Jefferies 2012 Global TMT Conference

May 7, 2012

PTGi

CONFIDENTIAL

Safe Harbor

Forward-Looking Statements

This presentation and managementõs remarks accompanying this presentation contain or incorporate a number of ñforward-looking statementsòwithin the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. 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 ñif,ò ñmay,òñshould,òñbelieve,òñanticipate,òñfuture,òñforward,òñpotential,òñestimate,òñopportunity,òñgoal,òñobjective,òñgrowth,òñoutcome,òñcould,òñexpect,òñintend,ò ñplan,òñstrategy,òñprovide,òñcommitment,òñresult,òñseek,òñpursue,òñongoing,òñincludeòor in the negative of such terms or comparable terminology. These forward-looking statements inherently involve certain risks and uncertainties and are not guarantees of performance or results, as well as creation of shareholder value, although they are based on our current plans or assessments which are believed to be reasonable as of the date hereof. Factors or risks that could cause our actual results to differ materially from the results are more fully described in our annual report, quarterly reports or other filings with the Securities and Exchange Commission, which are available through our website at www.ptgi.com. Other unknown or unpredictable factors could also affect our business, financial condition and results. Although we believe that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that any of the estimated or projected results will be realized. You should not place undue reliance on these forward-looking statements, which apply only as of the date hereof. Subsequent events and developments may cause our views to change. While we may elect to update these forward-looking statements at some point in the future, we specifically disclaim any obligation to do so.

Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures as defined under SEC regulations, which include Adjusted EBITDA, Normalized EBITDA, Gross Margin and Free Cash Flow. As such, they should not be considered as substitutes for the most directly comparable GAAP measures and should not be used in isolation, but in conjunction with these GAAP measures. Definitions and reconciliations between non-GAAP measures and relevant GAAP measures are available in the Appendix of this presentation.

PTGi 2012 Overview

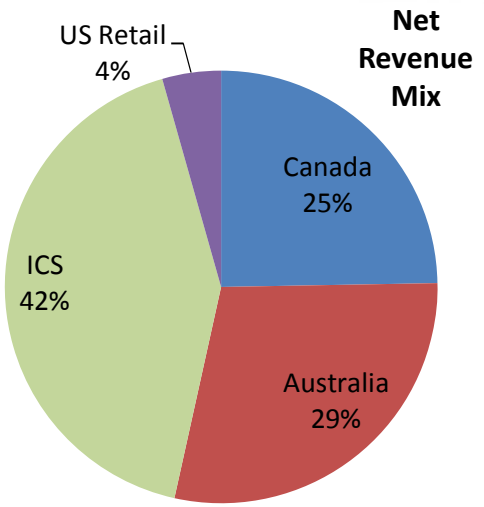
- Signed definitive agreement to sell Primus Australia to M2 for A$192M – significant outcome of strategic process
- Separating Primus Canada into 2 units
  - Pure-play data center – highlights momentum across 8 state-of-the-art facilities throughout Canada
  - Telecom – competitive suite of voice and data services for consumers and SMEs

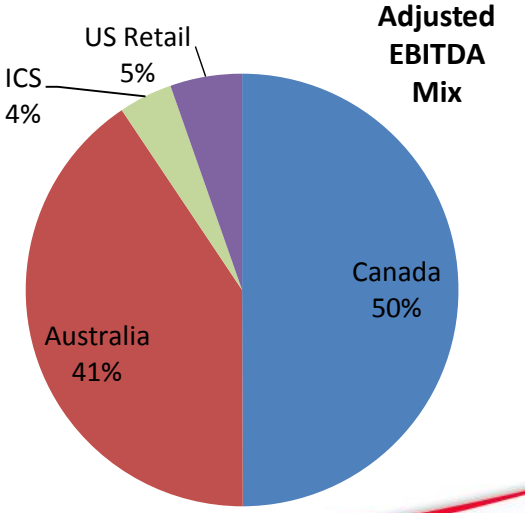
(in millions, USD)	2010	2011	Y-o-Y $	Y-o-Y %
Reported				
Net Revenue	$737.3	**$ 989.3**	$ 252.0	34.2%
Adjusted EBITDA [2]	$ 78.0	**$ 84.2**	$ 6.2	7.9%
Normalized				
Adjusted EBITDA	$ 86.8	**$ 88.5**	$ 1.7	2.0%
Capex	$ 25.5	**$ 30.8**	$ 5.3	20.9%
EBITDA Less Capex	$ 61.3	**$ 57.7**	$ (3.6)	-5.9%

