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

FORM 8-K

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

Date of Report (Date of earliest event reported): March 10, 2009

PRIMUS TELECOMMUNICATIONS GROUP, INCORPORATED
PRIMUS TELECOMMUNICATIONS HOLDING, INC.
PRIMUS TELECOMMUNICATIONS IHC, INC.
(Exact name of registrant as specified in its charter)

Delaware	**0-29092**	**54-1708481**
(State or other jurisdiction of incorporation)	**(Commission File No.)**	**(IRS Employer Identification No.)**

7901 Jones Branch Drive, McLean, VA 22102
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: (703) 902-2800

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

q Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

q Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

q Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

q Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-(c))

Item 1.01. Entry into Material Definitive Agreements

On March 16, 2009, Primus Telecommunications Group, Incorporated ("Group") , and three of its subsidiaries and affiliates, Primus Telecommunications Holding, Inc. ("Holding"), Primus Telecommunications International, Inc. ("PTII") and Primus Telecommunications IHC, Inc., ("IHC" and together with Group, Holding and PTII, collectively, the "Debtors") each filed a voluntary petition in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") for reorganization relief ("Reorganization") under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.*, as amended (the "Bankruptcy Code"). A creditors' committee has not yet been appointed in these cases by the United States Trustee. The Debtors will continue to operate their businesses and manage their properties as debtors in possession under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court. A copy of a press release announcing the filing of the voluntary petitions is attached hereto as Exhibit 99.1 and incorporated herein by reference.

The Debtors have received the requisite support of the impaired noteholders entitled to a distribution under the Plan (defined below) as well as providing for a recovery to subordinated security holders upon the achievement of certain threshold enterprise values of the reorganized holding companies. The lenders under the $100 million senior secured term loan among Holding and Group (as obligors) and certain affiliated subsidiary guarantors (the "Term Loan") have not as of this date consented to the plan although the plan contemplates the reinstatement of the Term Loan debt. The Company is in continuing discussions with the senior secured Term Loan lenders for a potential resolution of their claims. In addition, the Debtors have obtained waivers of certain secured lenders under a Canadian Credit Facility (described below) with regard to the Reorganization. The Reorganization remains subject to Bankruptcy Court confirmation.

Plan Support Agreement. On March 16, 2009, the Debtors entered into a Plan Support Agreement with the holders of more than the majority of the outstanding principal amount of IHC's 14 1/4% Senior Secured Notes due May 2011 (the "Second Lien Notes") and of the outstanding principal amount of Holding's 5% Exchangeable Senior Notes due June 2010 and 8% Senior Notes due January 2014 (collectively, the "Senior Notes").

The parties to the Plan Support Agreement have agreed to support a plan of reorganization of the Debtors (the "Plan") on the terms and conditions set forth in the Plan Term Sheet attached as Exhibit C to the Plan Support Agreement and not to support, directly or indirectly, any other plan, in exchange for the Debtors' agreement to implement all steps necessary to solicit the requisite acceptances of the Plan and obtain from the Bankruptcy Court an order confirming the Plan in accordance with the terms of the Plan Support Agreement. The Plan Support Agreement may be terminated under certain circumstances, including in the event that the Plan and related disclosure statement are not approved by certain deadlines, the Plan is not consummated within a certain period of time after its filing with the Bankruptcy Court, a party materially breaches the Plan Support Agreement, a trustee or examiner with enlarged powers relating to the Debtors' business is appointed in the chapter 11 cases, the chapter 11 cases are converted to cases under chapter 7 of the Bankruptcy Code or the Bankruptcy Court grants relief that is inconsistent with the Plan Support Agreement or the Plan Term Sheet.

