

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO

| | | |
|---------------------------|---|--------------------------|
| UNITED STATES OF AMERICA, |) | |
| |) | |
| Plaintiff, |) | Crim. No. 05-c-00545-EWN |
| |) | |
| v. |) | |
| |) | |
| JOSEPH P. NACCHIO |) | |
| |) | |
| Defendant. |) | |
| |) | |

CORRECTED REPORT OF DANIEL R. FISCHER

I. QUALIFICATIONS

1. I am President of Lexecon, a consulting firm that specializes in the application of economics to a variety of legal and regulatory issues. I am also Professor of Law and Business at Northwestern University School of Law and Kellogg School of Management and the Lee and Brena Freeman Professor of Law and Business Emeritus at The University of Chicago Law School. I have served previously as Dean of The University of Chicago Law School, Director of the Law and Economics Program at The University of Chicago Law School, and as Professor of Law and Business at The University of Chicago Graduate School of Business.

2. Both my research and my teaching have concerned the economics of corporate law and financial markets. I have published approximately fifty articles in leading legal and economics journals and am coauthor, with Judge Frank Easterbrook of the Seventh Circuit Court of Appeals, of the book *The Economic Structure of Corporate Law* (Harvard University Press). I have written, lectured and testified about measuring damages in securities fraud and insider trading cases. Courts of all levels, including the Supreme Court of the United States, have cited my articles as authoritative. *See, e.g., Central Bank v. First Interstate Bank*, 114 S. Ct. 1439 (1994); *Basic Inc. v. Levinson*, 485 U.S. 224, 246 n. 24 (1988); and *Edgar v. MITE Corp.*, 457 U.S. 624, 643 (1982). My curriculum vitae, which contains a list of my publications, is attached hereto as Exhibit A.

3. I have served as a consultant or adviser on economic issues to, among others, the United States Securities and Exchange Commission, The National Association of Securities Dealers, the New York Stock Exchange, the Chicago Board of

Trade, the United States Department of Labor, the United States Department of Justice, the Federal Deposit Insurance Corporation, the Resolution Trust Corporation, and the Federal Trade Commission.

4. I am a member of the American Economics Association and the American Finance Association. I am also a former member of the Board of Directors of the Center for the Study of the Economy and the State at The University of Chicago, and former Chairman of the American Association of Law Schools' Section on Law and Economics. I have testified as an expert witness in multiple proceedings in federal and state courts across the country, as detailed in Exhibit A.

II. INTRODUCTION AND SUMMARY OF CONCLUSIONS

5. I understand that on April 19, 2007 Joseph P. Nacchio was convicted of insider trading with respect to his sales of 1,330,000 shares of Qwest Communications International Inc. (“Qwest”) common stock on 19 different dates during the period from April 26, 2001 to May 29, 2001 (the “Insider Trading Period”). The total proceeds generated from these sales were \$52,007,549. I understand that the Government alleged at trial that Mr. Nacchio traded on the basis of inside information concerning (i) Qwest’s ability to achieve results consistent with its financial guidance for 2001, and (ii) the magnitude of Qwest’s IRU transactions. I have been asked by counsel for Mr. Nacchio to estimate the portion of Mr. Nacchio’s sales proceeds that can be attributed to inside information concerning these issues, i.e., how much lower the sales proceeds and hence Mr. Nacchio’s trading gains would have been if the inside information had been disclosed prior to the sales.¹

1. My analysis herein is based on the fact that the jury has determined that Mr. Nacchio traded on the basis of material inside information.

6. In order to estimate the portion of Mr. Nacchio's sales proceeds that can be attributed to inside information, I first identified relevant disclosures that were made after the Insider Trading Period (the "Subsequent Disclosures"). I then determined the effect of the Subsequent Disclosures on the price of Qwest stock using well known and established techniques in financial economics. I conclude that the portion of Mr. Nacchio's sales proceeds that can be attributed to inside information is \$1,832,561. I elaborate on this analysis in the remainder of this report.

III. ANALYSIS

A. The Subsequent Disclosures

7. My analysis focuses on disclosures made by Qwest during the period from May 29, 2001 (the date of Mr. Nacchio's last sale) to September 10, 2001 concerning its second quarter 2001 results, reductions in its guidance for 2001, and the amount of IRU revenue during the first and second quarter of 2001. In particular:

- On July 24, 2001 Qwest issued a press release reporting its financial results for the 2nd quarter of 2001 and hosted a conference call with the investment community. See Exhibit B (a Qwest 8-K filed on July 24, 2001). On the call, Qwest announced that it expected that revenue and EBITDA for 2001 would be near the lower end of the previously announced ranges. Id.²
- On August 7, 2001, Mr. Nacchio's spoke at an analyst conference hosted by Piper Jaffrey and Qwest filed an 8-K containing his presentation. See Exhibit C (an 8-K filed by Qwest on August 7, 2001).³ Mr. Nacchio's presentation included a slide which reported Qwest's annual actual and estimated non-recurring broadband capacity sales as a percent of revenue for the period from 1996 to 2001. Id.⁴

2. Also, see Trial Tr. 263:2-4; 270:6-271:25.

3. The 8-K is Trial Exhibit A-251.

4. Also, see Trial Tr. 269:13-17; 418:18-419:3.

- On August 14, 2001, Qwest filed its 10-Q for the 2nd quarter of 2001 which disclosed the magnitude of its first and second quarter IRU transactions in 2000 and 2001. See Exhibit D (Trial Exhibit 641), at 18.⁵
- On September 10, 2001 Qwest issued a press release and hosted a conference call with the investment community in which it reduced its financial guidance for the second half of 2001 and for 2002. See Exhibit E (Trial Exhibit 646).⁶

In addition to these disclosures by Qwest, I also considered Qwest's stock price reaction to an August 22, 2001 Davenport & Company analyst report analyzing the additional information concerning Qwest's IRU transactions that was disclosed by Qwest in its second quarter 10-Q.⁷ See Exhibit F (Trial Exhibit 745).⁸

B. The Stock Price Reaction to the Subsequent Disclosures

8. In an efficient market, the market price of an actively traded stock reflects all publicly available information about the firm and its future prospects and represents the financial community's best estimate of the present value of those prospects.⁹ As new information becomes available that changes investors' assessment of the firm's prospects, traders buy and sell the stock until its price reaches a level that reflects the new consensus view of the firm's prospects. Therefore, the change in the price of a stock when new information becomes available measures the value of the new information to investors. This type of analysis is known as an "event study" and is widely used in finance.¹⁰

5. Also, see Trial Tr. 428:9-23.

6. Also, see Trial Tr. 288:25-289:3; 868:10-869:19.

7. Morgan Stanley also issued an analyst report on August 22, 2001 which discussed Qwest's IRU transactions.

8. Also, see Trial Tr. 2200:24-2207:12.

9. Qwest made regular public filings with the Securities and Exchange Commission, Qwest stock was actively traded the New York Stock Exchange, and Qwest stock was followed by numerous analysts. Therefore, it is reasonable to presume that the market for Qwest stock was efficient.

10. See, e.g., A.C. MacKinlay, "Event Studies in Economics and Finance," XXXV J. Econ. Lit (March 1997) 13-39.

9. In order to evaluate the effect of the Subsequent Disclosures on the price of Qwest's stock, I analyzed changes in Qwest's common stock price on the first day on which trading occurred following each Subsequent Disclosure, and separately analyzed changes during the two-day period that includes both the trading day of and the trading day following each Subsequent Disclosure. Use of one-day and two-day windows is appropriate because in an efficient market, stock prices react quickly to new information. Many studies by financial economists have focused on a one or two-day "event window" during which to analyze changes in stock prices in response to new information.¹¹

10. It is standard practice in event studies to take into account the effect of market factors on stock returns. This is typically done by estimating the historical relationship between changes in a company's stock price and changes in the performance of a market index, using the historical relationship and the actual performance of the market index on the day in question to calculate an expected return,

11. See, e.g., C. Woodruff & A. Senchack, "Intradaily Price-Volume Adjustments of NYSE Stocks to Unexpected Earnings," 43:2 Journal of Finance 467 (1988), at 482 ("we chose the closing price of the trading day following the announcement day to be the fully adjusted price"); B. Cornell & G. Morgan, "Using Finance Theory to Measure Damages in Fraud on the Market Cases," 37 UCLA Law Review 883 (1990), at 906 ("an observation window of a day or two is long enough"); J. Macey, G. Miller, M. Mitchell & J. Netter, "Lessons from Financial Economics: Materiality, Reliance, and Extending the Reach of *Basic v. Levinson*," 77 Virginia Law Review 1017 (1991), at 1031 ("When computing a stock return due to an event, financial economists often define the event period as the two-day period consisting of the announcement day and the following day"); J.C. Alexander, "The Value of Bad News in Securities Class Actions," 41 UCLA Law Review 1421 (1994), at 1433 ("Usually the event study covers a two-day period to allow the market to assimilate the disclosure"); and J. Campbell, A. Lo & A.C. MacKinlay, The Econometrics of Financial Markets, (Chapter 4) Princeton University Press (1997), at 151 ("In practice, the event window is often expanded to two days, the day of the announcement and the day after the announcement").

and subtracting the expected return from the actual return to derive a residual return (sometimes referred to as an “abnormal return” or “market -adjusted return”). In this case, we estimated the relationship between Qwest’s return and Nasdaq Composite Index during the period from April 1, 1999 to March 31, 2000 (i.e., the calendar year ending one year prior to the month in which the improper sales began). I report results using the CRSP Value-Weighted NASDAQ market index return, which reflects the dividend adjusted performance of the NASDAQ market, because the Nasdaq Composite Index is one of the two market indices that Qwest used for performance measurement comparisons (see Qwest Communications International Inc., Proxy Statement, May 2, 2001, at 22), and the CRSP value-weighted market return explained a greater percentage of the variation in Qwest’s stock price during the estimation period than the other market index (the Standard & Poor’s 500) during the estimation period.¹²

11. When performing event studies, the conventional practice in finance is to test the “null hypothesis” that the residual return is zero against either the alternative hypothesis that the residual return is different from zero, or the alternative hypothesis that the residual has a particular sign (i.e., it is positive, or it is negative).¹³ If the null hypothesis cannot be rejected at conventional levels of significance, then the

12. We also estimated a five-factor model that included each of the market and industry indices that Qwest used for performance measurement comparisons and obtained results that were qualitatively similar to those reported in the text.

13. See, e.g., John Y. Campbell, Andrew W. Lo, & A. Craig MacKinlay, The Econometrics of Financial Markets, (Princeton University Press, 1997), at 160-66; A. Craig MacKinlay, “Event Studies in Economics and Finance,” 35 Journal of Economic Literature (March 1997), 13-39; G. William Schwert, “Using Financial Data to Measure Effects of Regulation,” 24 The Journal of Law and Economics (1981) 121-57; Daniel R. Fischel, “Use of Modern Finance Theory in Securities Fraud Cases Involving Actively Traded Securities,” 38 The Business Lawyer (1982), 1-20, at 19.

residual returns are not considered to be statistically significant, i.e., they are not considered to be significantly different from zero. Under these circumstances, one concludes that the observed stock return on a particular date can be explained by the independent variable(s) considered in the estimation model (and is not attributable to the firm-specific events which occurred on that date).

12. In event studies, the statistical significance of the residual returns is typically assessed by calculating a standardized measure of the size of the residual return known as a “t-statistic.”¹⁴ A t-statistic with an absolute value of 1.96 or greater denotes statistical significance at the 5 percent level of significance (a conventional level at which such assessments are made) in a “two-tailed” test of statistical significance.¹⁵ In a two-tailed test, the null hypothesis is that the residual return is zero, and the alternative hypothesis is that the residual return is different from zero (i.e., either positive or negative). A t-statistic with an absolute value of 1.65 or greater denotes statistical significance at the 5 percent level of significance in a “one-tailed” test of statistical significance.¹⁶ In a one-tailed test, the null-hypothesis is that the residual return is zero, and the alternative hypothesis is that the residual return has a particular sign (e.g., it is positive).

14. See, e.g., J. Campbell, A. Lo, & A.C. MacKinlay, The Econometrics of Financial Markets, (Princeton University Press, 1997), at 160-66; A.C. MacKinlay, “Event Studies in Economics and Finance,” 35 Journal of Economic Literature (March 1997), 13-39; G. W. Schwert, “Using Financial Data to Measure Effects of Regulation,” 24 The Journal of Law and Economics (1981) 121-57; D.R. Fischel, “Use of Modern Finance Theory in Securities Fraud Cases Involving Actively Traded Securities,” 38 The Business Lawyer (1982), 1-20, at 19.

15. See, e.g., J.E. Mendenhall, W. Reinmuth & R.J. Beaver, Statistics for Management and Economics (Duxbury Press, 1993), at 346-47.

