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First Quarter 2010
Earnings Conference Call
May 17, 2010

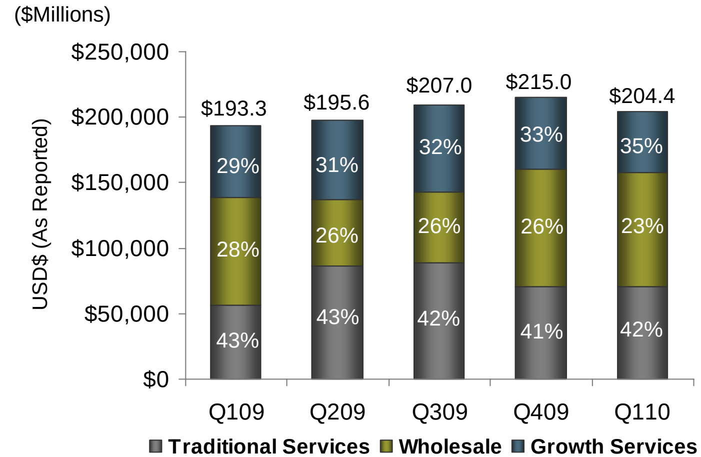
Safe Harbor

This presentation and related oral statements and communications concerning our prospects, operational and liquidity objectives, cost reduction initiatives, capital expenditures, anticipated uses of capital 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 announcement. 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; and (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 or weak 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.

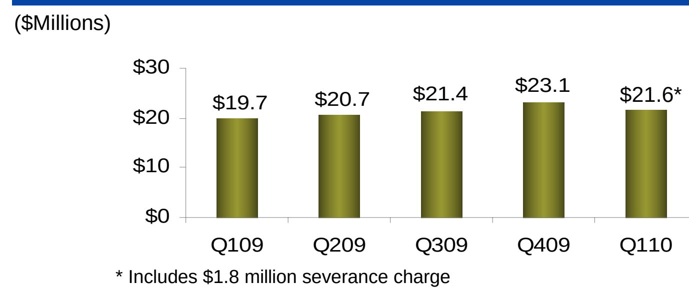
Q110 Highlights

- Consistent Financial Performance
  - Net Revenue of $204.4 million
  - Adjusted EBITDA(1) of $21.6 million
  - Free Cash Flow(1) of $12.8 million
- Quarter end unrestricted cash balance of $52.1 million
- Subsequent to quarter-end, retired $9.5 million of 14¼% Notes due 2013
- Growth Services(2) increased to 45% of retail revenue from 44% in Q409
  - Strong performance in data center, broadband internet and IP-PBX services
  - Continue to manage Traditional Services while seeking to migrate customers to next-gen services

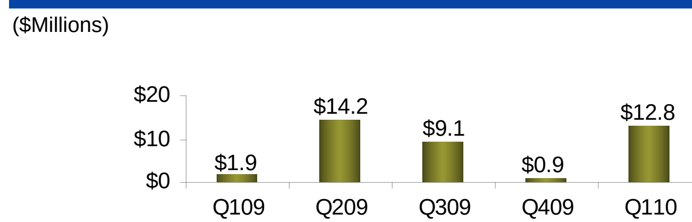
Revenue Mix By Quarter



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

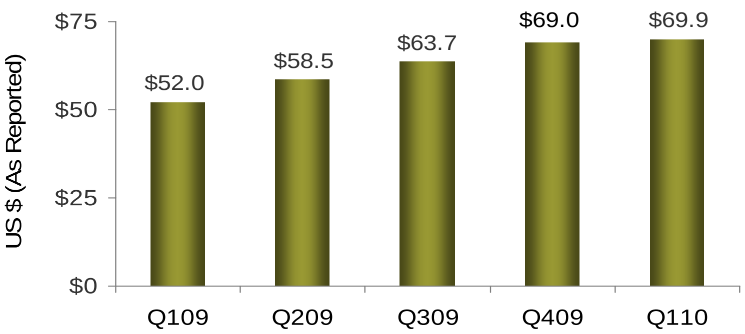
($Millions)

