



**Fourth Quarter and Full Year 2009
Earnings Conference Call**

March 4, 2010

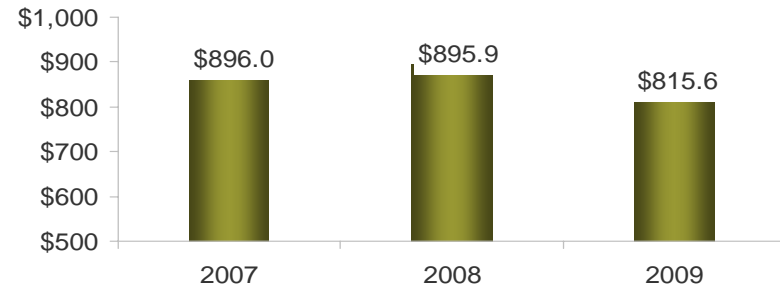
Safe Harbor

This presentation and related oral statements and communications concerning global economic trends, demand outlook for telecom spending, and our prospects, operational and liquidity objectives, cost reduction initiatives, capital expenditures, anticipated uses of capital and resources and financial condition constitute “forward looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements are based on current expectations, and are not strictly historical statements. In some cases, you can identify forward-looking statements by terminology such as “if,” “may,” “should,” “believe,” “anticipate,” “future,” “forward,” “potential,” “estimate,” “reinstate,” “opportunity,” “goal,” “objective,” “exchange,” “growth,” “outcome,” “could,” “expect,” “intend,” “plan,” “strategy,” “provide,” “commitment,” “result,” “seek,” “pursue,” “ongoing,” “include” or the negative of such terms or comparable terminology. These forward-looking statements inherently involve certain risks and uncertainties, although they are based on our current plans or assessments which are believed to be reasonable as of the date of this presentation. Factors and risks that could cause actual results or circumstances to differ materially from those set forth or contemplated in forward-looking statements include, without limitation: (i) the ability to service substantial indebtedness; (ii) the risk factors or uncertainties listed from time to time in our filings with the Securities and Exchange Commission (including those listed under captions “MD&A -- Liquidity and Capital Resources -- Short- and Long-Term Liquidity Considerations and Risks;” “Special Note Regarding Forward-Looking Statements;” and “Risk Factors” in our annual report on Form 10-K and quarterly reports on Form 10-Q) which cover matters and risks including but not limited to (a) a continuation or worsening of global recessionary economic conditions, including the effects of such conditions on our customers and our accounts receivables and revenues; (b) the general fluctuations in the exchange rates of currencies, particularly any strengthening of the United States dollar relative to foreign currencies of the countries where we conduct our foreign operations; (c) the possible inability to raise additional capital or refinance indebtedness when needed, or at all, whether due to adverse credit market conditions, our credit profile or otherwise; (d) a continuation or worsening of turbulent financial and capital market conditions; (e) adverse regulatory rulings or changes in the regulatory schemes or requirements and regulatory enforcement in the markets in which we operate and uncertainty regarding the nature and degree of regulation relating to certain services; and (f) successful implementation of cost reduction efforts. As such, actual results or circumstances may vary materially from such forward-looking statements or expectations. Readers are also cautioned not to place undue reliance on these forward-looking statements which speak only as of the date these statements were made. We are not necessarily obligated to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Full Year 2009 Highlights

- Total Revenue of \$816 million declined by 9% over the prior year
- Generated \$84.3 million Adjusted EBITDA⁽¹⁾ in 2009, an increase of 28% over the prior year
- Generated \$27.9 million of Free Cash Flow⁽¹⁾ in 2009; second half 2009 was \$11.8 million
- Restructured balance sheet by reducing total debt and cash interest expense by over 50%
- Refinanced 2011 debt maturities with new senior secured notes due 2016, subject to certain conditions