16. Id.

13. The results of the event study are shown in Exhibit G. The exhibit reports Qwest's actual return and the residual return for the first two trading days following each of the relevant dates. The exhibit also reports a T-statistics for each of the residual returns. Exhibit G shows that:

- a. Qwest's residual return on July 24, 2001 was -3.58 percent, and Qwest's residual return over the two-day window beginning July 24, 2001 was -3.55 percent. Neither the one-day residual return nor the two-day residual return is statistically significant at conventional levels of significance (because the absolute value of each of the relevant t-statistics is less than 1.65).¹⁷
- b. Qwest's residual return on day of the August 7, 2001 presentation was -0.77 percent, and Qwest's residual return on the day of and day following the presentation was 3.37 percent. Neither the one-day residual return nor the two-day residual return was statistically significant at conventional levels of significance.
- c. Qwest's residual return on August 14, 2001 was 6.49 percent, and Qwest's residual return over the two-day window beginning August 14, 2001 was 6.14 percent. The one-day increase was statistically significant at conventional levels of significance in a one-tailed test but not in a two-tailed test (the t-statistic exceeds 1.65 but is less than 1.96), and the two-day increase was not statistically significant at conventional levels of significance.
- d. Qwest's residual return was -6.43% on August 22, 2001, and -6.33 percent the next day. The two-day decline of -12.35 percent is statistically significant at conventional levels of significance.
- e. Qwest's residual return was 9.30 percent on September 10, 2001, and 10.07% over a two-day window. Both the one-day and the two-day increases are statistically significant at conventional levels of significance.¹⁸
- f. In the aggregate, Qwest's residual return on the days of the Subsequent Disclosures was 4.20 percent, a positive, but not statistically significant amount; Qwest's residual return on the days of and the days following the corrective

17. Note that two-day residual returns are calculated by compounding the relevant one-day residual returns. Formally: $[1 - ((1 - 0.0358) \times (1 + 0.0003))] = -0.0355$.

18. As a result of the consequences of the events of September 11, 2001, the first trading day after September 10, 2001 was September 17, 2001. The two-day residual return for September 10, 2001 and September 17, 2001 is statistically significant at the 95 percent level of confidence in a one-tailed test of statistical significance, but not in a two-tailed test of statistical significance.

disclosures was 2.08 percent, which is also a positive, but not statistically significant amount.

C. The Amount of Sales Proceeds Attributable to Inside Information

14. As explained above, none of the Subsequent Disclosures had a statistically significant negative effect on Qwest's stock price on a one-day basis, but Qwest's residual return was negative and statistically significant during the two-day window beginning August 22, 2001. Conversely, Qwest's stock price increased significantly both on the day of the September 10, 2001 press release and conference call and over the two-day window beginning September 10, 2001. If only the August 22, 2001 and September 10, 2001 events are considered (because these are the only events associated with statistically significant two-day residual returns), the cumulative residual return over the relevant two-day windows is a decrease of 3.52 percent.¹⁹ Therefore, the maximum portion of Mr. Nacchio's sales proceeds that would be attributable to inside information is \$1,832,561 (i.e., 3.52 percent of \$52,007,549).²⁰

19. This figure is obtained by compounding the -12.35 percent residual return over the two-day window beginning August 22, 2001, and the 10.07 percent residual return over the two-day window beginning September 10, 2001. Formally: $[(1 - (1 - .1235) \times (1 + .1007))] = -.0352$. (The cumulative residual return using one-day windows is 2.27 percent.)

20. If the stock price reaction to all of the Subsequent Disclosures is considered, then none of Mr. Nacchio's sales proceeds would be attributed to inside information because the Subsequent Disclosures when viewed in totality did not cause Qwest's stock price to decline.

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Corporate Finance, Corporate Control Transactions, Corporations, Financial Institutions, Regulation of Financial Markets, Regulation of Investments, Economic Analysis of Law.

PUBLICATIONS

Payback: The Conspiracy to Destroy Michael Milken and His Financial Revolution, Harper Business (1995).

The Economic Structure of Corporate Law, Harvard University Press (1991) (with Frank H. Easterbrook).

ARTICLES

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Comment, The Demand and Standing Requirements in Stockholder Derivation Actions, 44 U. Chi. L. Rev. 168 (1977).

Comment, The Use of Government Judgments in Private Antitrust Litigation: Clayton Act Section 5(a), Collateral Estoppel, and Jury Trial, 43 U. Chi. L. Rev. 338 (1976).

EDUCATION

University of Chicago Law School, Chicago, Illinois; J.D. 1977, cum laude; Order of the Coif; Comment Editor, Vol. 44, University of Chicago Law Review; Approximately top 1% of the Class. Awarded Casper Platt Award for best paper written by a student of the University of Chicago Law School; awarded Jerome N. Frank Prize for excellence in legal writing while a member of the University of Chicago Law Review, 1975 - 1977. Studied law and economics with Richard Posner and other members of the faculty.

Brown University, Providence, Rhode Island; M.A. 1974 in American History.

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TESTIMONY

Deposition of Daniel R. Fischel In Re: Chuck Ginsburg v. Philadelphia Stock Exchange, Inc., et al, In the Court of Chancery of the State of Delaware in and for New Castle County, C.A. No. 2202-N (June 12, 2007).

Testimony of Daniel R. Fischel In Re: Holcombe T. Green and HTG Corp. v. McKesson, Inc., et al, In the Superior Court for the County of Fulton, State of Georgia, Civil Action File No. 2002-CV-48407 (June 5, 2007).

Deposition of Daniel R. Fischel In Re: Lear Corporation Shareholders Litigation, In the Court of Chancery of the State of Delaware, Consolidated C.A. No. 2728-VCS (June 4, 2007).

Affidavit of Daniel R. Fischel In Re: Aeroflex, Inc. Shareholder Litigation, in the Supreme Court of the State of New York, County of Nassau: Commercial Division, Index No. 07-003943 (May 23, 2007).

Deposition of Daniel R. Fischel In Re: Holcombe T. Green and HTG Corp. v. McKesson, Inc., HBO & Company, Albert Bergonzi, and Jay Gilbertson, in the Superior Court for the County of Fulton, State of Georgia, Civil Action File No. 2002W48407 (May 21, 2007).

Deposition of Daniel R. Fischel In Re: Adelphia Communications Corp. v. Deloitte & Touche LLP, et al, in the Court of Common Pleas, Philadelphia County, Pennsylvania, Case No. 000598 (May 3 and 4, 2007).

Testimony of Daniel R. Fischel In Re: United States of America v. Joseph P. Nacchio, in the United States District Court for the District of Colorado, Case No. 05-CR-00545-EWN (April 9, 2007).

Deposition of Daniel R. Fischel In Re: MK Resources Company Shareholders Litigation, in the Court of Chancery for the State of Delaware in and for New Castle County, C.A. No. 1692-N (February 22, 2007).

Deposition of Daniel R. Fischel In Re: Starr International Company, Inc. v. American International Group, Inc., In the United States District Court, Southern District of New York, Case No. 05 CV 6283 (January 26, 2007).

Written testimony of Daniel R. Fischel In Re: Verizon Communications Inc. and Verizon Services Corp. v. Christopher G. Pizzirani, In the United States District Court for the Eastern District of Pennsylvania, Case No. 2:06-cv-04645-MK (November 6, 2006).

Testimony of Daniel R. Fischel In Re: Northeast Savings, F.A. v. United States of America, In The United States Claims Court, Case No. 92-550 C (November 2 and 9, 2006).

Testimony of Daniel R. Fischel In Re: United States of America v. Sanjay Kumar and Stephen Richards, United States District Court, Eastern District of New York, 04 Civ. 4104 (ILG) (October 25, 2006).

Affidavit of Daniel R. Fischel In Re: Lionel I. Brazen and Nancy Hammerslough, et al v. Tyco International Ltd., et al., In the Circuit Court of Cook County, Illinois County Department, Chancery Division, No. 02 CH 11837 (September 18, 2006).

Deposition of Daniel R. Fischel In Re: Tele-Communications, Inc. Shareholders Litigation, in the Court of Chancery of the State of Delaware in and for New Castle County, Consolidated C.A. No. 16470 (September 15, 2006).

Affidavit of Daniel R. Fischel In Re: United States of America v. Sanjay Kumar and Stephen Richards, United States District Court, Eastern District of New York, 04 Civ. 4104 (ILG) (September 8, 2006).

Deposition of Daniel R. Fischel In Re: James Gilbert v. McKesson Corporation, et al., in the State Court of Fulton County, State of Georgia, Civil Action File No. 02VS032502C (September 7, 2006).

Supplemental Declaration of Daniel R. Fischel In Re: United States of America v. Jeffrey K. Skilling, in the United States District Court, Southern District of Texas, Houston Division, Crim. No. H-04-25 (Lake, J.) (August 25, 2006).

Affidavit of Daniel R. Fischel In Re: United States of America v. Sanjay Kumar and Stephen Richards, United States District Court, Eastern District of New York, 04 Civ. 4104 (ILG) (August 22, 2006).

Declaration of Daniel R. Fischel In Re: United States of America v. Jeffrey K. Skilling, in the United States District Court, Southern District of Texas, Houston Division, Crim. No. H-04-25 (Lake, J.) (August 3, 2006).

Deposition of Daniel R. Fischel In Re: Enron Corporation Securities Litigation, in the United States District Court, Southern District of Texas, Houston Division, Case Number: H-01-3624 (May 24, 2006).

Testimony of Daniel R. Fischel In Re: Guidant Corporation Shareholders Derivative Litigation, in the United States District Court, Southern District of Indiana, Indianapolis Division, Master Derivative Docket No. 1:03-CV-955-SEB-WTL (January 20, 2006).

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- Deposition of Daniel R. Fischel in Re: Amos M. Ames, Helen M. Ames, Robert F. Bourke, Louise L. Bourke, Leo E. Corr, April C. Corr, Wence M. Horak, Ruth Horak, Robert T. Freas, Maurita Freas, Bruce Fink, Jr., William H. Jones, Candace A. Jones, Richard Paul, William L. Paul, Carole Paul, Steven J. Paul, Best Power Technology, Incorporated, and Best Power Technology Sales Corporation, in the State of Wisconsin, Circuit Court, Juneau County, Consolidated Case Nos. 92-CV-31, 92-CV-32 (January 26, 1993).
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Deposition of Daniel R. Fischel in Re: Jennifer A. Florin and Alan L. Mundt, on behalf of themselves and all others similarly situated v. Wesray Capital Corp., Citizens and Southern Trust Company, a subsidiary of Citizens and Southern Corporation, Robert K. Barton, Leonard S. Gaby, Allen G. Lacoce, Robert A. Magnusson, Anthony A. Saliture, Harlan B. Smith, Thomas F. Stutzman, Raymond G. Chambers, Frank E. Richardson, E. Burke Ross, Jr., William E. Simon and Frank W. Walsh, Jr., in the United States District Court, Western District of Wisconsin, Civil Action No. 91C-0948 (August 12, 1992).

Deposition of Daniel R. Fischel in Re: Pearl Newman, Shanna Lehmann & Athanasios Tsivelekidis, on their own behalf and on behalf of all other persons similarly situated v. On-Line Software International, Inc. Jack M. Berdy, John C. Crocker, Richard A. Granger, Richard R. Holtmeier, Michael S. Juceam, Edward J. Siegel, Howard P. Sorgen and Richard Ward, United States District Court, District of New Jersey, Consolidated Civil Action Nos. 88-3247, 88-3411 (July 28 and 29, 1992).

Deposition of Daniel R. Fischel in Re: Crazy Eddie Securities Litigation, Oppenheimer-Palmieri Fund, I.P., et al. v. Peat Marwick Main & Co., et al., United States District Court for the Eastern District of New York, 87 Civ. 0033 (EHN), 88 Civ. 3481 (EHN) (June 11, 1992; March 26 and 27, 1992).

Testimony of Daniel R. Fischel in Re: American Continental Corporation/Lincoln Savings and Loan Securities Litigation, in the United States District Court, for the District of Arizona MDL Docket No. 834 (June 4, 1992; May 26, 27 and 28, 1992).

Testimony of Daniel R. Fischel in Re: State of West Virginia v. Morgan Stanley & Co. Incorporated, in the Circuit Court of Kanawha County, State of West Virginia, Civil Action No. 89-C-3700 (April 27, 1992).

Affidavit of Daniel R. Fischel in Re: William Steiner, on behalf of himself and all others similarly situated v. Tektronix, Inc., et al., in the United States District Court, District Court of Oregon, Civil No. 90-587-JO (March 23, 1992).

Deposition of Daniel R. Fischel in Re: Martin Kaplan and Selma Kaplan, on Behalf of Themselves and All Others Similarly Situated v. VICORP Restaurants, Inc., Charles R. Frederickson, Robert S. Benson, Emerson B. Kendall, Robert T. Marto and Johyn C. Hoyt, United States District Court, District of Colorado, Civil Action No. 90-C-2182 (February 11, 1992).

