	AC	MC
ZQX	JAN	17 1/2	AW	MW
ZQX	JAN	20	AD	MD

Broadwing Corporation - 2009 Leap (BWNG/LIH)  
 (Before 1/4/2007)  
 100 shares BWNG

			Call	Put
LIH	JAN	5	AA	MA
LIH	JAN	7 1/2	AU	MU
LIH	JAN	10	AB	MB
LIH	JAN	12 1/2	AV	MV
LIH	JAN	15	AC	MC
LIH	JAN	17 1/2	AW	MW

Broadwing Corporation - 2009 Leap (BWNG/LNS)  
 (Beginning 1/4/2007)  
 (See New Deliverable Above)

			Call	Put
LNS	JAN	5	AA	MA
LNS	JAN	7 1/2	AU	MU
LNS	JAN	10	AB	MB
LNS	JAN	12 1/2	AV	MV
LNS	JAN	15	AC	MC
LNS	JAN	17 1/2	AW	MW

Customers should be advised that all Good-til-Cancelled (GTC) orders not on AUTOM must be cancelled and re-entered prior to the effective date. GTC AUTOM orders will be deleted by PHLX Service Desk/AUTOM personnel.

Questions regarding this release may be directed to the Listings/Market Watch at 1-800-THE-PHLX, choice #2, or (215) 496-5380.