- **Q110 Highlights**
  - Strong commercial performance benefitting from larger strategic account implementations in Q1 outpaced lower seasonal volumes
  - Data center revenue grew 21% over Q409 primarily resulting from customer expansion
  - Residential subscriber trends exceeding plan
  - EBITDA growth aided by $2.5 million per year reduction in cost of sales implemented 1/1/2010
  - Traditional Services declined 1.3% from Q409

- **2010 Business Objectives**
  - Increase revenue from broadband, data hosting and hosted IP-PBX services from strategic commercial and government customers
  - Expand footprint by 7-8% before year-end
  - Launch metro fiber CLEC in Sydney and Melbourne in second half 2010
  - Open a new Tier 3 Melbourne data center to accommodate growth
  - Complete IP-video service enablement of the DSLAM network

Net Revenue

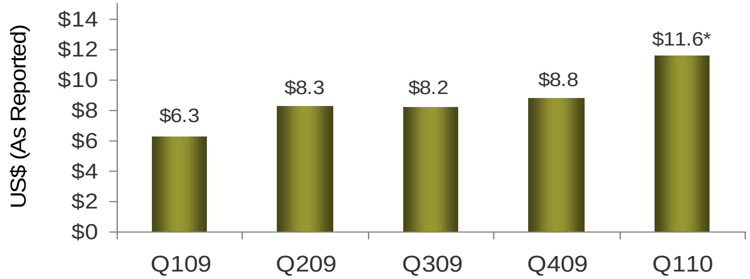
($Millions)



(AUS$)	$78.4	$77.2	$76.5	$75.9	$77.3
Sequential Change	(5.4)%	(1.5)%	(0.9)%	(0.8)%	1.9%

Adjusted EBITDA (1)

($Millions)



* Includes $1.3 million of non-recurring benefits from revenue and cost of sales accrual adjustments

(AUS$)	$9.6	$10.9	$9.8	$9.7	$12.9
Sequential Change	36.2%	13.6%	(9.6)%	(1.6)%	32.7%
% of Revenue	12.2%	14.1%	12.9%	12.8%	16.6%

(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.

Canada Overview

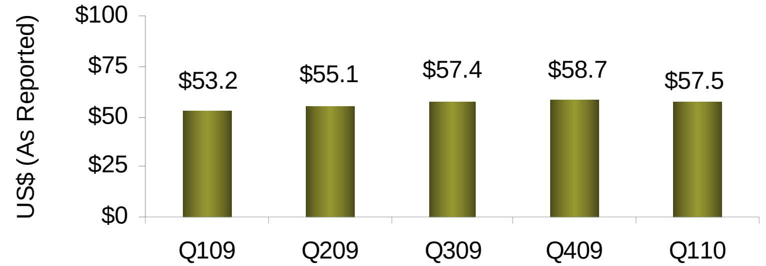
($Millions)

- **Q110 Highlights**
  - Q110/Q109 revenue growth in data center +29%, and IP-PBX +68%
  - Commercial revenue mix shift toward Growth Services continues – number of strategic accounts increasing
  - New non-LD residential orders reach highest level in past 5 quarters; bundle and churn rates improving
  - Sequential LD voice revenue decline higher than expected

- **2010 Business Objectives**
  - Penetrate higher end of SME bracket with data center and IP-based services
  - Further expand service offering in managed data center and hosted services by adding managed security and cloud computing
  - Continue current residential marketing success with "Triple Value Bundle"
  - Roll-out expanded MVNO agreement with Rogers
  - Improve back-office operational performance to enhance sales productivity and provisioning effectiveness, increase customer satisfaction and reduce customer churn rates