- Deposition of Daniel R. Fischel in Re: Interco Incorporated v. Wasserstein, Perella & Co., Inc., United States District Court, Eastern District of Missouri, Eastern Division, No. 91-0151-C-6 (February 3, 1992 and December 12, 1991).
- Statement of Daniel R. Fischel in Re: Far West Federal Bank, S.B., et al. v. Director, Office of Thrift Supervision, et al., United States District Court for the District of Oregon, Civil Action No. 90-103 PA (February 3, 1992).
- Deposition of Daniel R. Fischel in Re: Capital Bank of California v. Morgan Stanley & Co., Incorporated, United States District Court, Central District of California, No. 91-1650-R (January 24, 1992).
- Deposition of Daniel R. Fischel in Re: Trinity Ventures, et al. v. Federal Deposit Insurance Corporation, in its own capacity and as successor to the Federal Savings and Loan Insurance Corporation, United States District Court, for the District of Oregon, No. 90-103-PA (January 6, 1992).
- Deposition of Daniel R. Fischel in Re: First Republicbank Securities Litigation, United States District Court, Northern District of Texas, Dallas Division, Civil Action No. 3-88-0641-H (January 2, and 3, 1992; November 26, 1991).
- Deposition of Daniel R. Fischel in Re: State of West Virginia v. Morgan Stanley & Co. Incorporated; Salomon Brothers Inc.; and Goldman Sachs & Co., in the Circuit Court of Kanawha County, State of West Virginia, Civil Action No. 89-C-3700 (December 19 and 20, 1991).
- Deposition of Daniel R. Fischel in Re: The Regina Company, Inc. Securities Litigation, United States District Court, District of New Jersey, Civil Action No. 88-4149 (HAA) (October 31, 1991).
- Affidavit of Daniel R. Fischel in Re: Gillette Securities Litigation, United States District Court, District of Massachusetts, Civil Action No. 88-1858-K (October 7 1991).
- Deposition of Daniel R. Fischel in Re: Capital Maritime Corporation v. Amfels, Inc., Far East Livingston Shipbuilding Ltd., John B. Allison and Patrick A. McDermid, United States District Court for the Southern District of Texas Houston Division, C.A. No. H-90-3417 (September 12, 1991).
- Deposition of Daniel R. Fischel in Re: Thomas J. Caldarone, Jr. v. Isidore Brown, et al., and John E. Washburn, et al. v. Isidore Brown, et al., United States District Court, Northern District of Illinois, Eastern Division, Docket Nos. 80 C 6251 and 81 C 1475 (August 28, 29, and 30, 1991).
- Testimony of Daniel R. Fischel in Re: Apple Securities Litigation, United States District Court, Northern District of California, Northern Division, Docket No. C-84-20148 (May 20 and 21, 1991).
- Testimony of Daniel R. Fischel in Re: The Stuart-James Co., Inc., et al. Litigation, United States of America before the Securities & Exchange Commission, in Denver, Colorado, Administrative Proceeding File No. 3-7164 (May 6, 1991).

Deposition of Daniel R. Fischel in Re: Jennie Farber on behalf of herself and all others similarly situated v. Public Service Company of New Mexico; Jerry D. Geist; John P. Bundrant and Albert J. Robison, United States District Court for the District of New Mexico, CIV 89-456 JB WWD (April 17 and 18, 1991).

Affidavit of Daniel R. Fischel in Re: Moise Katz, Frederick Rand, Elias Weissman, Richard D. Morgan, Marion R. Morgan and Mortimer Schulman v. Raymond A. Hay, United States District Court, Southern District of New York, No. 86 Civ. 5640 (JES) (March 29, 1991).

Deposition of Daniel R. Fischel in Re: Standard Chartered PLC., a United Kingdom corporation, et al. v. Price Waterhouse, a general partnership, Superior Court of the State of Arizona, in and for the County of Maricopa, CV 88-34414 (March 13 and 14, 1991).

Affidavit of Daniel R. Fischel in Re: United States of America v. AVX Corporation, and Commonwealth of Massachusetts v. AVX Corporation, United States District Court, District of Massachusetts, Civil Action Nos. 83-3882-Y and 83-3899-Y (January 29, 1991).

Deposition of Daniel R. Fischel in Re: Apple Computer Securities, United States District Court Northern District of California, San Jose Division, No. C-84-20148 (a) JW (December 13 and 14, 1990).

Deposition of Daniel R. Fischel in Re: Polycast Technology Corporation, and Uniroyal Plastics Acquisition Corp. v. Uniroyal, Inc., et al., United States District Court Southern District of New York, No. 87 Civ. 3297 (December 6, 1990 and November 28, 1990).

Deposition of Daniel R. Fischel in Re: Ellen Rudd, on behalf of herself and all others similarly situated, and Mayer Corporation on behalf of themselves, and all others similarly situated, and Louis Brandt, and Israel Baker, Jay R. Kuhne, Pininfarina Corp., and American Transfer Co., on behalf of themselves and all others similarly situated v. Kirk Kerkorian, et al., Superior Court of the State of California, County of Los Angeles, Nos. CA 000980, CA 000981, CA 001017, CA 620279 (June 21, 1990).

Testimony of Daniel R. Fischel in Re: City of San Jose v. Paine, Webber, Jackson & Curtis, Incorporated, et al., and related counter- and Third-Party Claims, United States District Court, Northern District, No. C-84-20601 RPA (May 23 and 24, 1990).

Deposition of Daniel R. Fischel in Re: City of San Jose v. Paine, Webber, Jackson & Curtis, Incorporated, et al., and related counter- and Third-Party Claims, United States District Court, Northern District, No. C-84-20601 RPA (May 22, 1990), No. RPA 84-20601 (November 16, 1989 and September 8, 1989).

Testimony of Daniel R. Fischel in Re: Kulicke and Sofa Industries, Inc. Securities Litigation, United States District Court for the Eastern District of Pennsylvania, No. 86-1656 (March 20 and 21, 1990).

Deposition of Daniel R. Fischel in Re: Kulicke and Sofa Industries, Inc. Securities Litigation, United States District Court for the Eastern District of Pennsylvania, No. 86-1656 (March 9, 1990; December 19 and 21, 1989).

Affidavit of Daniel R. Fischel in Re: Viacom International Inc. v. Carl C. Icahn, et al., v. Ralph M. Baruch, et al., United States District Court, Southern District of New York, No. 86 Civ. 4215 (RPP) (March 8, 1990).

Deposition of Daniel R. Fischel in Re: Technical Equities Coordination Litigation, Superior Court of the State of California for the County of Santa Clara, Master File No. 1991, Santa Clara County Superior No. 600306 (March 1, 1990).

Deposition of Daniel R. Fischel in Re: Amalgamated Clothing and Textile Workers Union, AFL-CIO, et al. v. David A. Murdock, et al., United States District court for the Central District of California, No. CV-86-6410 IH (February 8, 1990).

Deposition of Daniel R. Fischel in Re: Connecticut National Life Insurance Company, et al. v. Peter A. Sprecher and Laventhol & Horwath, United States District Court, Central District of California, No. CV 87-1945 WJR (Tx) (January 30, 1990).

Deposition of Daniel R. Fischel in Re: Consolidated Capital Securities Litigation, United States District Court, Northern District of California, No. C-85-7332 AJZ (January 22, 1990).

Declaration of Daniel R. Fischel in Re Plaintiffs' Damages in Re: Liquidity Fund, et al. v. Southmark Corporation, et al. in the Superior Court of the State of California for the County of San Mateo, No. 332435 (January 18, 1990).

Deposition of Daniel R. Fischel in Re: Norman Kamerman, Shirley Brown, Edward Rosen, Lexim Investors Corp., and Dohsa Anstalt, on behalf of themselves and all others similarly situated, and Barnett Stepak v. Saul Steinberg, Reliance Group Holdings, Inc., Reliance Group, Inc., Reliance Financial Services corp., and Reliance Insurance Company, United States District Court, Southern District of New York, No. 84 Civ. 4440 (September 13, 1989).

Affidavit of Daniel R. Fischel in Re: Edward A. Taylor, et al. v. A. O. Smith Corporation et al., Circuit Court for Lincoln County, Tennessee, No. 098-84 (August 11, 1989).

Deposition of Daniel R. Fischel in Re: Container Products Inc. v. Pace Industries, United States District Court, Southern District of New York, No. 88-CIV. 3549 (KMW) (July 19, 1989).

Deposition of Daniel R. Fischel in Re: Joseph B. Moorman, et al. v. Southmark Corporation, et al., Liquidity Fund, et al. v. Southmark Corporation, et al., Superior Court of the State of California for the County of San Mateo, Nos. 322135 and 332435 (July 11, 1989).

Testimony of Daniel R. Fischel in Re: Tessie Wolfson, et al. v. Frederick S. Hammer, and Meritor Financial Group, United States District Court for the Eastern District of Pennsylvania, Civil Action No. 87-8471 (June 20, 1989).

Deposition of Daniel R. Fischel in Re: Richard J. Heckmann, et al. v. C. L. Ahmanson, et al., and Consolidated Cases, Superior Court of the State of California for the County of Los Angeles, Nos. CA000851 and C642081 (June 8, 1989).

Deposition of Daniel R. Fischel in Re: Tessie Wolfson, et al. v. Frederick S. Hammer, United States District Court for the Eastern District of Pennsylvania, Civil Action No. 87-8472 (May 11, 1989).

Testimony of Daniel R. Fischel in Re: Tessie Wolfson, et al. v. Frederick S. Hammer, United States District Court for the Eastern District of Pennsylvania, Civil Action No. 87-8472 (April 13, 1989).

Deposition of Daniel R. Fischel in Re: National Union Fire Insurance Company of Pittsburgh, PA v. Wells Fargo Bank, N.A., District Court of Harris County, Texas, 125th Judicial District, No. 88-49246 (April 10 and 11, 1989).

Deposition of Daniel R. Fischel in Re: Susan Rothenberg, as Custodian for Stephen J. Rothenberg v. Charles E. Hurwitz, United Financial Corporation, United Savings Association of Texas, et al., United States District Court for the Southern District of Texas, Houston Division, Civil Action No. H-86-1435 (March 30, 1989).

Deposition of Daniel R. Fischel in Re: Jose Nodar, et al. v. William Weksel, Albert Bromberg, Henry B. Turner, IV, Frank L. Bryant, Leo Kuperschmid, Bennett S. Lebow, Ernst & Whinney and Oppenheimer & Co., Inc., United States District Court, Southern District of New York, No. 84 Civ. 3870 (VLB) and consolidation case No. 84 Civ. 5132 (VLB) (December 15 and 16, 1988).

Deposition of Daniel R. Fischel in Re: William Steiner, et al. v. Whittaker Corporation, et al., Superior Court of the State of California for the County of Los Angeles, No. CA000817 (December 7, 1988).

Deposition of Daniel R. Fischel in Re: Arnold I. Laven, et al. v. Western Union Corporation, et al., United States District Court for the District, Western District of Washington, MDL No. 551 (August 30 and 31, 1988).

Deposition of Daniel R. Fischel in Re: Washington Public Power Supply System Securities Litigation, United States District Court, Western District of Washington, MDL No. 551 (August 16 and 22, 1988).

Affidavit of Daniel R. Fischel in Re: District Business Conduct Committee for District No. 3 v. Blinder, Robinson & Company Inc., et al., National Association of Securities Dealers, Inc. National Business Conduct Committee, Complaint No. DEN-666 (July 21, 1988).

Deposition of Daniel R. Fischel in Re: Joseph Seidman, et al. v. Stauffer Chemical Company, et al., United States District Court for the District of Connecticut, No. B 84-543 (TFGD) (June 10, 1988 and May 5, 1987).

Deposition of Daniel R. Fischel in Re: Edlin Cattle Co., Inc., and James Edlin v. A. O. Smith Harvestore Products, Inc., et al., United States District Court for the Northern District of Texas, Amarillo Division, No. CA-2-86-0122 (May 12, 1988).

Deposition of Daniel R. Fischel in Re: MicroPro Securities Litigation, United States District Court for the Northern District of California, No. C-85-7428-EFL (A) (May 2, 1988).

Affidavit of Daniel R. Fischel in Re: Pizza Time Theatre Securities Litigation, United States District Court for the Northern District of California, Civil File No. 84-20048-(A)-RPA (March 25, 1988).

Affidavit of Daniel R. Fischel and Robert A. Sherwin in Re: First National Bank of Louisville v. Brooks Farms, and George C. Brooks, et al., Third-Party Plaintiffs v. A. O. Smith Corporation, et al., Circuit Court for Maury County, Tennessee, No. 2058 (March 3, 1988).

Testimony of Daniel R. Fischel in Re: Nucorp Energy Securities Litigation, United States District Court for the Southern District of California, M.D.L. 514 (March 15, 16, 17, and 18, 1988).

Deposition of Daniel R. Fischel in Re: Nucorp Energy Securities Litigation, United States District Court for the Southern District of California, M.D.L. 514 (January 27, 1988).

Deposition of Daniel R. Fischel in Re: Anheuser-Busch Companies, Inc. v. W. Paul Thayer, et al., United States District Court for the Northern District of Texas, Dallas Division, No. CA-3-85-0794-R (January 21, 1988; December 4, 1987; and November 5, 1987).

Testimony of Daniel R. Fischel in Re: Securities and Exchange Commission v. First City Finance Corporation Ltd., and Marc Belzberg, United States District Court for the District of Columbia, Civil Action No. 86-2240 (December 18, 1987).

Testimony of Daniel R. Fischel in Re: The Irvine Company v. Athalie Irvine Smith and Athalie R. Clarke, Trustee, State of Michigan Circuit Court for the county of Oakland, Civil Action No. 8327011-CZ (December 14, 15, and 16, 1987).

Deposition of Daniel R. Fischel in Re: Securities and Exchange Commission v. First City Finance Corporation, Ltd. and Marc Belzberg, United States District Court for the District of Columbia, Civil Action No. 86-2240 (December 11, 1987).

Affidavit of Daniel R. Fischel in Re: Gerald D. Broder and Constance D. Broder v. Alphonse H. Bellac and William B. Weinberger v. Combustion Equipment Associates, Inc., et al., and William B. Weinberger v. Coopers & Lybrand, United States District Court for the Southern District of New York, 80 CIV 6175 (CES) 80 CIV 6839 (CES) 84 CIV 8217 (CES) (July 22, 1987).