All results of operations exclude Discontinued Operations unless otherwise specified.
(1) PTGi indirectly owns a 45.6% interest in Globility Communications Corp, in accordance with Canadian telecommunications law.
(2) Adjusted EBITDA and Normalized Adjusted EBITDA are non-GAAP financial measures. Definitions and reconciliations between non-GAAP measures and relevant GAAP measures are available in the Appendix and in the Company's related Current Reports on Form 8-K filed with the SEC for the periods presented.

The PTGi Portfolio – Sum of the Parts

(in millions, USD)	2011				
	Net Revenue	Adjusted EBITDA [1,2]	% of NR	CapEx	Adjusted EBITDA Less CapEx
Canada [3]	$246.6	$50.7	20.6%	$15.4	$35.3
Australia	286.5	41.3	14.4%	12.6	28.6
Int'l Carrier Services	411.4	3.9	1.0%	1.5	2.4
US Retail	44.2	5.2	11.8%	0.9	4.4
Operating Segment Sub-Total	**$988.7**	**$101.1**	**10.2%**	**$30.4**	**$70.7**
Corporate / Other	0.6	(12.6)		0.4	(13.0)
Normalized Sum of the Parts	**$989.3**	**$88.5**	**8.9%**	**$30.8**	**$57.7**
Severance, Intergration & Non-Recurring	-	(4.3)		-	(4.3)
Reported Sum of The Parts Total	**$989.3**	**$84.2**	**8.5%**	**$30.8**	**$53.4**





All results of operations exclude Discontinued Operations unless otherwise specified.

(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 related Current Reports on Form 8-K filed with the SEC for the periods presented.

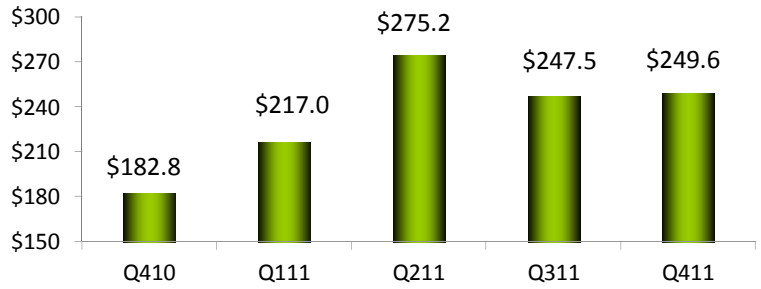
(2) Adjusted EBITDA for operating and non-operating segments has been normalized with a reconciliation to the "Sum of the Parts Total" reported Adjusted EBITDA.

(3) Reported Canada Adjusted EBITDA is $52.6M, normalized to $50.7M to exclude net favorable impact of one-time events.

Financial Summary

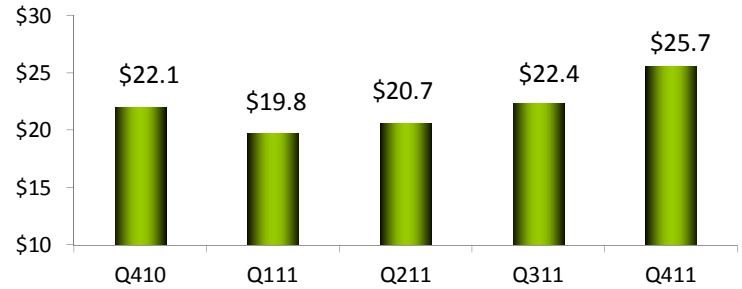
(in millions, USD)

Net Revenue



Sequential	*1.5%*	*18.7%*	*26.8%*	*(10.0%)*	*0.8%*

Normalized Adjusted EBITDA (1,2)