Net Revenue

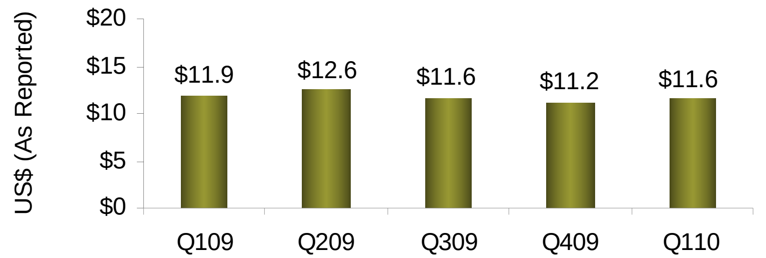
($Millions)



(CAD$)	$66.2	$64.4	$63.1	$62.1	$59.8
Sequential Change	(3.1)%	(2.8)%	(2.0)%	(1.6)%	(3.6)%

Adjusted EBITDA (1)

($Millions)



(CAD$)	$14.7	$14.8	$12.8	$11.8	$12.1
Sequential Change	7.9%	0.0%	(13.2)%	(7.6)%	2.0%
% of Revenue	22.3%	22.9%	20.3%	19.1%	20.2%

(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.

Wholesale Overview

($Millions)

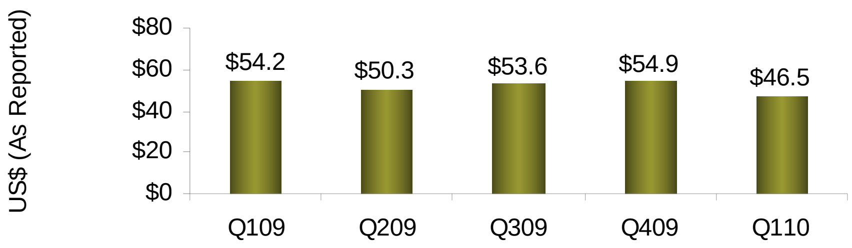
Q110 Highlights

- Higher than expected Q1 revenue decline; trend has reversed in Q2 to date
- Accepted less Latin America-destined traffic to minimize credit exposures – Adjusted EBITDA minimally affected
- Added high-caliber, dedicated business development staff in key strategic growth regions – Asia, Middle East and Africa

2010 Business Objectives

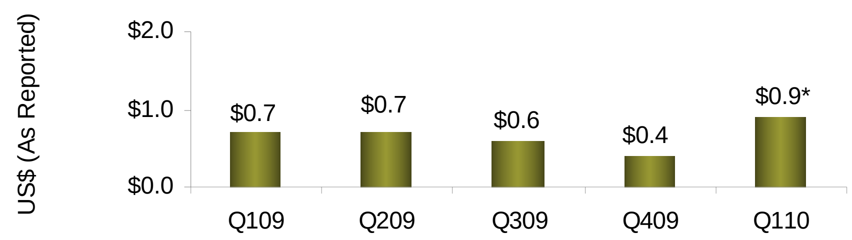
- Expand profit margins by increasing the proportion of significantly higher-margin US domestic traffic termination in overall traffic mix
- Expand base of customers and vendors in higher-growth, higher-margin markets in the Middle East, Africa and Asia Pacific regions
- Grow revenue by increasing sales to cable companies, wireless carriers and alternative VoIP providers in current markets

Net Revenue



Sequential Change	3.2%	(7.2)%	6.5%	2.5%	(15.3)%

Adjusted EBITDA (1)



* Includes $0.7 million of non-recurring benefits from revenue accrual adjustments

Sequential Change	106.6%	(2.3)%	(17.9)%	(24.2)%	101.2%
% of Revenue	1.3%	1.4%	1.1%	0.8%	1.9%

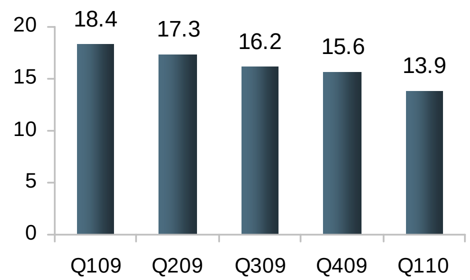
(1) A non-GAAP financial measure. Definitions and reconciliations between non-GAAP measures and relevant GAAP measures are available in the Appendix and in the Company's periodic SEC filings.