Deposition of Daniel R. Fischel in Re: The Irvine Company v. Athalie Irvine Smith and Athalie R. Clarke, Trustee, State of Michigan, Circuit Court for the County of Oakland, Civil Action No. 83270011-CZ (June 1, 1987).

Deposition of Daniel R. Fischel in Re: Fortune Systems Securities Litigation, United States District Court for the Northern District of California, Master File No. 83-3348A-WHO (May 7, 1987).

Deposition of Daniel R. Fischel in Re: Victor Technologies Securities Litigation, United States District Court for the Northern District of California, Master File No. C-83-3906(A)-RFP (FW) (January 8, 1987 and October 30, 1986).

Reply Declaration of Daniel R. Fischel in Support of the Motion by the Activision Defendants for Summary Judgment in Re: Activision Securities Litigation, United States District Court for the Northern District of California, Master File No. C-83-4639(A)-MHP (October 27, 1986).

Testimony of Daniel R. Fischel in Re: NVHomes, L.P. v. Ryan Homes, Inc.; and Ryan Homes, Inc. v. NVHomes, L.P., et al., United States District Court for the Western District of Pennsylvania, Civil Action No. 86-2139 (October 24, 1986).

Supplemental Affidavit of Daniel R. Fischel in Re: NVHomes, L.P. v. Ryan Homes, Inc.; and Ryan Homes, Inc. v. NVHomes, L.P. and NVAcquisition L.P., et al., United States District Court the Western District of Pennsylvania, Civil Action No. 86-2139 (October 24, 1986).

Affidavit of Daniel R. Fischel in Support of the Motion by the Activision Defendants for Summary Judgment in Re: Activision Securities Litigation, United States District Court for the Northern District of California, Master File No. C-86-2139 (October 20, 1986).

Declaration of Daniel R. Fischel in Support of the Motion by the Activision Defendants for Summary Judgment in Re: Activision Securities Litigation, United States District Court for the Northern District of California, Master File No. C-83-4639(A)-MHP (October 2, 1986).

Affidavit in Support of Defendants Motion for Summary Judgment in Re: MCorp Securities Litigation, United States Court for the Southern District of Texas, Civil Action No. H-85-5894 (September 25, 1986).

Deposition of Daniel R. Fischel in Re: Activision Securities Litigation, United States District Court for the Northern District of California, No. C 83 4639 (August 18 and 19, 1986).

Deposition of Daniel R. Fischel in Re: John Mancino v. James A. McMaghan, et al., United States District Court for the Northern District of California, Civil No. C-84-0407-TEH (August 14, 1986).

Testimony of Daniel R. Fischel in Re: Charles W. Leigh, et al. and George Johnson, et al. v. Clyde William Engle, et al., United States District Court for the Northern District of Illinois, Eastern Division, Case No. 78 C 3799 (August 1, 1986).

Reply Affidavit of Daniel R. Fischel in Re: The Amalgamated Sugar Company v. NL Industries, United States District Court for the Southern District of New York, 86 Civ. 5010 (VLB) (July 28, 1986).

Affidavit of Daniel R. Fischel in Re: The Amalgamated Sugar Company v. NL Industries, United States District Court for the Southern District of New York, 86 Civ. 5010 (VLB) (July 18, 1986).

Deposition of Daniel R. Fischel in Re: Charles W. Leigh, et al. and George Johnson, et al. v. Clyde William Engle, et al., United States District Court for the Northern District of Illinois, Eastern Division, Case No. 78 C 3799 (July 1, 1986).

Deposition of Daniel R. Fischel in Re: Seafirst Corporation v. William M. Jenkins, et al.; and Seafirst Corporation v. John R. Boyd, et al., United States District Court for the Western District of Washington at Seattle, Case No. C83-771R (February 27, 1986).

Deposition of Daniel R. Fischel in Re: Kreindler v. Sambo's Restaurants, Inc., United States District Court for the Southern District of New York, Case No. 79 Civ. 4538 (December 17, 1985).

Affidavit of Daniel R. Fischel in Re: United States of America v. S. Richmond Dole and Clark J. Matthews II (March 19, 1985).

Deposition of Daniel R. Fischel in Re: Craig T. McFarland, et al. v. Memorex Corporation, United States District Court for the Northern District of California, No. C 79-2926-WAI, C 79-2007-WAI, C 79-241-WAI (February 26, 1985; January 29 and 30, 1985).

Testimony of Daniel R. Fischel in Re: Robert J. Lawrence v. Grumman Corp. Pension Plan, et al., United States District Court for the Eastern District of New York, No. CV-81-3530 (December 19, 1983).

Testimony of Daniel R. Fishel in Re: Telvest, Inc. v. Junie L. Bradshaw, et al. and American Furniture Company, United States District Court, for the Eastern District of Virginia Richmond Division, No. CA-79-0722-R (December 4, 1981).

OTHER ACTIVITIES

Member, American Economic Association, American Finance Association.

Member, Board of Directors, Center for the Economy and the State.

Former member, Mid-America Institute Task Force on Stock Market Collapse.

Have acted as a consultant and/or advisor to the New York Stock Exchange, the National Association of Securities Dealers, the Chicago Board of Trade, the Federal Trade Commission, the Department of Labor, the Securities and Exchange Commission, the Canadian Securities and Exchange Commission, the United States Department of Justice, the Federal Deposit Insurance Corporation, and the Office of Thrift Supervision.

Referee, Journal of Financial Economics, Journal of Law and Economics, Journal of Legal Studies.

Participant and speaker at multiple conferences on the Economics of Corporate, Securities and Commodities Law and the Regulation of Financial Markets.

Former Chairman, American Association of Law Schools' Section on Law and Economics.

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 24, 2001

QWEST COMMUNICATIONS INTERNATIONAL INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

000-22609

84-1339282

(Commission File Number)

(IRS Employer Identification No.)

1801 California Street

Denver, Colorado

80202

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: 303-992-1400

Not applicable

(Former name or former address, if changed since last report)

ITEM 5. Other Events

On July 24, 2001, Qwest Communications International Inc. ("Qwest") reported its financial results for the 2nd quarter of 2001. A copy of the press release announcing the same is attached as Exhibit 99.1 to this Current Report on Form 8-K.

On July 24, 2001, Qwest also hosted a conference call with media, analysts, investors and other interested persons during which it discussed, among other things, its business and operations, its announced financial results and its expected financial results for future periods. As previously announced, the webcast of the call (live and replay) is accessible on Qwest's website.

On the call Qwest announced the following (all numbers are approximate):

- o Based on its results, it expected that revenue and EBITDA (earnings before interest, taxes, depreciation and amortization) for 2001 would be within the previously announced ranges, possibly near the lower end of those ranges due to economic slowing. Its previous guidance was for revenues of \$21.3 billion to \$21.5 billion and EBITDA of \$8.5 billion to \$8.6 billion. These expectations are based upon certain assumptions, including, among others, that the economy in general is not significantly weaker in the second half of 2001, and that it continues to effectively manage its cost structure.
- o It expected capital expenditures in 2002 to decrease to approximately \$7.5 billion due to increased asset utilization, effective vendor management, and reduced activity in 2002 and future years for Section 271 approval, service improvements and the CLEC buildout.
- o It is targeting wireless annual revenue growth of 70% to 80% in 2001 compared to 2000 and expected between 1.3 million and 1.4 million wireless customers at the end of 2001.
- o Based on current expectations, it was targeting annual growth for 2002 compared to 2001 in the 14% to 15% range for revenue and 16% to 17% range for EBITDA. These expectations are based upon certain assumptions, including, among others, that the economy in general has a modest recovery, and it generates an incremental \$200 million in out-of-region DLEC/CLEC revenue and \$350 million of in-region interLATA revenue during 2001.
- o It expected that it would achieve its CAGR (compounded annual growth rate) targets of 15+% for revenue and 17+% for EBITDA from 2000 to 2005.

- o It believed it could achieve a \$2 billion annualized revenue run rate for in-region long distance service within the first year it received Section 271 approval in all of its 14 states.
- o With respect to the status of its Section 271 approval process, it expects to file its first application with the FCC for approval later this year, to file the remaining applications in late 2001 and early 2002, and to receive approval for all states by mid-2002.
- o It had achieved 15% to 20% of the total expense synergies it had anticipated to achieve from 2000 to 2005 in connection with the acquisition of U S WEST ahead of the original schedule. The Company sees further opportunity to streamline operations resulting in additional cost savings.
- o It expected EBITDA margins would increase slightly during the second half of 2001.
- o It expected cash EPS (earnings per share) in 2001 of \$1.10 to \$1.20 and in 2002 in a range around \$1.40.
- o It expected it would need between \$1.5 billion and \$2.0 billion in additional debt before becoming cash flow positive.
- o Following Qwest's \$3.05 billion write down of its investment in KPNQwest, amortization of intangible assets will be reduced by approximately \$84 billion per quarter. Going forward, intangible amortization expense is expected to be near \$308 million per quarter (down from \$392 million in the second quarter).

Forward Looking Statements Warning

This Current Report on Form 8-K contains projections and other forward-looking statements that involve risks and uncertainties. These statements may differ materially from actual future events or results. Readers are referred to the documents filed by Qwest with the Securities and Exchange Commission, specifically the most recent reports which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements, including potential fluctuations in quarterly results, volatility of Qwest's stock price, intense competition in the communications services market, changes in demand for Qwest's products and services, dependence on new product development and acceleration of the deployment of advanced new services, such as broadband data, wireless and video services, which could require substantial expenditure of financial and other resources in excess of contemplated levels, higher than anticipated employee levels, capital expenditures and operating expenses, rapid and significant changes in technology and markets, rapid and significant changes in technology and markets, adverse changes in the regulatory or legislative environment affecting Qwest's business and delays in Qwest's ability to provide interLATA services within its 14-state local service territory, failure to maintain rights of way, and failure to achieve the projected synergies and financial results expected to result from the acquisition of U S WEST, Inc. timely or at all and difficulties in combining the operations of Qwest and U S WEST. The information contained in this Current Report on Form 8-K is a statement of Qwest's present intention and is based upon, among other things, the existing regulatory environment, industry conditions and market conditions and prices. Qwest may change its intentions, at any time and without notice, based upon any changes in such factors, in Qwest's assumptions or otherwise. This Current Report on Form 8-K includes analysts' estimates and other information prepared by third parties for which Qwest assumes no responsibility. Qwest undertakes no obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

By including any information in this Current Report on Form 8-K, Qwest does not necessarily acknowledge that disclosure of such information is required by applicable law or that the information is material.

ITEM 7. Financial Statements, Pro Forma Financial Information and Exhibits

Exhibit 99.1 Press release dated July 24, 2001.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Qwest has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

QWEST COMMUNICATIONS INTERNATIONAL INC.

DATE: July 25, 2001

By: /s/ YASH A. RANA

Yash A. Rana
Vice President

EXHIBIT INDEX

Exhibit 99.1 Press release dated July 24, 2001.

6

RIDE THE LIGHT
QWEST
{GRAPHIC OMITTED}

QWEST COMMUNICATIONS REPORTS STRONG SECOND QUARTER 2001 RESULTS DRIVEN
BY GROWTH IN COMMERCIAL, INTERNET AND DATA REVENUES

Quarterly Revenue Grew Over 12 Percent Versus Pro Forma 2000

Second quarter results compared with pro forma second quarter 2000:

- o Total revenue grew 12.2 percent to \$5.22 billion
- o Pro forma normalized net income was \$128 million, or \$0.08 per diluted share
- o Internet and data services revenue grew about 41 percent and represents more than 27 percent of total revenue
- o Commercial revenue increased 26.7 percent with market share gains in global business services and wholesale markets
- o Total EBITDA grew 13.1 percent to \$2.03 billion compared with pro forma normalized EBITDA in second quarter 2000

Reported second quarter results compared with second quarter 2000:

- o Total revenue of \$5.22 billion grew 51.4 percent, while EBITDA of \$2.03 billion increased 30.1 percent
- o One-time and merger-related charges of \$3.72 billion, pre-tax, primarily comprised of non-cash, non-operating write-downs in equity holdings of other companies
- o Net loss of (\$3.31) billion or (\$1.99) per share compared to a net loss of (\$121) million or (\$0.14) per share in the second quarter of 2000

Operational results:

- o DSL customers grew 105 percent to 360,000 customers over second quarter 2000
- o Leadership changes in consumer, small business and wireless units drove record sales for those units in June
- o Strong quarter for wholesale services led by Internet services and optical network services

Note to investors: Pro forma normalized information regarding Qwest's results from operations is provided as a complement to reported results provided in accordance with accounting principles generally accepted in the United States (GAAP). The condensed consolidated pro forma normalized statements give retroactive effect as though the merger of Qwest and U S WEST, Inc. had occurred as of the beginning of the periods presented. Shares outstanding and earnings per share have been restated to give retroactive effect to the exchange ratio resulting from the Merger. In addition, results have been adjusted to eliminate the impact of non-recurring items, such as merger costs, a depreciation adjustment on access lines returned to service, gains/losses on the sale of investments, change in the market value of investments, the write-down of investments, elimination of in-region long-distance activity, and a tax true-up on merger-related expenses. Certain re-classifications have been made to prior periods to conform to the current presentation.