Total Company Revenue



Adjusted EBITDA ⁽¹⁾



Free Cash Flow ⁽¹⁾

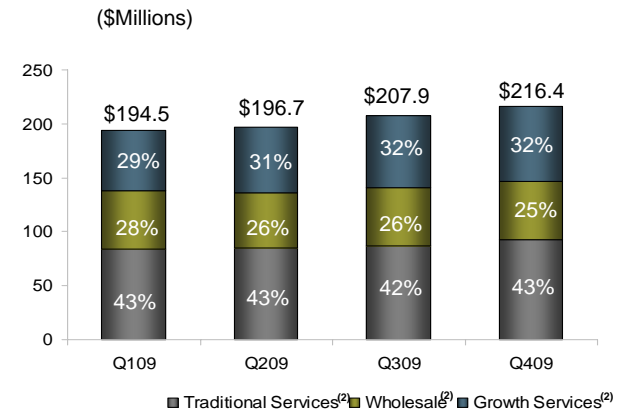


(1) A non-GAAP financial measure. Definitions and reconciliations between non-GAAP measures and relevant GAAP measures are available in the Appendix and in the Company's periodic SEC filings.

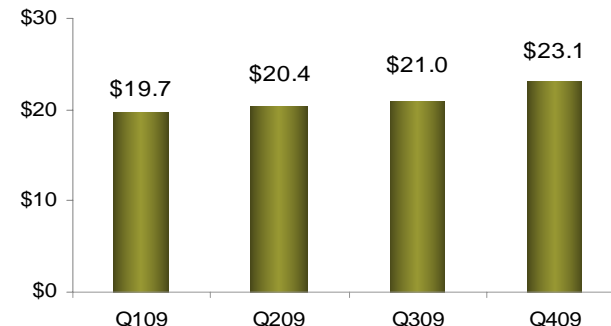
Q409 Highlights

- Consistent Financial Performance
 - Revenue of \$216.4 million
 - Adjusted EBITDA⁽¹⁾ of \$23.1 million
 - Free Cash Flow⁽¹⁾ of \$2.7 million
- Quarter end unrestricted cash balance of \$42.5 million
- Strengthened Balance Sheet
 - Refinanced 2011 debt maturities with new senior secured notes due 2016, subject to certain conditions
- Growth Services⁽²⁾ as percent of retail revenue increased to 43%
- Rate of retail revenue decline slowed on currency neutral basis

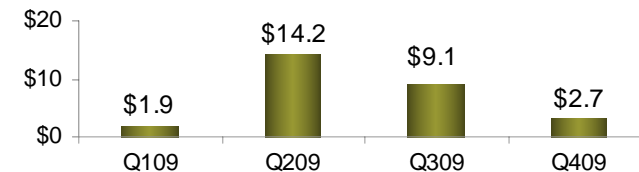
2009 Revenue Mix By Quarter



Adjusted EBITDA ⁽¹⁾



Free Cash Flow ⁽¹⁾



(1) A non-GAAP financial measure. Definitions and reconciliations between non-GAAP measures and relevant GAAP measures are available in the Appendix and in the Company's periodic SEC filings.
 (2) Growth Services includes on-net local, broadband internet, data, data center, wireless, and retail VoIP, Traditional Services includes retail voice, off-net local, dial-up internet and prepaid card and Wholesale includes wholesale voice revenue.

Australia Overview

(\$Millions)

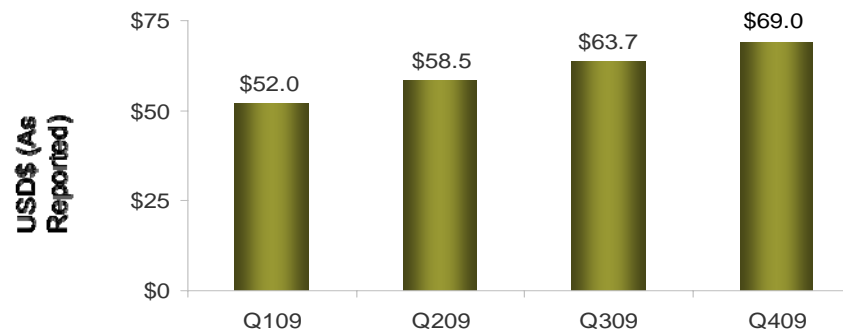
■ Q409 Highlights

- High-margin commercial data revenue grew 9% over Q309
- 33% of new commercial orders came from strategic accounts (greater than A\$5K/month)
- Rate of decline from Traditional Services continues to improve
- Completed a A\$2.5 million annual cost reduction initiative to benefit 2010