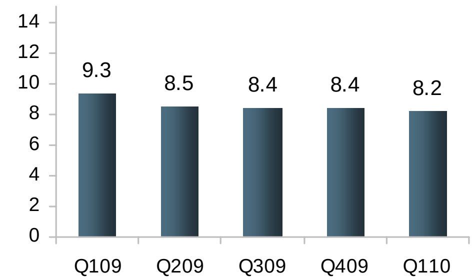
Primus Other Businesses Overview

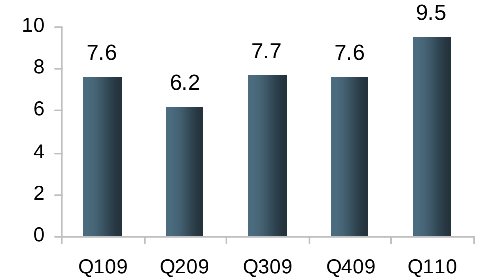
(Millions)

United States (US$)	Europe (€)	Brazil (BRR)

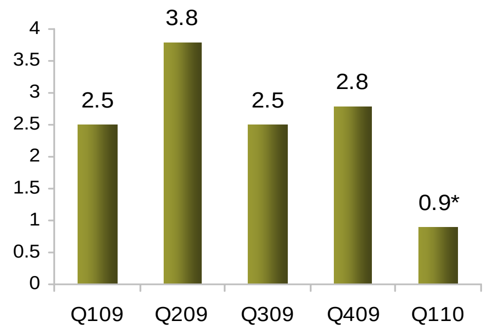
Revenue



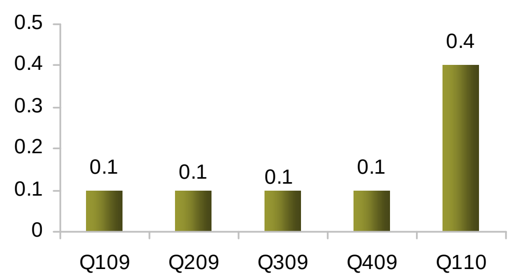


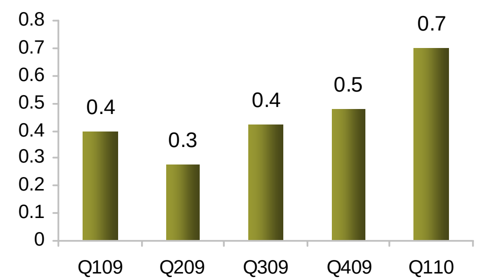


Adjusted EBITDA (1)



* Includes $1.1 million of non-recurring SG&A charges primarily from indirect taxes





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

- Migrate to on-line sales channels for growth and margin expansion
- Focus on growing higher-margin services – broadband, IP voice services

- Data center sales remain strong
- Expanding data center capabilities and capacity to accommodate growth
- Wholesale voice traffic is growing; managing for higher margins and cash flow

(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.

2010 Strategy

- Continue investment in Australia and Canada
  - Expand broadband network footprint, speed, and on-net coverage
  - Enhance data center capacity and service capabilities
  - Focus on strategic accounts for Commercial segment revenue growth
  - Focus on Growth Services

- Combine aggressive cost management with increasing revenue from Growth Services to deliver stable Adjusted EBITDA[1] and Free Cash Flow[1]
  - Manage Traditional Services for cash flow

- Further improve balance sheet, reduce debt

(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.