% of NR	*12.1%*	*9.1%*	*7.5%*	*9.0%*	*10.3%*

Normalized Adjusted EBITDA (2) Less CAPEX

CapEx by QTR.	*$9.1*	*$6.1*	*$7.4*	*$8.7*	*$8.6*
CapEx % of NR	*5.0%*	*2.8%*	*2.7%*	*3.5%*	*3.4%*

Free Cash Flow (1 ,3)

% of NR	*(5.5%)*	*4.4%*	*(3.0%)*	*0.8%*	*3.3%*

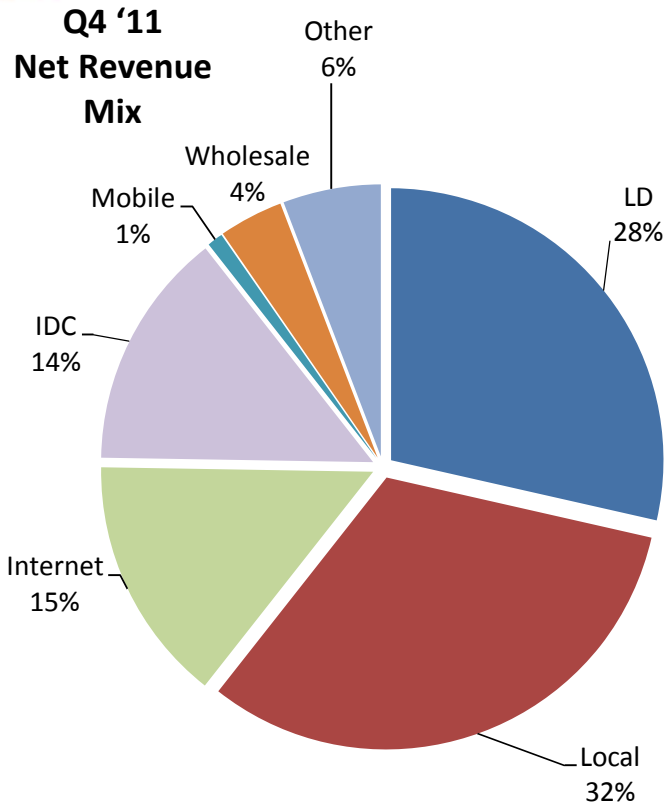
All results of operations exclude Discontinued Operations unless otherwise specified.

(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 related Current Reports on Form 8-K filed with the SEC for the periods presented.

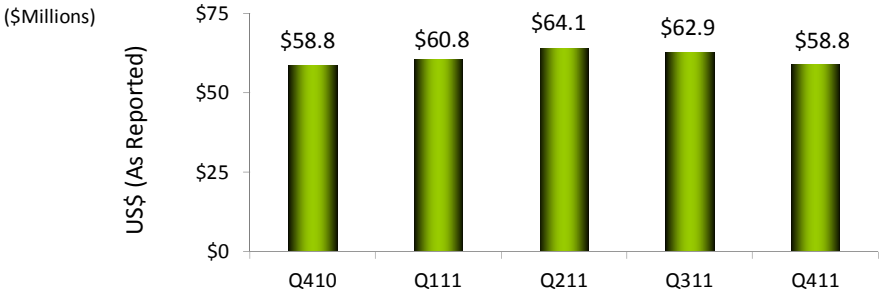
(2) Normalized Adjusted EBITDA excludes the impact of non-recurring expenses for such items as severance charges, integration costs, certain professional fees and a provision for a regulatory ruling. Adjustments by quarter are as follows: Q410 $2.5M, Q111 $1.7M, Q211 $1.1M, Q311 $0.2M and Q411 $1.4M.

(3) Includes the Q311 impact on working capital leading into the debt exchange offer as well as the cash impact of discontinued operations.