■ 2010 Business Objectives

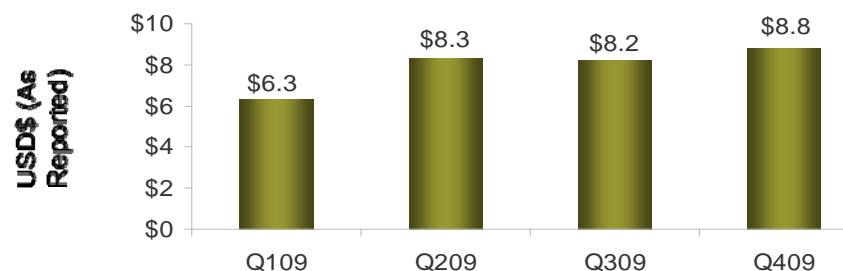
- Increase revenue from broadband, data hosting and hosted IP-PBX services from strategic commercial and government customers
- Improve network data carrying speed by 50%
- Expand current broadband network footprint by 15%

Net Revenue



(A US\$)	\$78.4	\$77.2	\$76.5	\$75.9
<i>Sequential Change</i>	(5.4)%	(1.5)%	(0.9)%	(0.8)%

Adjusted EBITDA ⁽¹⁾



(A US\$)	\$9.6	\$10.9	\$9.8	\$9.7
<i>Sequential Change</i>	36.2%	13.6%	(9.6)%	(1.6)%
<i>% of Revenue</i>	12.2%	14.1%	12.9%	12.8%

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Canada Overview

(\$Millions)

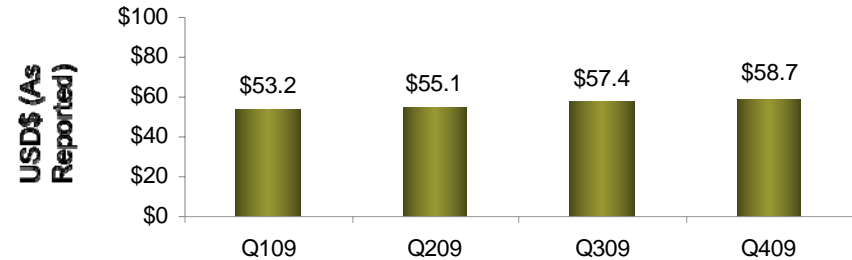
■ Q409 Highlights

- Continued improvement in Growth Services (up 1.5% vs. Q309)
- Double-digit revenue growth in data center and hosted IP-PBX services
- Growth in residential base for non-long distance voice services resulting from successful marketing campaigns
- Rate of revenue decline continues to improve
- Lower customer churn due to improved customer provisioning and care metrics

■ 2010 Business Objectives

- Migrate “up-market” within the SME bracket for data services
- Build on the current residential marketing success with “Triple Value Bundle” that carries a higher ARPU
- Improve operational performance through sales productivity, provisioning effectiveness, customer churn rates and customer satisfaction
- Expand on-net service coverage footprint by 20%
- Expand service offering in managed data center and hosted services
- Roll-out expanded MVNO agreement with Rogers

Net Revenue



(CAD\$)	\$66.2	\$64.4	\$63.1	\$62.1
<i>Sequential Change</i>	(3.1)%	(2.8)%	(2.0)%	(1.6)%

Adjusted EBITDA ⁽¹⁾



(CAD\$)	\$14.7	\$14.8	\$12.8	\$11.8
<i>Sequential Change</i>	7.9%	0.1%	(13.2)%	(7.6)%
<i>% of Revenue</i>	22.3%	22.9%	20.3%	19.1%

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Wholesale Overview

(\$Millions)