DENVER, July 24, 2001 -- Qwest Communications International Inc. (NYSE: Q), the broadband communications company, today announced strong revenue and earnings before interest, taxes, depreciation and amortization (EBITDA) for the second quarter of 2001. Total second quarter revenue increased to \$5.22 billion, a 12.2 percent increase versus pro forma second quarter 2000 revenue. Second quarter EBITDA grew 13.1 percent on a pro forma normalized basis to \$2.03 billion. In addition, Qwest recorded pro forma normalized net income of \$128 million, or \$0.08 per diluted share. Qwest has met or exceeded the consensus of analysts' estimates for the 17th consecutive quarter.

"We are pleased with our overall results achieved during the quarter. The Qwest team demonstrated its ability to continue strong revenue and EBITDA growth by leveraging our unique and diverse market position in challenging economic conditions," said Joseph P. Nacchio, Qwest chairman and CEO. "We are encouraged by strong growth in our commercial unit and by recent operational improvements, driven by new business leadership. These factors are key to our growth through the remainder of the year."

Reported in accordance with generally accepted accounting principles (GAAP), Qwest's revenue increased 51.4 percent; EBITDA grew 30.1 percent over reported second quarter 2000 results; and Qwest recorded a net loss of (\$3.31) billion or (\$1.99) per share for the second quarter 2001. The GAAP-based results include \$3.72 billion in pre-tax one-time charges. The one-time items include \$3.11 billion in non-cash investment write-downs principally comprised of the company's holdings in KPNQwest; \$415 million in merger-related charges; a non-cash charge of \$222 million for additional depreciation on access lines previously held for sale; and \$27 million in other one-time gains (net). These one-time items are excluded from the pro forma normalized results presented in Attachment A to this news release.

On July 20, 2001, Qwest terminated its agreement with Citizens Communications Company to sell access lines and related properties and ceased actively marketing all access lines held for sale. As a result, a cumulative depreciation catch-up of \$222 million was recorded in the second quarter.

Commercial services revenues increased 26.7 percent to \$2.90 billion, driven by a robust demand for Qwest's broadband Internet, data and Internet Protocol (IP) services. Internet, data and IP services grew about 41 percent in the quarter as compared with the second quarter of the previous year. Strong demand for Qwest's domestic and international wholesale and global business services led to continued market share gain, which offset the impact of the slowing economy on local service revenues.

The company's small business and consumer units reported services revenue growth of 4.4 percent, or two percent including out-of-region long-distance service results.

Second quarter EBITDA, on a pro forma normalized basis grew 13.1 percent to \$2.03 billion as EBITDA margins expanded 40 basis points from 38.5 percent in second quarter 2000 to 38.9 percent in second quarter 2001. This increase in EBITDA margin resulted from tight cost controls and productivity improvements.

"We are pleased with the continued execution of our financial and operational plans. Qwest's ability to adjust to market conditions and deliver revenue growth demonstrates the value of our brand and our diverse asset portfolio," said Robin R. Szeliga, Qwest executive vice president of finance and CFO. "We achieved strong revenue and EBITDA growth for the quarter as we continued our focused

execution of the company's growth strategies. Additionally, we will continue to streamline the company's cost structure and achieve operational efficiencies."

On a pro forma normalized basis, the company recorded second quarter net earnings of \$128 million, or \$0.08 per diluted share, compared to net earnings of \$255 million, or \$0.15 per diluted share, a year ago. The decrease reflects increases in both interest expense and depreciation driven by Qwest's growth-stimulated capital program and the amortization impact from merger-related purchase accounting. Pro forma normalized cash earnings per diluted share, which excludes amortization, were \$0.29 for the second quarter of 2001 versus \$0.32 in the second quarter of 2000.

For the full year 2001, Qwest expects to achieve total revenues of \$21.3 billion to \$21.5 billion and EBITDA of \$8.5 billion to \$8.6 billion. Qwest also expects to spend between \$8.8 billion and \$9.0 billion of capital in 2001.

Yesterday, Qwest proposed commencing a private placement of approximately \$3.0 billion in notes to refinance commercial paper and other debt.

COMMERCIAL, SMALL BUSINESS AND CONSUMER MARKETS

Commercial revenues grew 26.7 percent compared to the second quarter 2000. Global business markets sales were strong, led by demand for IP-access services, including dedicated Internet access (DIA), virtual private network (VPN) services, and Internet dial ports. Data and IP sales comprised 70 percent of the total global business markets contracted sales in the second quarter 2001, compared with more than 60 percent in the first quarter.

In the second quarter, Qwest continued to grow its share in large, national market accounts with new contracts from such companies as Microsoft's MSN, Kaiser Permanente and Fifth Third Bank. Qwest also won new business in the government and education sectors during the quarter, including the U. S. Mint, State of Maryland, State of Louisiana, the University of Missouri System and California State University.

Commercial wholesale revenues were sparked by strong demand for Internet and optical network capacity worldwide. Contributing to this demand was a "flight to safety" spurred by reported and perceived difficulties of many new carriers. Wholesale revenue from Qwest's 14-state local service territory benefited from strong demand for private line and access services stimulated in part by local competition.

Small business sales generated a 5.3 percent sequential growth and hit an all-time monthly high in June, reflecting the initial success of a newly formed business unit focused on the small business market.

More than 30 percent of Qwest consumer customers subscribe to bundled services including Internet access, voice messaging, caller identification, voice messaging and additional lines -- a 12 percent increase over the second quarter of 2000. There is significant opportunity for further bundling of DSL and wireless services as only two percent of customers have bought fully integrated communications services bundles. The addition of long-distance service to the bundle, following Federal Communications Commission's approval for Qwest to re-enter the long-distance business in the 14-state local service area, represents an additional, significant revenue growth opportunity.

Wireless services revenues grew 20 percent sequentially or 51 percent year-over-year to more than \$181 million in the second quarter of 2001. Qwest wireless customers totaled over one million at the end of the quarter. Average

revenue per user increased to \$52 from \$50 in the first quarter of 2001 as Qwest focused on high-value customers and exited the low-usage, pre-paid business. In June, the wireless business unit, under new leadership, benefited from promotional and marketing activities by winning nearly 95,000 new (gross) customers--a record monthly number. This puts Qwest Wireless on track to achieve between 70 percent to 80 percent annual revenue growth.

INTERNET, DATA and IP SERVICES

Second quarter Internet, data and IP services revenues grew about 41 percent over the second quarter 2000. Internet and data revenues represent more than 27 percent of total revenue. Strong growth was realized in the following areas: Web hosting and related services, dedicated Internet access (DIA), DSL, virtual private network (VPN), and Internet professional services.

Digital Subscriber Line (DSL) growth remained strong with an increase of more than 105 percent annually to approximately 360,000 customers. The number of DSL customers is expected to hit 500,000 by the end of 2001.

Qwest and Microsoft during the quarter formed a five-year strategic alliance to combine premium MSN Internet Access, content and services with Qwest's broadband Internet network and telecommunications services for 10 million consumer homes in Qwest's local service area. Qwest will exclusively market MSN Internet Access and services alone or in bundles of services to new and existing customers starting later this summer. In addition, MSN will purchase from Qwest; broadband capacity, digital subscriber lines (DSL), dial ports, and billing and collections services to support the delivery of its content solutions and services to consumers.

NETWORK EXPANSION

The company extended its global network to more than 113,000 route miles (4.5 million fiber miles) through 7,000-miles of fiber-optic routes in Asia and the Middle East that provide customers with seamless global connectivity on Qwest facilities. Qwest acquired these new routes through transactions with other carriers, taking advantage of favorable pricing for existing assets. In addition, Qwest beat its goal of operating local broadband networks in 25 major markets outside its 14-state local service territory seven months ahead of schedule.

SERVICE IMPROVEMENT

J.D. Power and Associates has named Qwest number one in customer satisfaction among residential long-distance customers nationwide who spend more than \$50 monthly. The survey measured customer satisfaction across a number of key attributes including service, product quality and value. The study also cited Qwest for significant improvement in the past year in resolving customer questions with one call.

During the quarter, Qwest continued to see the best customer service results in seven years in key areas for residential and small business customers, including installations, repairs and out-of-service response intervals. Total customer complaints in the second quarter were down 18 percent as compared with the same period a year ago. This is the fourth consecutive quarter of service improvements.

Conference Call Today

As previously announced, Qwest will host a conference call for investors and the media today at 9 a.m. (EDT), featuring Joseph P. Nacchio, Qwest chairman and CEO, and Robin R. Szeliga, Qwest executive vice president of finance and CFO. The call may be heard on the Web at www.qwest.com/about/investor/meetings.

About Qwest

Qwest Communications International Inc. (NYSE: Q) is a leader in reliable, scalable and secure broadband data, voice and image communications for businesses and consumers. The Qwest Macro Capacity(R) Fiber Network, designed with the newest optical networking equipment for speed and efficiency, spans more than 113,000 miles globally. For more information, please visit the Qwest web site at www.qwest.com.

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This release may contain projections and other forward-looking statements that involve risks and uncertainties. These statements may differ materially from actual future events or results. Readers are referred to the documents filed by Qwest with the Securities and Exchange Commission, specifically the most recent reports which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements, including potential fluctuations in quarterly results, volatility of Qwest's stock price, intense competition in the communications services market, changes in demand for Qwest's products and services, dependence on new product development and acceleration of the deployment of advanced new services, such as broadband data, wireless and video services, which could require substantial expenditure of financial and other resources in excess of contemplated levels, higher than anticipated employee levels, capital expenditures and operating expenses, rapid and significant changes in technology and markets, adverse changes in the regulatory or legislative environment affecting Qwest's business and delays in Qwest's ability to provide interLATA services within its 14-state local service territory, failure to maintain rights of way, and failure to achieve the projected synergies and financial results expected to result from the acquisition of U S WEST timely or at all and difficulties in combining the operations of Qwest and U S WEST. This release may include analysts' estimates and other information prepared by third parties for which Qwest assumes no responsibility. Qwest undertakes no obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

The Qwest logo is a registered trademark of, and CyberCenter is a service mark of, Qwest Communications International Inc. in the U.S. and certain other countries.

| | | |
|-----------|--|--|
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ATTACHMENT A

QWEST COMMUNICATIONS INTERNATIONAL INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (1)(2) - PRO FORMA NORMALIZED
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|--|--------------------------------|----------|--------|------------------------------|----------|--------|
| | 2001 | 2000 | % | 2001 | 2000 | % |
| | | | Change | | | Change |
| OPERATING REVENUES | | | | | | |
| Commercial services | \$ 2,898 | \$ 2,287 | 26.7 | \$ 5,647 | \$ 4,460 | 26.6 |
| Consumer and small business services | 1,708 | 1,675 | 2.0 | 3,392 | 3,315 | 2.3 |
| Directory services | 348 | 331 | 5.1 | 690 | 678 | 1.8 |
| Switched access services | 268 | 361 | (25.8) | 544 | 718 | (24.2) |
| Total operating revenues | 5,222 | 4,654 | 12.2 | 10,273 | 9,171 | 12.0 |
| OPERATING EXPENSES | | | | | | |
| Cost of services | 1,850 | 1,516 | 22.0 | 3,646 | 3,019 | 20.8 |
| Selling, general and administrative | 1,343 | 1,344 | (0.1) | 2,601 | 2,634 | (1.3) |
| EBITDA | 2,029 | 1,794 | 13.1 | 4,026 | 3,518 | 14.4 |
| Depreciation | 865 | 650 | 33.1 | 1,697 | 1,275 | 33.1 |
| Goodwill and other intangible amortization | 392 | 317 | 23.7 | 711 | 634 | 12.1 |
| Operating income | 772 | 827 | (6.7) | 1,618 | 1,609 | 0.6 |
| OTHER EXPENSE | | | | | | |
| Interest expense | 343 | 244 | 40.6 | 681 | 493 | 38.1 |
| Other expense - net | 14 | 15 | (6.7) | 34 | 19 | 78.9 |
| Total other expense - net | 357 | 259 | 37.8 | 715 | 512 | 39.6 |
| Income before income taxes | 415 | 568 | (26.9) | 903 | 1,097 | (17.7) |
| Income tax provision | 287 | 313 | (8.3) | 557 | 603 | (7.6) |
| NET INCOME | \$ 128 | \$ 255 | (49.8) | \$ 346 | \$ 494 | (30.0) |
| Basic earnings per share | \$ 0.08 | \$ 0.16 | (50.0) | \$ 0.21 | \$ 0.30 | (30.0) |
| Basic average shares outstanding | 1,661 | 1,641 | 1.2 | 1,659 | 1,635 | 1.5 |
| Diluted earnings per share | \$ 0.08 | \$ 0.15 | (46.7) | \$ 0.21 | \$ 0.29 | (27.6) |
| Diluted average shares outstanding | 1,674 | 1,684 | (0.6) | 1,674 | 1,681 | (0.4) |
| Diluted cash earnings per share | \$ 0.29 | \$ 0.32 | (9.4) | \$ 0.59 | \$ 0.63 | (6.3) |

- (1) The consolidated pro forma normalized statements give retroactive effect as though the merger of Qwest and U S WEST had occurred as of the beginning of the periods presented. Shares outstanding and earnings per share have been restated to give retroactive effect to the exchange ratio resulting from the Merger. In addition, results have been adjusted to eliminate the impacts of non-recurring items, such as merger costs, a depreciation adjustment for access lines returned to service, gains/losses on the sale of investments, change in the market value of financial instruments, the write-down of investments, elimination of in-region long-distance activity, and a tax true-up on Merger- related expenses. The Merger has been accounted for as a purchase transaction. Certain reclassifications have been made to prior periods to conform to current presentation.
- (2) Diluted cash earnings per share represent diluted earnings per share adjusted to add back the after-tax amortization of goodwill and other intangible assets resulting from the Merger.