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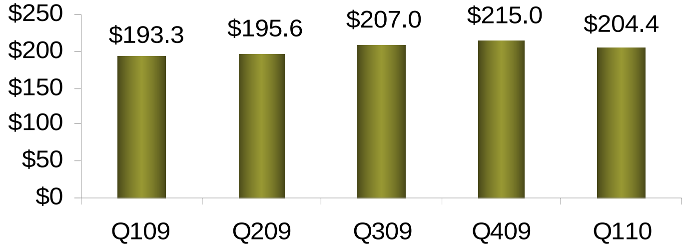
Financial Summary

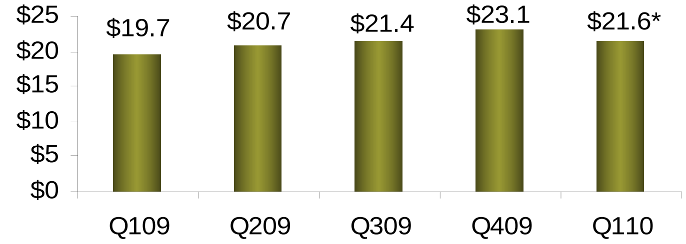
($ Millions)

Revenue



% Sequential Change	(4.3)%	1.2 %	5.8%	3.9%	(5.0)%

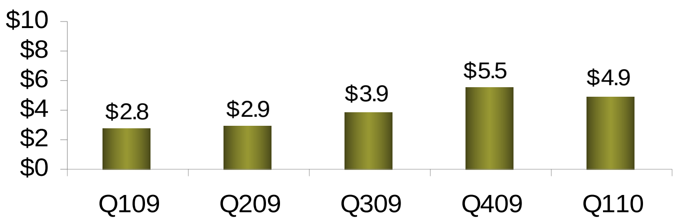
Adjusted EBITDA (1)



* Includes $1.8 million severance charge

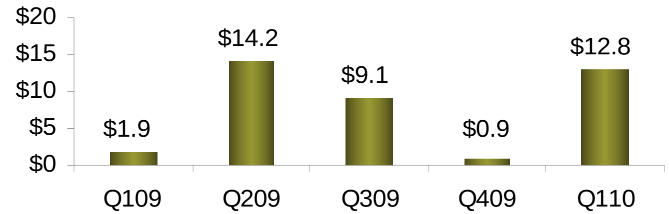
% of Revenue	10.2%	10.6%	10.3%	10.7%	10.6%

Capital Expenditures



% of Revenue	1.4%	1.5%	1.9%	2.6%	2.4%

Free Cash Flow (1)



% of Revenue	1.0%	7.3%	4.4%	0.4%	6.3%

(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.

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Free Cash Flow[1]

(US$ Millions)

Well Positioned to Generate Positive Free Cash Flow [1]

Annual FCF Illustration		
	High	**Low**
Cash interest, net	$(33.0)	$(33.0)
Capital expenditures	$(20.0)	$(23.0)
Cash taxes	$(2.0)	$(3.0)
Working capital	$(3.0)	$(4.0)
	$(58.0)	$(63.0)
LTM Adjusted EBITDA[1]	$86.2	$86.2
Free Cash Flow[1]	$28.2	$23.2
FCF/Share **(based on 9.743 mm shares)**	**$2.89**	**$2.38**

(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.

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Foreign Currency Effects

Average Exchange Rate to US$

	Q109	Q409	Q110	As of 5/14/10
AUD $	0.66	0.91	0.90	0.89
CAN $	0.80	0.95	0.96	0.97
UK £	1.44	1.63	1.56	1.45
European €	1.30	1.48	1.39	1.24

- More than 85% 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

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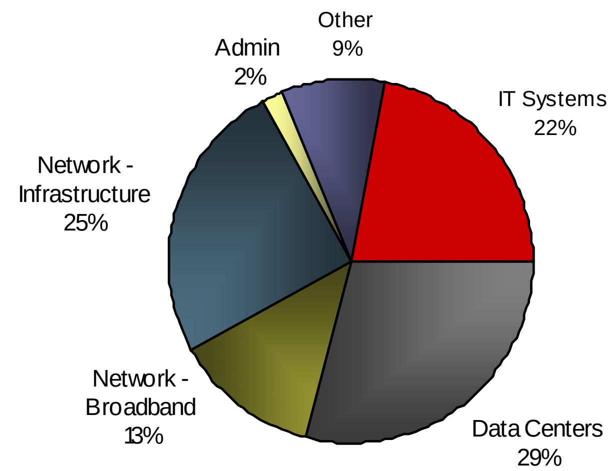
Capital Expenditures