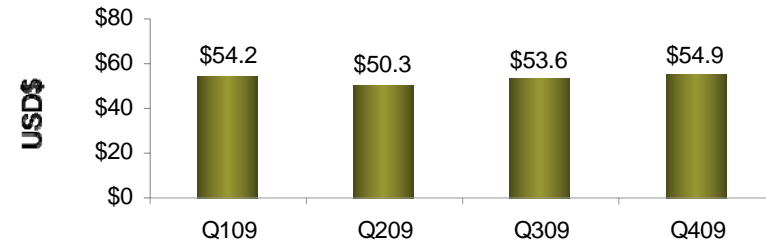
■ Q409 Highlights

- Revenue up 2.5% vs. Q309
- Reorganized division to focus on regional sales growth
- Added high-caliber, dedicated business development staff in key strategic growth regions

■ 2010 Business Objectives

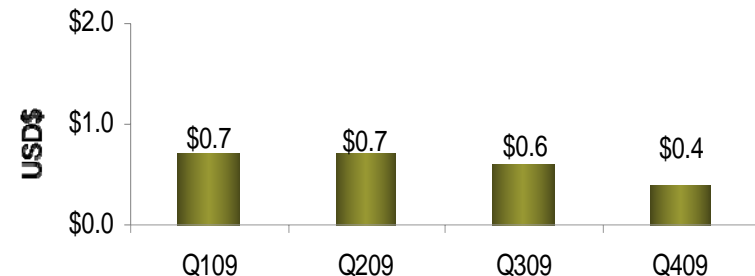
- Increase sales to large cable companies, wireless carrier accounts and alternative VoIP providers
- Increase percentage of higher-margin US domestic traffic termination in overall traffic mix
- Increase regional sales presence in higher-growth, higher margin growth markets in the Middle East, Africa and Asian Pacific regions

Net Revenue



<i>Sequential Change</i>	3.2%	(7.2)%	6.5%	2.5%
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Adjusted EBITDA ⁽¹⁾



<i>Sequential Change</i>	106.8%	(2.3)%	(17.9)%	(24.2)%
<i>% of Revenue</i>	1.3%	1.4%	1.1%	0.8%

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Primus Other Businesses Overview

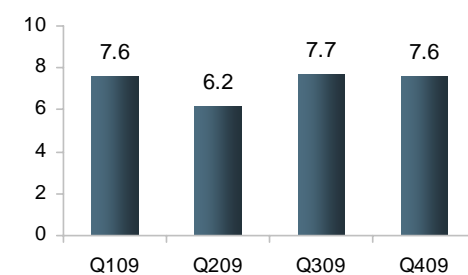
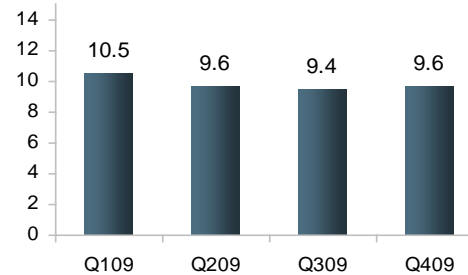
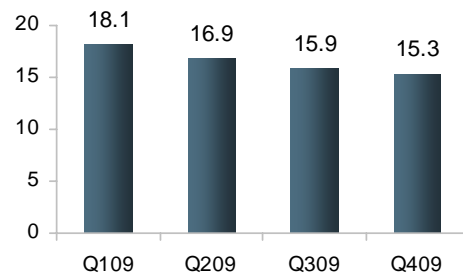
(Millions)

United States (US\$)