ATTACHMENT B

QWEST COMMUNICATIONS INTERNATIONAL INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (1)(2)
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

| | Three Months Ended June 30, | | % | Six Months Ended June 30, | | % |
|---|--------------------------------|-----------|---------|------------------------------|----------|-----------|
| | 2001 | 2000 | | 2001 | 2000 | |
| OPERATING REVENUES | | | | | | |
| Commercial services | \$ 2,898 | \$ 1,252 | 131.5 | \$ 5,647 | \$ 2,459 | 129.6 |
| Consumer and small business services | 1,708 | 1,506 | 13.4 | 3,392 | 2,972 | 14.1 |
| Directory services | 348 | 331 | 5.1 | 690 | 678 | 1.8 |
| Switched access services | 268 | 361 | (25.8) | 544 | 718 | (24.2) |
| Total operating revenues | 5,222 | 3,450 | 51.4 | 10,273 | 6,827 | 50.5 |
| OPERATING EXPENSES | | | | | | |
| Cost of services | 1,850 | 830 | 122.9 | 3,646 | 1,695 | 115.1 |
| Selling, general and administrative | 1,343 | 1,061 | 26.6 | 2,601 | 2,066 | 25.9 |
| EBITDA | 2,029 | 1,559 | 30.1 | 4,026 | 3,066 | 31.3 |
| Depreciation | 865 | 600 | 44.2 | 1,697 | 1,186 | 43.1 |
| Depreciation adjustment for access lines returned to service | 222 | -- | -- | 222 | -- | -- |
| Goodwill and other intangible amortization | 392 | -- | -- | 711 | -- | -- |
| Merger-related and other one-time charges | 415 | 291 | 42.6 | 624 | 306 | 103.9 |
| Operating income | 135 | 668 | (79.8) | 772 | 1,574 | (51.0) |
| OTHER EXPENSE/(INCOME) | | | | | | |
| Interest expense | 343 | 207 | 65.7 | 681 | 418 | 62.9 |
| Change in market value of financial instruments | 23 | 639 | (96.4) | -- | 768 | (100.0) |
| Gain on sales of rural exchanges | (50) | -- | -- | (50) | -- | -- |
| Gain on sales of investments | -- | -- | -- | -- | (79) | (100.0) |
| Investment write-downs | 3,108 | -- | -- | 3,247 | -- | -- |
| Other expense - net | 14 | 15 | (6.7) | 34 | 14 | 142.9 |
| Total other expense - net | 3,438 | 861 | 299.3 | 3,912 | 1,121 | 249.0 |
| (Loss) income before income taxes and extraordinary item | (3,303) | (193) | 1,611.4 | (3,140) | 453 | (793.2) |
| Income tax provision (benefit) | 3 | (72) | (104.2) | 147 | 170 | (13.5) |
| Net (loss) income before extraordinary item | \$ (3,306) | \$ (121) | 2,632.2 | \$ (3,287) | \$ 283 | (1,261.5) |
| Extraordinary item - early retirement of debt, net of tax | -- | -- | -- | (65) | -- | -- |
| NET (LOSS) INCOME | \$ (3,306) | \$ (121) | 2,632.2 | \$ (3,352) | \$ 283 | (1,284.5) |
| Basic (loss) earnings per share | \$ (1.99) | \$ (0.14) | 1,321.4 | \$ (2.02) | \$ 0.32 | (731.3) |
| Basic average shares outstanding | 1,661 | 887 | 87.3 | 1,659 | 882 | 88.1 |

| | | | | | | |
|------------------------------------|-----------|-----------|---------|-----------|---------|---------|
| | ===== | ===== | | ===== | ===== | |
| Diluted (loss) earnings per share | \$ (1.99) | \$ (0.14) | 1,321.4 | \$ (2.02) | \$ 0.32 | (731.3) |
| | ===== | ===== | | ===== | ===== | |
| Diluted average shares outstanding | 1,661 | 887 | 87.3 | 1,659 | 895 | 85.4 |
| | ===== | ===== | | ===== | ===== | |
| Dividends per share | \$ 0.05 | \$ -- | -- | \$ 0.05 | \$ 0.31 | (83.9) |
| | ===== | ===== | | ===== | ===== | |

(1) The condensed consolidated statements of operations reflect the results of operations for the merged Qwest entity for the three and six months ended June 30, 2001. For the three and six months ended June 30, 2000, the amounts reflect the results of operations for U S WEST, Inc. only (the accounting acquirer in the Merger).

(2) Earnings(loss) per share gives effect to the 1.72932 exchange ratio.

ATTACHMENT C

QWEST COMMUNICATIONS INTERNATIONAL INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (1)(2) - PRO FORMA NORMALIZED
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

| | Three Months Ended June 30, 2001 | | | Three Months Ended June 30, 2000 | | |
|--|-------------------------------------|--|------------------------------------|-------------------------------------|--|------------------------------------|
| | As Reported Results | Pro Forma Normalized Adjustments | Pro Forma Normalized Results | As Reported Results | Pro Forma Normalized Adjustments | Pro Forma Normalized Results |
| OPERATING REVENUES | | | | | | |
| Commercial services | \$ 2,898 | \$ -- | \$ 2,898 | \$ 1,252 | \$ 1,035 | \$ 2,287 |
| Consumer and small business services | 1,708 | -- | 1,708 | 1,506 | 169 | 1,675 |
| Directory services | 348 | -- | 348 | 331 | -- | 331 |
| Switched access services | 268 | -- | 268 | 361 | -- | 361 |
| Total operating revenues | 5,222 | -- | 5,222 | 3,450 | 1,204 | 4,654 |
| OPERATING EXPENSES | | | | | | |
| Cost of services | 1,850 | -- | 1,850 | 830 | 686 | 1,516 |
| Selling, general and administrative | 1,343 | -- | 1,343 | 1,061 | 283 | 1,344 |
| EBITDA | 2,029 | -- | 2,029 | 1,559 | 235 | 1,794 |
| Depreciation | 865 | -- | 865 | 600 | 50 | 650 |
| Depreciation adjustment for access lines returned to service | 222 | (222) | -- | -- | -- | -- |
| Goodwill and other intangible amortization | 392 | -- | 392 | -- | 317 | 317 |
| Merger-related and other one-time charges | 415 | (415) | -- | 291 | (291) | -- |
| Operating income | 135 | 637 | 772 | 668 | 159 | 827 |
| OTHER EXPENSE/(INCOME) | | | | | | |
| Interest expense | 343 | -- | 343 | 207 | 37 | 244 |
| Change in market value of financial instruments | 23 | (23) | -- | 639 | (639) | -- |
| Gain on sales of rural exchanges | (50) | 50 | -- | -- | -- | -- |
| Investment write-downs | 3,108 | (3,108) | -- | -- | -- | -- |
| Other expense - net | 14 | -- | 14 | 15 | -- | 15 |
| Total other expense - net | 3,438 | (3,081) | 357 | 861 | (602) | 259 |
| (Loss) income before income taxes | (3,303) | 3,718 | 415 | (193) | 761 | 568 |
| Income tax provision (benefit) | 3 | 284 | 287 | (72) | 385 | 313 |
| NET (LOSS) INCOME | \$ (3,306) | \$ 3,434 | \$ 128 | \$ (121) | \$ 376 | \$ 255 |
| Basic (loss) earnings per share | \$ (1.99) | | \$ 0.08 | \$ (0.14) | | \$ 0.16 |
| Basic average shares outstanding | 1,661 | | 1,661 | 887 | | 1,641 |

| | | | | |
|------------------------------------|-----------|---------|-----------|---------|
| Diluted (loss) earnings per share | \$ (1.99) | \$ 0.08 | \$ (0.14) | \$ 0.15 |
| | ===== | ===== | ===== | ===== |
| Diluted average shares outstanding | 1,661 | 1,674 | 887 | 1,684 |
| | ===== | ===== | ===== | ===== |
| Diluted cash earnings per share | | \$ 0.29 | | \$ 0.32 |
| | | ===== | | ===== |

- (1) The consolidated pro forma normalized statements give retroactive effect as though the merger of Qwest and U S WEST had occurred as of the beginning of the periods presented. Shares outstanding and earnings per share have been restated to give retroactive effect to the exchange ratio resulting from the Merger. In addition, results have been adjusted to eliminate the impacts of non-recurring items, such as merger costs, a depreciation adjustment for access lines returned to service, gains/losses on the sale of investments, change in the market value of financial instruments, the write-down of investments, elimination of in-region long-distance activity, and a tax true-up on Merger- related expenses. The Merger has been accounted for as a purchase transaction. Certain reclassifications have been made to prior periods to conform to current presentation.
- (2) Diluted cash earnings per share represent diluted earnings per share adjusted to add back the after-tax amortization of goodwill and other intangible assets resulting from the Merger.

ATTACHMENT D

QWEST COMMUNICATIONS INTERNATIONAL INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (1)(2) - PRO FORMA NORMALIZED
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

| | Six Months Ended June 30, 2001 | | | Six Months Ended June 30, 2000 | | |
|--|-----------------------------------|--|------------------------------------|-----------------------------------|--|------------------------------------|
| | As Reported Results | Pro Forma Normalized Adjustments | Pro Forma Normalized Results | As Reported Results | Pro Forma Normalized Adjustments | Pro Forma Normalized Results |
| OPERATING REVENUES | | | | | | |
| Commercial services | \$ 5,647 | \$ -- | \$ 5,647 | \$ 2,459 | \$ 2,001 | \$ 4,460 |
| Consumer and small business services | 3,392 | -- | 3,392 | 2,972 | 343 | 3,315 |
| Directory services | 690 | -- | 690 | 678 | -- | 678 |
| Switched access services | 544 | -- | 544 | 718 | -- | 718 |
| Total operating revenues | 10,273 | -- | 10,273 | 6,827 | 2,344 | 9,171 |
| OPERATING EXPENSES | | | | | | |
| Cost of services | 3,646 | -- | 3,646 | 1,695 | 1,324 | 3,019 |
| Selling, general and administrative | 2,601 | -- | 2,601 | 2,066 | 568 | 2,634 |
| EBITDA | 4,026 | -- | 4,026 | 3,066 | 452 | 3,518 |
| Depreciation | 1,697 | -- | 1,697 | 1,186 | 89 | 1,275 |
| Depreciation adjustment for access lines returned to service | 222 | (222) | -- | -- | -- | -- |
| Goodwill and other intangible amortization | 711 | -- | 711 | -- | 634 | 634 |
| Merger-related and other one-time charges | 624 | (624) | -- | 306 | (306) | -- |
| Operating income | 772 | 846 | 1,618 | 1,574 | 35 | 1,609 |
| OTHER EXPENSE/(INCOME) | | | | | | |
| Interest expense | 681 | -- | 681 | 418 | 75 | 493 |
| Change in market value of financial instruments | -- | -- | -- | 768 | (768) | -- |
| Gain on sales of rural exchanges | (50) | 50 | -- | -- | -- | -- |
| Gain on sales of investments | -- | -- | -- | (79) | 79 | -- |
| Investment write-downs | 3,247 | (3,247) | -- | -- | -- | -- |
| Other expense - net | 34 | -- | 34 | 14 | 5 | 19 |
| Total other expense - net | 3,912 | (3,197) | 715 | 1,121 | (609) | 512 |
| (Loss) income before income taxes and extraordinary item | (3,140) | 4,043 | 903 | 453 | 644 | 1,097 |
| Income tax provision | 147 | 410 | 557 | 170 | 433 | 603 |
| Net (loss) income before extraordinary item | \$ (3,287) | \$ 3,633 | \$ 346 | \$ 283 | \$ 211 | \$ 494 |
| Extraordinary item - early retirement of debt, net of tax | (65) | 65 | -- | -- | -- | -- |

| | | | | | | |
|------------------------------------|------------|----------|---------|---------|--------|---------|
| NET (LOSS) INCOME | \$ (3,352) | \$ 3,698 | \$ 346 | \$ 283 | \$ 211 | \$ 494 |
| Basic (loss) earnings per share | \$ (2.02) | | \$ 0.21 | \$ 0.32 | | \$ 0.30 |
| Basic average shares outstanding | 1,659 | | 1,659 | 882 | | 1,635 |
| Diluted (loss) earnings per share | \$ (2.02) | | \$ 0.21 | \$ 0.32 | | \$ 0.29 |
| Diluted average shares outstanding | 1,659 | | 1,674 | 895 | | 1,681 |
| Diluted cash earnings per share | | | \$ 0.59 | | | \$ 0.63 |

- (1) The consolidated pro forma normalized statements give retroactive effect as though the merger of Qwest and U S WEST had occurred as of the beginning of the periods presented. Shares outstanding and earnings per share have been restated to give retroactive effect to the exchange ratio resulting from the Merger. In addition, results have been adjusted to eliminate the impacts of non-recurring items, such as merger costs, a depreciation adjustment for access lines returned to service, gains/losses on the sale of investments, change in the market value of financial instruments, the write-down of investments, elimination of in-region long-distance activity, and a tax true-up on Merger-related expenses. The Merger has been accounted for as a purchase transaction. Certain reclassifications have been made to prior periods to conform to current presentation.
- (2) Diluted cash earnings per share represent diluted earnings per share adjusted to add back the after-tax amortization of goodwill and other intangible assets resulting from the Merger.