Canada Overview

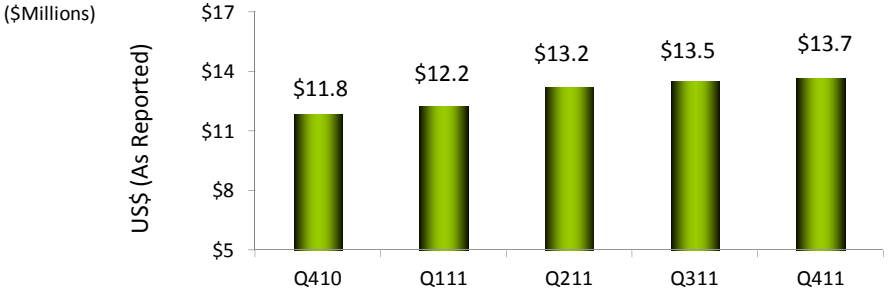


Net Revenue



(CAD$)	C$59.6	C$60.0	C$62.0	C$61.5	C$60.2
Sequential Change	0.8%	0.6%	3.3%	(0.8%)	(2.0%)

Adjusted EBITDA [1,2]

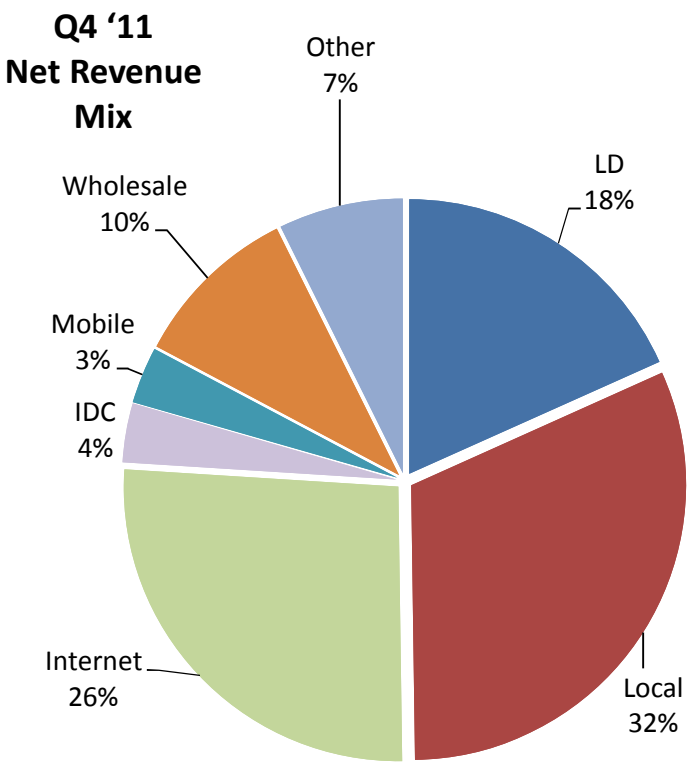


(CAD$)	C$12.0	C$12.0	C$12.8	C$13.2	C$14.0
Sequential Change	1.9%	0.4%	5.9%	3.3%	6.2%
% of Net Revenue	20.1%	20.1%	20.6%	21.5%	23.3%

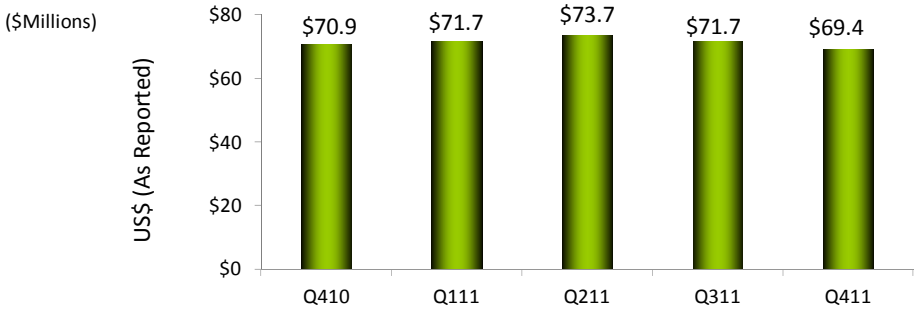
(1) A non-GAAP financial measure. Definitions and reconciliations between non-GAAP measures and relevant GAAP measures are available in the Appendix and in the Company's related Current Reports on Form 8-K filed with the SEC for the periods presented.