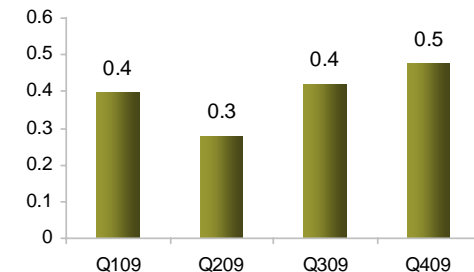
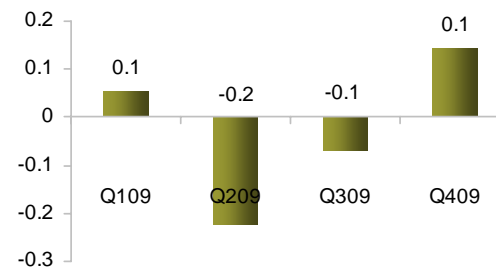
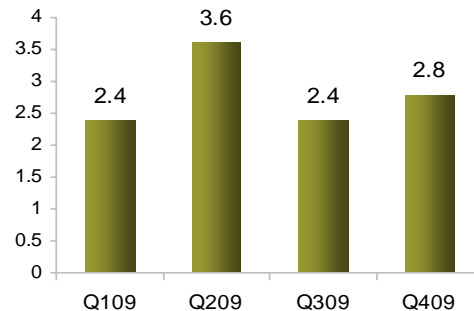
Europe (€)

Brazil (BRR)

Revenue



Adjusted EBITDA (1)



- Commercial hosted IP-PBX services growing
- Continue cost rationalization to offset margin loss from long-distance revenue attrition

- Migrate to on-line sales channels for growth
- Focus on countries and products that provide the greatest near-term return on investment

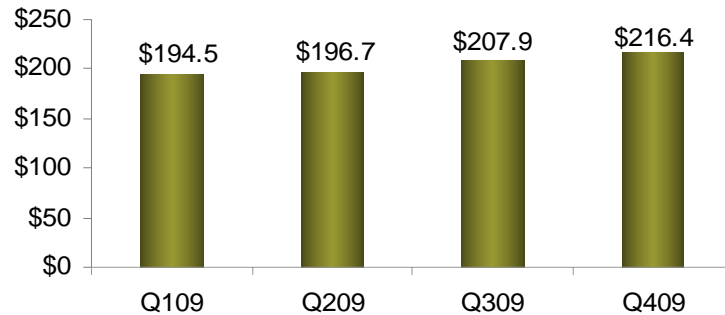
- Data center services on a growth trajectory
- Expand data center capabilities and capacity
- VOIP business stable; managing for higher margins and cash flow

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2009 Financial Summary

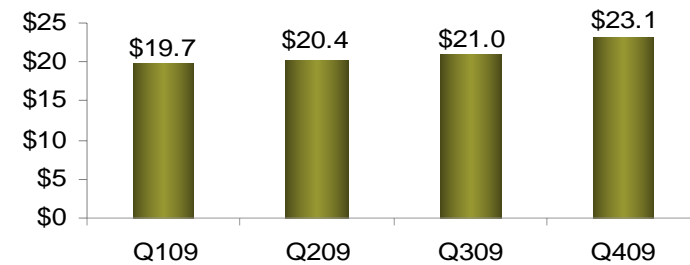
(US\$ Millions)

Revenue



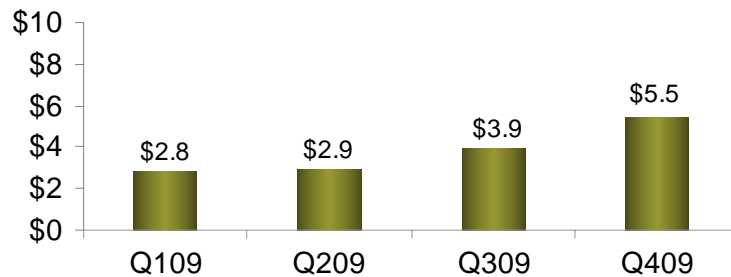
Quarter	% Sequential Change
Q109	(4.3%)
Q209	1.2%
Q309	5.7%
Q409	4.1%