ATTACHMENT E

QWEST COMMUNICATIONS INTERNATIONAL INC.
SELECTED CONSOLIDATED DATA
2000-2001

| | As of and for the Three Months Ended June 30, | | % Change |
|--|---|----------|-------------|
| | 2001 | 2000 | |
| DSL (in 14-state region): | | | |
| Subscribers (thousands) | 360 | 175 | 105.7 |
| DSL equipped central offices | 303 | 277 | 9.4 |
| Subscribers per equipped central office | 1,187 | 633 | 87.5 |
| Wireless/PCS: | | | |
| Revenues (millions) | \$ 181 | \$ 120 | 50.8 |
| Subscribers (thousands) | 1,002 | 653 | 53.4 |
| ARPU (dollars) | \$ 52 | \$ 55 | (5.5) |
| Penetration | 5.26% | 4.33% | 21.5 |
| Capital expenditures (millions) | \$ 2,616 | \$ 2,521 | 3.8 |
| Access lines (thousands): | | | |
| Business | 6,252 | 5,973 | 4.7 |
| Consumer | 11,788 | 11,980 | (1.6) |
| Total access lines | 18,040 | 17,953 | 0.5 |
| Voice grade equivalent access lines (thousands): | | | |
| Business | 39,261 | 27,648 | 42.0 |
| Consumer | 12,786 | 12,424 | 2.9 |
| Total voice grade equivalents | 52,047 | 40,072 | 29.9 |

ATTACHMENT F

QWEST COMMUNICATIONS INTERNATIONAL INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(DOLLARS IN MILLIONS)
(UNAUDITED)

| | June 30, 2001 | December 31, 2000 |
|--|------------------|----------------------|
| ----- | | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 516 | \$ 154 |
| Accounts receivable - net | 4,842 | 4,235 |
| Inventories and supplies | 352 | 275 |
| Prepaid and other | 707 | 535 |
| | ----- | ----- |
| Total current assets | 6,417 | 5,199 |
| Property, plant and equipment - net | 29,050 | 25,760 |
| Investments | 1,571 | 8,186 |
| Goodwill and intangibles - net | 34,688 | 32,327 |
| Other assets - net | 2,180 | 2,029 |
| | ----- | ----- |
| Total assets | \$ 73,906 | \$ 73,501 |
| | ===== | ===== |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Short-term borrowings | \$ 5,859 | \$ 3,645 |
| Accounts payable | 2,426 | 2,049 |
| Accrued expenses | 3,272 | 3,806 |
| Advance billings and customer deposits | 383 | 393 |
| | ----- | ----- |
| Total current liabilities | 11,940 | 9,893 |
| Long-term borrowings | 17,575 | 15,421 |
| Post-retirement and other post-employment benefit obligations | 2,927 | 2,735 |
| Deferred taxes, credits and other | 4,178 | 4,148 |
| Stockholders' equity | 37,286 | 41,304 |
| | ----- | ----- |
| Total liabilities and stockholders' equity | \$ 73,906 | \$ 73,501 |
| | ===== | ===== |

ATTACHMENT G

QWEST COMMUNICATIONS INTERNATIONAL INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (1)
(DOLLARS IN MILLIONS)
(UNAUDITED)

| | Six Months Ended June 30, | |
|---|------------------------------|----------|
| | 2001 | 2000 |
| Cash provided by operating activities | \$ 2,307 | \$ 1,799 |
| INVESTING ACTIVITIES | | |
| Expenditures for property, plant and equipment | (5,559) | (2,702) |
| Proceeds from sale of Global Crossing Ltd. common stock | -- | 1,140 |
| Cash from acquisition | -- | 407 |
| Other | 91 | (206) |
| Cash used for investing activities | (5,468) | (1,361) |
| FINANCING ACTIVITIES | | |
| Net proceeds from current borrowings | 2,296 | 89 |
| Proceeds from issuance of long-term borrowings - net | 3,238 | 992 |
| Repayments of long-term borrowings | (1,102) | (270) |
| Costs relating to the early retirement of debt | (106) | -- |
| Proceeds from issuances of common stock | 280 | 115 |
| Repurchase of stock | (1,000) | -- |
| Dividends paid on common stock | (83) | (542) |
| Cash provided by financing activities | 3,523 | 384 |
| CASH AND CASH EQUIVALENTS | | |
| Increase | 362 | 822 |
| Beginning balance | 154 | 78 |
| Ending balance | \$ 516 | \$ 900 |

(1) The condensed consolidated statements of cash flows reflect the cash flow activities for the merged Qwest entity for the six months ended June 30, 2001. For the six months ended June 30, 2000, the amounts reflect the cash flow activities for U S WEST, Inc. only (the accounting acquirer in the Merger).



FORM 8-K

QWEST COMMUNICATIONS INTERNATIONAL INC - Q

Filed: August 07, 2001 (period: August 07, 2001)

Report of unscheduled material events or corporate changes.

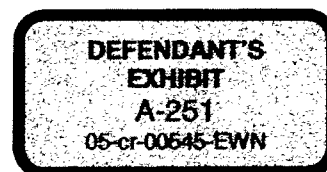


Table of Contents

ITEM Regulation FD Disclosure

2

ITEM Financial Statements, Pro Forma Financial Information and Exhibits

7

SIGNATURES

EXHIBIT INDEX

EX-99.1 (Exhibits not specifically designated by another number and by investment companies)

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 7, 2001

QWEST COMMUNICATIONS INTERNATIONAL INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

000-22609

84-1339282

(Commission File Number)

(IRS Employer Identification No.)

1801 California Street

Denver, Colorado

80202

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: 303-992-1400

Not applicable

(Former name or former address, if changed since last report)

ITEM 9. Regulation FD Disclosure

On August 7, 2001, Joseph P. Nacchio, Chairman and Chief Executive Officer of Qwest Communications International Inc. ("Qwest"), spoke at a conference hosted by US Bancorp Piper Jaffrey Inc. A copy of Mr. Nacchio's presentation is attached to this Current Report on Form 8-K as Exhibit 99.1.

Forward Looking Statements Warning

This Current Report on Form 8-K contains projections and other forward-looking statements that involve risks and uncertainties. These statements may differ materially from actual future events or results. Readers are referred to the documents filed by Qwest with the Securities and Exchange Commission, specifically the most recent reports which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements, including potential fluctuations in quarterly results, volatility of Qwest's stock price, intense competition in the communications services market, changes in demand for Qwest's products and services, dependence on new product development and acceleration of the deployment of advanced new services, such as broadband data, wireless and video services, which could require substantial expenditure of financial and other resources in excess of contemplated levels, higher than anticipated employee levels, capital expenditures and operating expenses, rapid and significant changes in technology and markets, rapid and significant changes in technology and markets, adverse changes in the regulatory or legislative environment affecting Qwest's business and delays in Qwest's ability to provide interLATA services within its 14-state local service territory, failure to maintain rights of way, and failure to achieve the projected synergies and financial results expected to result from the acquisition of U S WEST, Inc. timely or at all and difficulties in combining the operations of Qwest and U S WEST. The information contained in this Current Report on Form 8-K is a statement of Qwest's present intention and is based upon, among other things, the existing regulatory environment, industry conditions and market conditions and prices. Qwest may change its intentions, at any time and without notice, based upon any changes in such factors, in Qwest's assumptions or otherwise. This Current Report on Form 8-K includes analysts' estimates and other information prepared by third parties for which Qwest assumes no responsibility. Qwest undertakes no obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

By including any information in this Current Report on Form 8-K, Qwest does not necessarily acknowledge that disclosure of such information is required by applicable law or that the information is material.

ITEM 7. Financial Statements, Pro Forma Financial Information and Exhibits

Exhibit 99.1 Presentation by Joseph P. Nacchio, August 7, 2001.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Qwest has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

QWEST COMMUNICATIONS INTERNATIONAL INC.

DATE: August 7, 2001

By: /s/ YASH A. RANA

Yash A. Rana
Vice President

3

EXHIBIT INDEX

Exhibit 99.1 Presentation by Joseph P. Nacchio, August 7, 2001.

4

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Slide 1

[Qwest Logo]

Slide 2

This presentation contains forward-looking statements that involve risks and uncertainties. These statements may differ materially from actual future events or results. Readers are referred to the documents filed by Qwest with the SEC, which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements.

These materials include analysts' estimates and other information prepared by third parties for which the company assumes no responsibility. The company undertakes no obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

The Qwest logo is a registered trademark of Qwest Communications International Inc. in the U.S. and certain other countries.

Slide 3

Market and Economic Trends

- o Broadband continuing to grow in significance
 - DSL growth 100%
 - Optical Private Line growth over 120%
- o Economic downturn continuing
- o Industry restructuring
 - RBOCs into LD
 - Capital market dynamics
 - Shake-out of bad business plans
 - Dis-aggregation of largest companies
 - Global consolidation delayed
- o Advances in technology continue to fuel permanent demand
 - IP VPNs --GigE --DSL
 - Optical Private Line --Distributed Apps

Slide 4

Qwest Represents Top Investment Choice in Industry

- o Growth with predictable cash flow and earnings
 - Highest growth rate of any large cap telecom
 - \$8.5 to \$8.6 billion in EBITDA in 2001
 - Free cash flow positive 4Q02
- o Most diverse set of products and services, assets, and customers
 - Basic voice --> optical wavelength offerings
 - Wireline --> wireless
 - Private Line --> IP VPN
 - Over 110M DS-3 equivalent miles optical backbone capacity
 - 113,000 global network route miles
 - 18M+ access lines
 - Over 25 million customers: global accounts --> consumer
- o Entrepreneurial performance culture
 - Pay for performance
 - Blend of competitive and local market experience

Slide 5

Qwest Represents Top Investment Choice in Industry

- o Significant upside in long distance following 271 relief
- o Expanding global capabilities
 - Strong European presence
 - Global network expansion
- o Strongest regional economy
 - Unemployment rate 30 basis points below national average
 - 13% of population and 17% of housing starts
- o Broadest out-of-region local broadband offering compared to any RBOC
 - 25 cities operational, ahead of schedule

Slide 6

Growth Through Quality Revenues

- o Qwest revenue growth continues to lead the industry
-Total revenue growth more than 2X closest competitor

Slide 7

Qwest Total Revenue Growth Leads Industry

[Bar graph showing approximate pro forma normalized revenue growth rates for the companies listed.] [Bar chart does not give actual ranges or numbers.]

2Q01 Y/Y Growth Rate (Pro Forma):

| | |
|------------|-------------|
| Qwest: | 12.2% |
| BLS: | 5.2 to 5.5% |
| SBC: | about 4% |
| VZ: | 4.7 to 5% |
| T: | -5.7 to -6% |
| WCOM Inc.: | -0.5 to -1% |
| FON : | -3 to -3.5% |

Slide 8

Growth Through Quality Revenues

- o Qwest revenue growth continues to lead the industry
- Total revenue growth more than 2X closest competitor
- Local service revenue growth highest in group

Slide 9

Qwest Highest "RBOC" Revenue Growth*

[Bar graph showing approximate pro forma normalized revenue growth rates for the companies listed below for the RBOC and Wireless businesses.] [Chart does not give actual ranges or numbers]

| 2001 Y/Y | Approximate 2001 Y/Y Growth Rate (Pro Forma) | | |
|----------|--|--------------|-------------|
| | RBOC | Wireless | Total |
| Qwest: | 4.2 to 4.5% | 1.3% to 1.5% | 5.5 to 6% |
| SBC: | about 1.7% | about 2.3% | about 4% |
| VZ: | about 1.5% | 3.3 to 3.5% | 4.7 to 5% |
| BLS: | 3 to 3.3% | about 2.2% | 5.2 to 5.5% |

* "RBOC" revenue includes local voice & data, wireless, directory, switched access, intraLATA toll, interLATA toll

Slide 10

Growth Through Quality Revenues

- o Qwest revenue growth continues to lead the industry
 - Total revenue growth more than 2X closest competitor
 - Local service revenue growth highest in group
- o "Non-recurring" revenue component not news to industry
 - Portion of all companies' revenue
 - o CPE, installation fees, IRU, consulting, handsets, construction, asset sales, etc.
 - Always will be a part of all companies' revenue
- o Diverse product set will drive revenue growth
 - "Non-recurring" as percentage of revenue will trend downward as LD re-entry, wireless, and out-of-region initiatives gain traction

Slide 11

"Non-recurring" Broadband Capacity Sales as Percentage of Qwest Revenue

[Bar graph showing "non-recurring" broadband capacity sales as a percentage of Qwest's total revenue.] [Chart does not give actual ranges or numbers.]

| | |
|--------|---------------|
| 1996: | less than 60% |
| 1997: | about 80% |
| 1998: | about 30% |
| 1999: | about 20% |
| 2000: | about 5% |
| 2001E: | about 8% |

Slide 12

Effectively Expanding Network at Lower Cost and Faster Time to Market

- o Assets purchased for both international expansion and domestic city networks
- o Each buy opportunity assessed for cost and timing benefits
- o Transactions at market prices
- o Associated asset costs appropriately recorded
 - 2001 route purchases included in \$8.8 to \$9.0B capital plan
 - \$540M in 1H01