Under the proposed plan of reorganization contemplated by the Plan Term Sheet:

- Holding's Term Loan facility due February 2011 will be reinstated; provided that the terms of the reinstated Term Loan facility may be improved, subject to the consent of the requisite holders of Second Lien Notes and Senior Notes, which consent shall not be unreasonably withheld; and provided further that if the holders of the Term Loan facility contest this treatment, the Debtors reserve the right to impair such claims, subject to the consent of the requisite holders of Second Lien Notes and Senior Notes, which consent shall not be unreasonably withheld;
- holders of Second Lien Notes will receive (a) their pro rata reinstatement of $123.5 million of Second Lien Notes, subject to certain modifications, (b) their pro rata share of 50% of the new outstanding equity of Group upon its emergence from bankruptcy ("Reorganized Group") (excluding the management shares described below), and (c) all reasonable fees, expenses and disbursements of their counsel;

- holders of the Senior Notes will receive (a) their pro rata share of 50% of the new outstanding equity of Reorganized Group (excluding the management shares described below), (b) their pro rata share of warrants to purchase up to 30% of the new outstanding equity of Reorganized Group (including the management shares described below) on terms described further in the Plan Term Sheet, and (c) all reasonable fees, expenses and disbursements of their counsel;
- holders of the 3 3/4% Senior Notes due September 2010, 12 3/4% Senior Notes due October 2009 and Step Up Convertible Subordinated Debentures due August 2009 issued by Group (collectively, the "Group Notes") will receive their pro rata share of warrants to purchase up to 15% of the new outstanding equity of Reorganized Group (including the management shares described below) on terms described further in the Plan Term Sheet;
- holders of Group's outstanding common stock will receive their pro rata share of contingent value rights ("CVRs") to acquire up to approximately 15% of the fully diluted new equity of Reorganized Group after the enterprise value of Reorganized Group reaches or exceeds $700 million; provided, however, that in no case shall the issuance of common stock of Reorganized Group in respect of the CVRs lower the recovery for the holders of Second Lien Notes, Senior Notes or Group Notes to less than the recovery to such holders prior to the conversion of the CVRs into common stock; and
- restricted stock units comprising 4% of the outstanding new equity of Reorganized Group will be issued to the senior management of the Debtors on terms to be set forth in an exhibit to the Plan, and warrants to acquire up to 6% of the new outstanding equity of Reorganized Group (including the management shares described above) will be available for distribution to the management of the Debtors through a management compensation plan.

The descriptions of the Plan Support Agreement and Plan Term Sheet set forth above are qualified in their entirety by reference to the actual terms of the Plan Support Agreement and Plan Term Sheet, which are attached hereto as Exhibit 10.1 and incorporated herein by reference.

Canadian Credit Facility Waiver and Amendment. On March 16, 2009, Group announced that its indirect wholly-owned Canadian subsidiary, Primus Telecommunications Canada Inc. ("Primus Canada"), 3082833 Nova Scotia Company and certain affiliate guarantors entered into a Waiver and Amendment Agreement (the "Waiver and Amendment") to their $35 million Senior Secured Credit Agreement, as amended ("Credit Agreement") with Guggenheim Corporate Funding, LLC, as Administrative Agent and Collateral Agent. The Waiver and Amendment became effective as of March 10, 2009.

Capitalized terms used but not defined herein shall have the meanings set forth in the Waiver and Amendment, set forth as Exhibit 10.2 hereto, which is incorporated by reference herein as though a part of this summary description. The description of the Waiver and Amendment set forth herein is qualified in its entirety by reference to the actual terms of the Waiver and Amendment attached hereto as Exhibit 10.2.

The Lenders under the Waiver and Amendment waived Events constituting Events of Default and potential Events of Default under the Credit Agreement, subject to the terms and conditions of the Waiver and Amendment. Such Events included waivers covering certain Specified Events that have occurred and may constitute an Event of Default under the Credit Agreement and Anticipated Events, including anticipated Events of Default. Anticipated Events include events related to the plan of reorganization involving one or more of the Guarantors and contemplated by the Waiver and Amendment (the "Contemplated Plan"), the occurrence of a Material Adverse Effect arising as a result of the Proceedings, the failure of a Guarantor to make payment when due with respect to Indebtedness (or the acceleration of Indebtedness) of a Guarantor at any time before the Contemplated Plan is effective and certain provisions of the Guarantee being deemed invalid or unenforceable against a Guarantor in connection with the Proceedings for the Credit Agreement. Specified Events include:

- the failure of Primus Canada to maintain certain Hedging Agreements, Lehman Unsecured Hedging Agreements or Unsecured Hedging Agreements reasonably satisfactory to the Administrative Agent to hedge the full amount of its currency rate exposures with respect to the aggregate principal amount outstanding under the Credit Agreement;

- the actions the Guarantors have taken to authorize or effect certain actions related to the Reorganization; and
- the failure to deliver to the Administrative Agent an Officer's Certificate in connection with the events described in the preceding bullets.