Adjusted EBITDA ⁽¹⁾



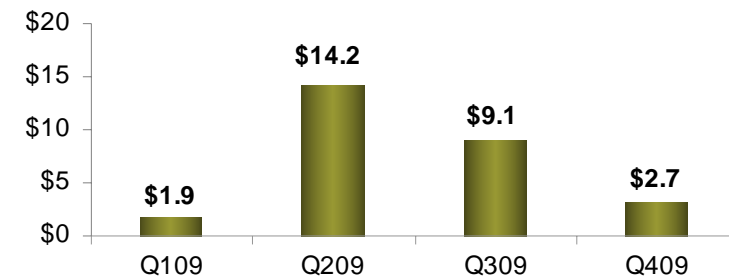
Quarter	% of Revenue
Q109	10.1%
Q209	10.4%
Q309	10.1%
Q409	10.7%

Capital Expenditures



Quarter	% of Revenue
Q109	1.4%
Q209	1.5%
Q309	1.9%
Q409	2.5%

Free Cash Flow ⁽¹⁾



Quarter	% of Revenue
Q109	1.0%
Q209	7.2%
Q309	4.4%
Q409	1.2%

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Free Cash Flow⁽¹⁾

(US\$ Millions)

Well Positioned to Generate Positive Free Cash Flow

Annual FCF Illustration		
	High	Low
Cash interest, net	\$(34.0)	\$(34.0)
Capital expenditures	\$(20.0)	\$(23.0)
Cash taxes	\$(2.0)	\$(3.0)
Working capital	<u>\$(3.0)</u>	<u>\$(4.0)</u>
	<u>\$(59.0)</u>	<u>\$(64.0)</u>
LTM Adjusted EBITDA ⁽¹⁾	\$84.3	\$84.3
Free Cash Flow ⁽¹⁾	<u>\$25.3</u>	<u>\$20.3</u>

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Foreign Currency Effects

Average Exchange Rate to US\$

	Q109	Q209	Q309	Q409	As of 3/3/2010
AUD \$	0.66	0.76	0.83	0.91	0.90
CAN \$	0.80	0.86	0.91	0.95	0.97
UK £	1.44	1.55	1.64	1.63	1.51
European €	1.30	1.36	1.43	1.48	1.37

- More than 80% of revenue generated outside US
- Natural in-country currency hedge
 - Revenue and costs are largely denominated in each country's local currency
- Impact of currency fluctuations limited to US dollar cash needs mainly driven by debt service requirements
 - US dollar needs greatly reduced post-reorganization due to lower US dollar interest expense

Capital Expenditures

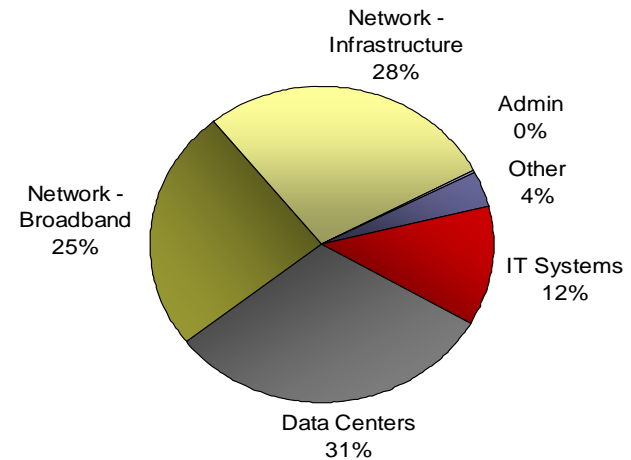
- **Focus investment in primary markets where returns and value creation are greatest**

- More than 90% of 2009 \$15.1 million CapEx was devoted to expanding Growth Services in Canada and Australia
- Domestic US routing platform improved gross margin for Wholesale business

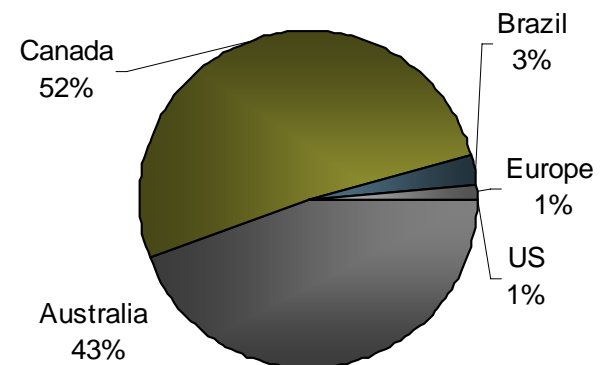
- **2010 capital expenditure priorities:**