(2) Normalized Adjusted EBITDA, in CAD$, is C$13.4M in Q410, C$12.4M in Q311 and C$12.9M in Q411

Australia Overview

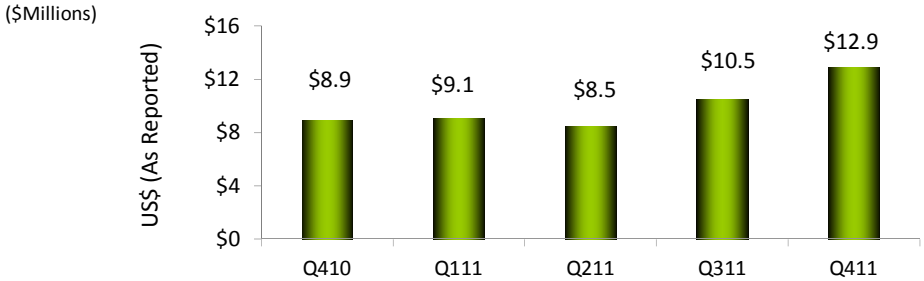


Net Revenue



(AUS$)	A$71.8	A$71.3	A$69.4	A$68.2	A$68.6
Sequential Change	(5.3%)	(0.6%)	(2.8%)	(1.8%)	0.6%

Adjusted EBITDA (1,2)



(AUS$)	A$9.0	A$9.0	A$8.0	A$10.0	A$12.7
Sequential Change	(10.0%)	0.5%	(11.6%)	25.6%	27.3%
% of Net Revenue	12.5%	12.6%	11.5%	14.7%	18.6%

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(2) Normalized Adjusted EBITDA, in AUD$, is A$10.4M in Q311.

Liquidity and Debt Profile

(in millions, USD)

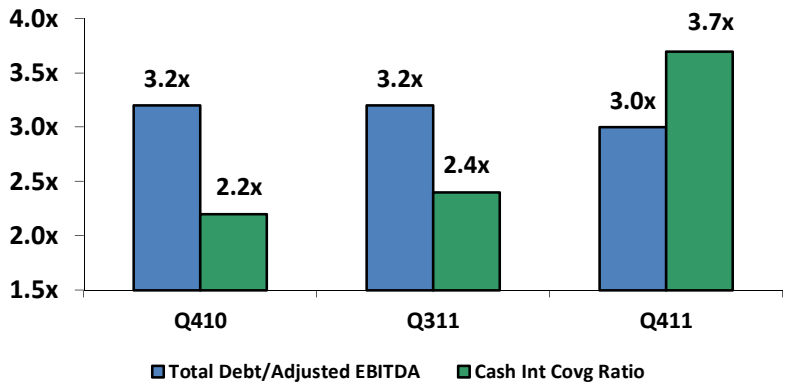
Free Cash Flow [1]

	Q4-10	Q3-11	Q4-11
Adjusted EBITDA [1]	$19.6	$22.2	$24.3
Capital Expenditures	(9.3)	(8.9)	(8.7)
Unlevered Free Cash Flow	$10.3	$13.3	$15.6
Net Interest Paid	(17.2)	(2.3)	(7.4)
Change in Working Capital & Other	(3.2)	(8.8)	(0.0)
Free Cash Flow [1]	($10.1)	$2.1	$8.2

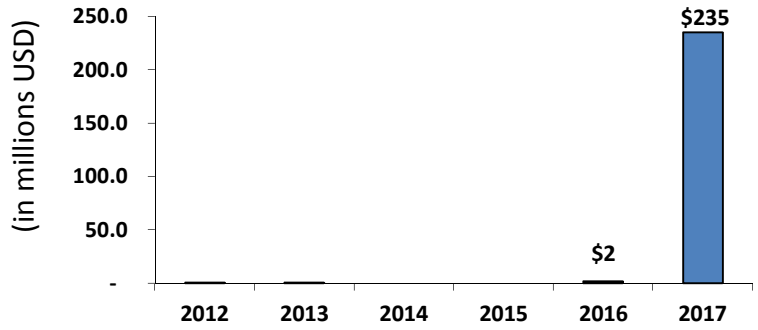
Cash Balance

Cash Balance on Sept 30, 2011	$27.2
Free Cash Flow [1]	8.2
Payments on Long Term Obligations	(5.0)
Capital Lease Payments	(1.7)
Net Proceeds from Assets Sales (Primarily GCC Spectrum)	15.6
Other	(3.2)
Cash Balance on Dec 31, 2011	$41.1