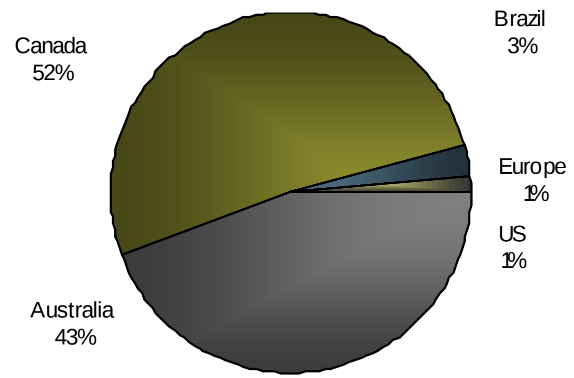
- **Focus investment in primary markets where returns and value creation are greatest**
  - Approximately 90% of Q110 CapEx of $4.9 million devoted to expanding Growth Services in Canada and Australia
  - Enhanced IT and back-office systems to speed provisioning and enhance customer experience

- **2010 capital expenditure priorities:**
  - Expand data center capacity 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 equipment to support customer growth
  - Expand broadband and local on-net footprints in Canada and Australia to improve profitability
  - Expand current metro fiber network in Melbourne and Sydney, Australia to grow data revenue

Q110 % Allocation by Service



Q110 % Allocation by Region



Balance Sheet

($US Millions)

- Repaid $3.4 million in capital leases
- Principal amount of total debt at 3/31/10 was $256.2 million compared to $259.5 million at 12/31/09
- Subsequent to quarter-end, retired $9.5 million of 14¼% Senior Subordinated Secured Notes due 2013

	Q309	Q409	Q110	Pro Forma
Total Debt / Adjusted LTM EBITDA(1)	**3.31x**	**3.08x**	**2.98x**	**2.87x**
Net Debt / Adjusted LTM EBITDA(1)	**2.76x**	**2.57x**	**2.37x**	**2.37x**
Cash Interest Coverage Ratio	**2.40x**	**2.71x**	**2.34x**	**2.57x**

(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.

Non-GAAP Measures

PRIMUS TELECOMMUNICATIONS GROUP, INCORPORATED
RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA
(unaudited)

(in thousands)	Q110	Q409	Q109
NET INCOME (LOSS) ATTRIBUTABLE TO PRIMUS TELECOMMUNICATIONS GROUP, INCORPORATED	$ (999)	$ 4,567	$ 13,991
Reorganization items, net	(1)	241	(16,568)
Share-based compensation expense	87	843	16
Depreciation and amortization	18,984	19,432	6,076
(Gain) loss on sale or disposal of assets	10	98	(59)
Interest expense	9,337	8,544	10,775
Accretion on debt (premium) discount, net	44	3	(189)
(Gain) loss on early extinguishment or restructuring of debt	-	4,146	-
Interest and other (income) expense	(228)	(401)	(227)
(Gain) loss from Contingent Value Rights valuation	2,043	(1,425)	-
Foreign currency transaction (gain) loss	(6,002)	(5,411)	3,050
Income tax (benefit) expense	(1,999)	(7,956)	2,796
Income (expense) attributable to the non-controlling interest	136	123	(136)
(Income) loss from discontinued operations, net of tax	167	310	438
(Gain) loss from sale of discontinued operations, net of tax	-	-	(251)
ADJUSTED EBITDA	$ 21,579	$ 23,114	$ 19,712
NET CASH PROVIDED BY OPERATING ACTIVITIES BEFORE REORGANIZATION ITEMS	$ 17,734	$ 6,458	$ 4,643
Net cash used in purchase of property and equipment	(4,913)	(5,510)	(2,786)
FREE CASH FLOW	$ 12,821	$ 948	$ 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 purchases of capital and other investments in our infrastructure, to meet scheduled debt principal 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 less amounts 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.

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