- Expand data centers to maintain sales momentum in Canada, Australia and Brazil
- Increase speed and capacity of broadband infrastructure to improve gross margin from high-speed Internet users
- Fund IP-PBX services to support customer growth
- Expand broadband and local on-net footprints in Canada and Australia

Q409 % Allocation by Service



Q409 % Allocation by Region



Strengthened Balance Sheet

(\$US Millions)

- Refinanced \$94.8 million Senior Secured Term Loan Facility and \$27.0 million Canadian Credit Facility due February and May 2011 respectively, extending these maturities to 2016, subject to certain conditions
- The \$130 million 13% Senior Secured Notes obligate the Company to offer to note holders 50% of annual Free Cash Flow⁽¹⁾ to purchase the notes at par (plus accrued interest)

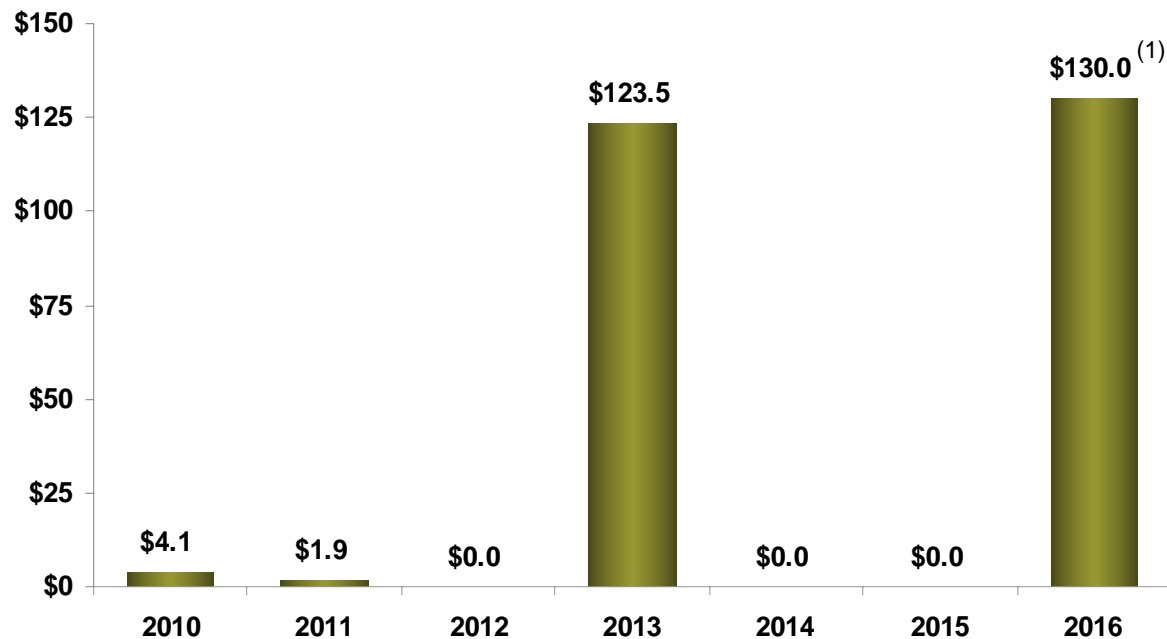
	Q408	Q309	Q409
Total Debt / Adjusted EBITDA ⁽¹⁾	8.78x	3.31x	3.08x
Net Debt / Adjusted EBITDA ⁽¹⁾	8.22x	2.76x	2.57x
Cash Interest Coverage Ratio	1.23x	2.40x	2.86x

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Debt Maturities and Scheduled Amortization

(US\$ Millions)

Total Debt as of 12/31/09 – \$259.5 million



⁽¹⁾ The 13.00% Senior Secured Notes will mature January 2013 if the 14.25% Senior Subordinated Secured Notes have not been refinanced as of such date.