Leverage Ratios [2]



Debt Maturity Schedule



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(2) Q410 & Q311 leverage ratios have been restated to reflect Brazilian discontinued operations

Next Steps For 2012

Å Work with M2 to complete smooth Australia transition – transaction to close in Q2 2012

Å Accelerate performance in Canada by focusing on profitable growth and positive free cash flow
- ï Execute on key strategic initiatives in datacenter investments
- ï Continue to optimize and leverage our strong positions in the Consumer and SME segments to generate cash flow

Å Complete Strategic Review aimed at enhancing shareholder value

Delivering on Strategy

Non-GAAP Measures

Adjusted and Normalized Adjusted EBITDA

APPENDIX

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

(unaudited)

	Three Months Ended December 31, 2011	Three Months Ended September 30, 2011	Three Months Ended December 31, 2010	Year Ended December 31, 2011	Year Ended December 31, 2010
NET INCOME (LOSS) ATTRIBUTABLE TO PRIMUS TELECOMMUNICATIONS GROUP, INCORPORATED	$ (3,123)	$ (10,010)	$ (10,130)	$ (38,730)	$ (19,087)
Reorganization items, net	-	-	-	-	(1)
Share-based compensation expense	1,124	740	1,443	5,218	1,635
Depreciation and amortization	16,139	16,472	15,316	64,450	64,427
(Gain) loss on sale or disposal of assets	(13,005)	27	375	(12,944)	196
Goodwill impairment	-	-	-	14,679	-
Interest expense	6,013	9,922	8,812	32,506	35,441
Accretion on debt (premium) discount, net	55	55	48	213	183
(Gain) loss on early extinguishment or restructuring of debt	493	6,853	-	7,346	(164)
Interest and other (income) expense	368	(184)	(103)	127	(674)
(Gain) loss from Contingent Value Rights valuation	4,177	(11,367)	11,345	(2,902)	13,737
Foreign currency transaction (gain) loss	(3,211)	12,285	(6,201)	2,661	(16,413)
Income tax (benefit) expense	3,636	(3,238)	(1,794)	869	(9,085)
Income (expense) attributable to the non-controlling interest	6,282	457	(209)	5,461	(105)
(Income) loss from discontinued operations, net of tax	619	165	3,820	419	10,801
(Gain) loss from sale of discontinued operations, net of tax	4,781	-	(3,122)	4,781	(2,926)
ADJUSTED EBITDA	**$ 24,348**	**$ 22,177**	**$ 19,600**	**$ 84,154**	**$ 77,965**
Plus: severance, integration and other non-recurring items	1,334	188	2,471	4,347	8,819
NORMALIZED ADJUSTED EBITDA	**$ 25,682**	**$ 22,365**	**$ 22,071**	**$ 88,501**	**$ 86,784**

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.

Non-GAAP Measures

Free Cash Flow

APPENDIX

PRIMUS TELECOMMUNICATIONS GROUP, INCORPORATED
RECONCILIATION OF NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES
TO FREE CASH FLOW
(in thousands)

(unaudited)

	Three Months Ended December 31, 2011	Three Months Ended September 30, 2011	Three Months Ended December 31, 2010	Year Ended December 31, 2011	Year Ended December 31, 2010
NET CASH PROVIDED BY OPERATING ACTIVITIES BEFORE REORGANIZATION ITEMS	$ 16,934	$ 11,006	$ (838)	$ 42,932	$ 36,621
Net cash used in purchase of property and equipment	(8,744)	(8,909)	(9,274)	(31,533)	(26,421)
FREE CASH FLOW	**$ 8,190**	**$ 2,097**	**$ (10,112)**	**$ 11,399**	**$ 10,200**

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. Our definition of Free Cash Flow 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 re-financings 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), Free Cash Flow should not be used as a measure of the amount of cash available for discretionary expenditures.