Slide 13

Leveraging the Expanding Global Network

- o Sales funnel and cost savings ramping
 - \$250 million in sales funnel along acquired routes
 - \$10 million per month savings opportunity for traffic termination
- o Network providers also customers
- o Capacity sales revenue recorded at market prices
- o Associated cost of goods sold included in financials
- o Above transactions further solidify our leadership position in wholesale markets: local, national, global

Slide 16

In-Region Long Distance Re-entry

- o Significant progress in meeting requirements
 - Local service area open to competitors
 - Completed 14-point "checklist" in 12 of 14 states
 - Operating support systems tests going well
- o On track to file first application this year
- o Expect first state approval early 2002
- o Qwest LD experience will drive in-region results
 - Targeting both Consumer and Commercial customers
 - Nationwide offering will enhance growth
 - Substantial infrastructure in place

Slide 17

Nationwide Local Broadband Capabilities

[Map showing cities with local broadband capabilities by region; not including Qwest ILEC region]

Western Region

Sacramento
San Diego
San Jose
San Francisco
Orange County
Los Angeles

Southern Region

Austin
San Antonio
Dallas
Houston

Central Region

Chicago
St. Louis
Kansas City
Cleveland
Indianapolis
Detroit

Eastern Region

Washington DC
Baltimore
Boston
Philadelphia
Pittsburgh
New York
Newark
White Plains
Albany

Slide 18

Path to Sustainable 15+ $\%$ Revenue Growth

[Chart showing relative size and long term growth rates for National and International Revenue and Local Service Revenue]

National and International Revenue (includes Internet and data) (30%) -> Approx. 30% growth

Major Drivers

Internet and data growth
LD re-entry
Out-of-region local broadband
Net share taker

PLUS

Local Service Revenue (70%) -> Approx. 8% growth

Major Drivers

Improved sales & service performance
DSL and wireless growth
Stronger economic growth
Bundle focus

EQUALS 15+ $\%$ [Total revenue growth rate]

Slide 19

2001-2005 Revenue Growth
By Product Category

[Bar graph showing estimated revenue growth for 2005 over 2001 by various product lines]

[Numbers in billions]

| | |
|----------------------------|------------------|
| 2001 Total: | \$21.3 - \$21.5 |
| [Revenue growth 2001-2005] | |
| U.S. IP*: | \$ 6 - \$ 6.5 |
| In-region LD: | \$ 3 - \$ 3.5 |
| Wireless: | \$ 2.2 - \$ 2.5 |
| Local BB OOR: | \$ 2.2 - \$ 2.5 |
| U.S. Data: | \$ 1 - \$ 1.2 |
| International: | \$ 1 - \$ 1.2 |
| U.S. LD Voice: | \$ 0.5 - \$ 0.75 |
| Local, Directory: | \$ 0.5 - \$ 0.6 |
| 2005 Estimate: | \$ 38 - \$40 M |

*includes DIA, Hosting, VPN, Dial, DSL, QCS, Professional Services

Growth Assumptions

- o 2001 results continue as expected
- o Economic growth recovers beginning 1Q02
- o 271 re-entry in all states by mid-year 2002
- o Total global business Market grows 16% CAGR through 2004
- o Qwest GB market share increases from 5% in 2000 to approx. 8% in 2004

Slide 20

Maintaining Financial Strength
Accounts Receivable Focus

- o Receivable balance increased \$600M from 4Q00 to 2Q01
 - Revenue growth
 - Customer specific disputes
 - Longer payment terms for major customers
 - Increased optical private line sales to Fortune 500 companies
 - Timing of collections
- o 3Q01 receivables expected to decline/DSOs decrease
 - Significant collections of 1H01 increases expected during 3Q01
 - Aggressive collections management on growth driven A/R

Slide 21

Maintaining Financial Strength
Path to Free Cash Flow

- o Free cash flow positive expected 4Q02; full year 2003
- o \$1.5B to \$2B additional debt in 2002
- o Committed to investment grade rating

Cash Flow Estimates*

| | 2001 | 2002 |
|----------------|-------------|------------|
| | ----- | ----- |
| EBITDA | \$8.5-\$8.6 | \$9.8-\$10 |
| Capex | \$8.8-\$9.0 | \$7.5 |
| Interest | \$1.4 | \$1.6 |
| Cash Tax | \$0 | \$0 |
| Working Cap | \$1.5 | \$1.4 |
| Share buy-back | \$1.0 | n/a |
| Cash Flow | (\$4.5) | (\$1.3) |

*all numbers are estimates

Slide 22

Qwest Undervalued

| | Qwest | VZ | SBC | BLS | WCOM Inc. | T | FON |
|------------------------|---------|---------|---------|---------|-----------|---------|---------|
| | ----- | --- | --- | --- | ----- | - | --- |
| Stock Price (8/3/01) | \$24.40 | \$53.68 | \$43.49 | \$40.62 | \$14.27 | \$20.54 | \$23.18 |
| Enterprise Value (\$B) | \$ 70 | \$ 260 | \$ 200 | \$ 100 | \$ 76 | \$ 180 | \$ 26 |
| 2002 Revenue(\$B) (1) | \$ 21.5 | \$ 73 | \$ 59 | \$ 33 | \$ 37 | \$ 53 | \$ 18 |
| EBITDA(\$B) (1) | \$ 10.0 | \$ 33 | \$ 25 | \$ 15 | \$ 11 | \$ 16 | \$ 5 |
| EV/Revenue | 3.3 | 3.6 | 3.4 | 3.1 | 2.1 | 3.4 | 1.4 |
| EV/EBITDA | 7.0 | 7.8 | 8.1 | 6.6 | 7.2 | 11.3 | 5.5 |
| Growth Rate | | | | | | | |
| Revenue (1) | 14.5% | 7.0% | 7.8% | 8.1% | 3.5% | -0.7% | 2.0% |
| EBITDA(1) | 16.5% | 11.0% | 9.1% | 10.2% | 7.7% | 5.4% | 7.2% |
| Growth Adj. | | | | | | | |
| EV/Revenue | 0.2 | 0.5 | 0.4 | 0.4 | 0.6 | na | 0.7 |
| EV/EBITDA | 0.4 | 0.7 | 0.9 | 0.6 | 0.9 | 2.1 | 0.8 |

(1) Based upon analyst estimates

Slide 23

Outlook

- o 2001 near lower end of range following economic weakness
 - \$21.3B to \$21.5B total revenue
 - \$8.5B to \$8.6B total EBITDA
 - Cash EPS \$1.10 to \$1.20
- o \$8.8B to \$9.0B capital spending in 2001
 - Continued reduction as percent of revenue
- o 2002 growth accelerates
 - 14% to 15% revenue growth
 - 16% to 17% EBITDA growth
 - Cash EPS in the \$1.40 range
- o 2000 - 2005
 - 15%+ Revenue CAGR
 - 17%+ EBITDA CAGR

Slide 24

[Qwest Logo]

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Created by 10KWizard www.10KWizard.com



UNITED STATES OF AMERICA
SECURITIES AND EXCHANGE COMMISSION

ATTESTATION

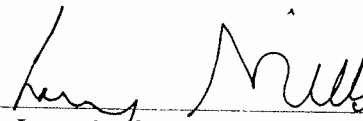
I HEREBY ATTEST

that:

Attached is a copy of, quarterly report on Form 10-Q, for the quarterly period ended June 30, 2001, received in this Commission August 14, 2001, under the name Qwest Communications International, Inc., File No. 1-15577, pursuant to the provisions of the Securities Exchange Act of 1934.

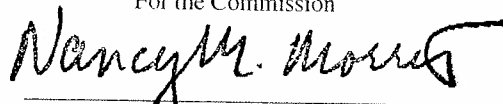
on file in this Commission

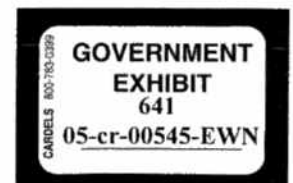
February 24, 2007
(Date)


Larry Mills
Records Officer

It is hereby certified that the Associate Executive Director, Office of Filings and Information Services, U.S. Securities and Exchange Commission, Washington, D.C., which Commission was created by the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is official custodian of the records and files of said Commission, and all records and files created or established by the Federal Trade Commission pursuant to the provisions of the Securities Act of 1933 and transferred to this Commission in accordance with Section 210 of the Securities Exchange Act of 1934, and was such official custodian at the time of executing the above attestation, and that he/she, and persons holding the positions of Deputy Director, Associate Directors, Special Assistant to the Director, Records Officer, Branch Chief of Records Management, and the Program Analyst for the Records Officer, or any one of them, are authorized to execute the above attestation.

For the Commission


Secretary



1

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
 QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2001

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM TO

COMMISSION FILE NUMBER 000-22609

QWEST COMMUNICATIONS INTERNATIONAL INC.
(Exact name of registrant as specified in its charter)

<Table>

| | |
|---|---|
| DELAWARE | 84-1339282 |
| (State or other jurisdiction of incorporation of organization) | (I.R.S. Employer Identification No.) |

</Table>

1801 CALIFORNIA STREET, DENVER, COLORADO 80202
(Address of principal executive offices and zip code)

TELEPHONE NUMBER (303) 992-1400
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

At July 31, 2001, 1,663,721,480 shares of common stock were outstanding.

QWEST COMMUNICATIONS INTERNATIONAL INC.
FORM 10-Q

TABLE OF CONTENTS

<Table>
<Caption>
ITEM

| | PAGE |
|--|------|
| ---- | ---- |
| PART I -- FINANCIAL INFORMATION | |
| 1. Financial Statements | |
| Condensed Consolidated Statements of Operations -- | |
| Three and six months ended June 30, 2001 and 2000..... | 1 |
| Condensed Consolidated Balance Sheets -- | |
| June 30, 2001 and December 31, 2000..... | 2 |
| Condensed Consolidated Statements of Cash Flows -- | |
| Six months ended June 30, 2001 and 2000..... | 3 |
| Notes to Condensed Consolidated Financial Statements..... | 4 |
| 2. Management's Discussion and Analysis of Financial Condition | |
| and Results of Operations..... | 15 |
| 3. Quantitative and Qualitative Disclosures About Market | |
| Risk..... | 22 |
| PART II -- OTHER INFORMATION | |
| 1. Legal Proceedings..... | II-1 |
| 4. Submission of Matters to a Vote of Security Holders..... | II-1 |
| 6. Exhibits and Reports on Form 8-K..... | II-3 |
| Signature page..... | II-8 |

</Table>

QWEST COMMUNICATIONS INTERNATIONAL INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(DOLLARS IN MILLIONS, EXCEPT SHARE AND PER SHARE AMOUNTS)
(UNAUDITED)<Table>
<Caption>

| | THREE MONTHS ENDED JUNE 30, | | SIX MONTHS ENDED JUNE 30, | |
|---|--------------------------------|----------|------------------------------|---------|
| | 2001 | 2000 | 2001 | 2000 |
| Revenues: | | | | |
| Commercial services..... | \$ 2,898 | \$1,252 | \$ 5,647 | \$2,459 |
| Consumer and small business services..... | 1,708 | 1,506 | 3,392 | 2,972 |
| Directory services..... | 348 | 331 | 690 | 678 |
| Switched access services..... | 268 | 361 | 544 | 718 |
| Total revenues..... | 5,222 | 3,450 | 10,273 | 6,827 |
| Operating expenses: | | | | |
| Cost of services..... | 1,850 | 830 | 3,646 | 1,695 |
| Selling, general and administrative..... | 1,343 | 1,061 | 2,601 | 2,066 |
| Depreciation..... | 865 | 600 | 1,697 | 1,186 |
| Depreciation adjustment for access lines returned to service..... | 222 | -- | 222 | -- |
| Goodwill and other intangible amortization..... | 392 | -- | 711 | -- |
| Merger-related and other one-time charges..... | 415 | 291 | 624 | 306 |
| Total operating expenses..... | 5,087 | 2,782 | 9,501 | 5,253 |
| Operating income..... | 135 | 668 | 772 | 1,574 |
| Other expense (income) - net: | | | | |
| Interest expense - net..... | 343 | 207 | 681 | 418 |
| Investment write-downs..... | 3,108 | 447 | 3,247 | 447 |
| Decline in market value of financial instruments.... | 23 | 192 | -- | 321 |
| Gain on sale of rural exchanges..... | (50) | -- | (50) | -- |
| Gain on sale of investments..... | -- | -- | -- | (79) |
| Other expense - net..... | 14 | 15 | 34 | 14 |
| Total other expense - net..... | 3,438 | 861 | 3,912 | 1,121 |
| (Loss) income before income taxes and extraordinary item..... | (3,303) | (193) | (3,140) | 453 |
| Income tax provision (benefit)..... | 3 | (72) | 147 | 170 |
| (Loss) income before extraordinary item..... | (3,306) | (121) | (3,287) | 283 |
| Extraordinary item - early retirement of debt, net of tax..... | -- | -- | (65) | -- |
| Net (loss) income..... | \$(3,306) | \$(121) | \$(3,352) | \$ 283 |
| Basic (loss) earnings per share: | | | | |
| (Loss) income before extraordinary item..... | \$ (1.99) | \$(0.14) | \$ (1.98) | \$ 0.32 |
| Extraordinary item - early retirement of debt, net of tax..... | -- | -- | (0.04) | -- |
| Basic (loss) earnings per share..... | \$(1.99) | \$(0.14) | \$(2.02) | \$ 0.32 |
| Basic average shares outstanding..... | 1,661 | 887 | 1,659 | 882 |