Appendix

Non-GAAP Measures

	Q409	Q309	Q209	Q109
NET INCOME (LOSS) ATTRIBUTABLE TO PRIMUS TELECOMMUNICATIONS GROUP, INCORPORATED	\$ 16,370	\$ (15,198)	\$ 457,162	\$ 13,991
Reorganization items, net	254	307	(423,526)	(16,568)
Share-based compensation expense	843	308	12	16
Depreciation and amortization	19,501	20,029	6,251	6,096
(Gain) loss on sale or disposal of assets	98	83	15	(59)
Interest expense	8,563	8,763	3,359	10,776
Accretion on debt premium, net	-	-	-	(189)
Gain on early extinguishment or restructuring of debt	4,146	-	-	-
Interest income and other income (expense)	(400)	(163)	(159)	(235)
Gain (Loss) from Contingent Value Rights valuation	(1,425)	4,229	-	-
Foreign currency transaction (gain) loss	(16,636)	4,447	(24,170)	3,049
Income tax (benefit) expense	(8,592)	(2,085)	1,111	2,797
Income (expense) attributable to the non-controlling interest	123	210	103	(136)
Loss from discontinued operations, net of tax	271	-	283	393
Loss from sale of discontinued operations, net of tax	-	110	-	(251)
ADJUSTED EBITDA	\$ 23,116	\$ 21,040	\$ 20,441	\$ 19,680
NET CASH PROVIDED BY OPERATING ACTIVITIES BEFORE REORGANIZATION ITEMS	\$ 8,199	\$ 12,992	\$ 17,097	\$ 4,643
Net cash used in purchase of property and equipment	(5,510)	(3,886)	(2,874)	(2,786)
FREE CASH FLOW	\$ 2,689	\$ 9,106	\$ 14,223	\$ 1,857

Adjusted EBITDA

Adjusted EBITDA, as defined by us, consists of net income (loss) before reorganization items, net, share-based compensation expense, depreciation and amortization, asset impairment expense, gain (loss) on sale or disposal of assets, interest expense, amortization or accretion on debt discount or premium, gain (loss) on early extinguishment or restructuring of debt, interest income and other income (expense), gain (loss) from contingent value rights valuation, foreign currency transaction gain (loss), income tax benefit (expense), income (expense) attributable to the non-controlling interest, income (loss) from discontinued operations, net of tax, and income (loss) from sale of discontinued operations, net of tax. Our definition of Adjusted EBITDA may not be similar to Adjusted EBITDA measures presented by other companies, is not a measurement under generally accepted accounting principles in the United States, and should be considered in addition to, but not as a substitute for, the information contained in our statements of operations.

We believe Adjusted EBITDA is an important performance measurement for our investors because it gives them a metric to analyze our results exclusive of certain non-cash items and items which do not directly correlate to our business of selling and provisioning telecommunications services. We believe Adjusted EBITDA provides further insight into our current performance and period to period performance on a qualitative basis and is a measure that we use to evaluate our results and performance of our management team.

Free Cash Flow

Free Cash Flow, as defined by us, consists of net cash provided by (used in) operating activities before reorganization items less net cash used in the purchase of property and equipment. Free Cash Flow, as defined above, may not be similar to Free Cash Flow measures presented by other companies, is not a measurement under generally accepted accounting principles in the United States, and should be considered in addition to, but not as a substitute for, the information contained in our consolidated statements of cash flows.

We believe Free Cash Flow provides a measure of our ability, after making our capital expenditures and other investments in our infrastructure, to meet scheduled debt payments. We use Free Cash Flow to monitor the impact of our operations on our cash reserves and our ability to generate sufficient cash flow to fund our scheduled debt maturities and other financing activities, including discretionary refinancings and retirements of debt. Because Free Cash Flow represents the amount of cash generated or used in operating activities and used in the purchase of property and equipment before deductions for scheduled debt maturities and other fixed obligations (such as capital leases, vendor financing and other long-term obligations), you should not use it as a measure of the amount of cash available for discretionary expenditures.