The Waiver and Amendment permits Primus Canada to incur certain second-lien secured term loans that do not exceed $5 million and guarantees by the Credit Parties. The Credit Agreement, as amended, obligates Primus Canada to prepay loan amounts under the Credit Agreement on the dates and in the amounts set forth below:

Payment Date	Monthly Principal Payment Amount
March 31, 2009	$ 500,000
April 30, 2009	$ 500,000
May 31, 2009	$ 500,000
June 30, 2009	$ 2,250,000
The last day of each calendar month from and including July 2009 to and including April 2011	$ 500,000

In connection with the Waiver and Amendment, the Applicable Margin under the Credit Agreement was increased to LIBOR +3.750% for the Term A Loans and LIBOR +6.375% for Term B Loans, with a 2.50% LIBOR floor and the Maturity Date was changed to May 21, 2011.

Additionally, a principal prepayment of $1,750,000 was due and paid upon execution of the Waiver and Amendment.

The Waiver and Amendment established certain additional Events of Default under the Credit Agreement to include any of the following:

- the Bankruptcy Court shall enter an order denying confirmation of the Plan or the Proceedings shall be converted to a case under Chapter 7 of Title 11 of the United States Code;
- the Plan shall not have been confirmed by the Bankruptcy Court and become effective on or before August 31, 2010;
- the Plan shall be confirmed or become effective without the reinstatement after effectiveness of each Guarantee on terms identical to such Guarantee existing on the date hereof as a valid, unsubordinated obligation of the applicable Guarantor, or the Plan is confirmed without any Guarantor holding, directly or indirectly, substantially all of its current assets and businesses;
- the Bankruptcy Court shall enter any order that impairs the enforceability of this Agreement or any Loan Document (except as provided herein in connection with the obligations of the guarantors under the Guarantee), as reasonably determined by the Administrative Agent;
- any representation or warranty made by a Credit Party in this Agreement shall prove to be untrue in any material respect as of the date hereof;

- any Credit Party shall default in the performance of any obligation under this Agreement that is not cured within 10 business Days following notice thereof from the Administrative Agent; and
- the Guarantee or any other Loan Document executed by a Guarantor shall cease to be valid and binding on or enforceable against any Guarantor.

Item 1.03. Bankruptcy or Receivership

On the petition date referenced in Item 1.01 above, each of the Debtors filed a voluntary petition for Reorganization with the Bankruptcy Court under chapter 11 of title 11 of the Bankruptcy Code. The information provided in Item 1.01 above is incorporated by reference into this Item 1.03.

Item 2.02. Results of Operations and Financial Condition.

On March 16, 2009, Group issued a press release announcing financial results for the quarter and year ended December 31, 2008. The text of the press release is included as Exhibit 99.2 to this Form 8-K. Pursuant to the rules and regulations of the Securities and Exchange Commission (the "Commission"), such exhibit and the information set forth therein and within this item 2.02 are deemed to be furnished to, and shall not be deemed to be filed with or incorporated by reference into any filing with the Commission.

Non-GAAP Measures

The press release and financial tables furnished under Exhibit 99.2 to this Form 8-K include the non-GAAP financial information described below. We provide a complete reconciliation of these non-GAAP financial measures to GAAP measures within Exhibit 99.2 so readers have access to the detail and general nature of the adjustments made.

Adjusted EBITDA

Adjusted EBITDA, as defined by Group, consists of net income (loss) before interest, taxes, depreciation, amortization, share-based compensation expense, gain (loss) on sale of assets, gain (loss) on disposal of assets, asset impairment expense, gain (loss) on early extinguishment or restructuring of debt, foreign currency transaction gain (loss), extraordinary items, other income (expense), income (loss) from discontinued operations and income (loss) from sale of discontinued operations. 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 is a measure that we use to evaluate our results and performance of our management team.

Adjusted Net Income (Loss) and Adjusted Diluted Net Income (Loss) Per Common Share

Adjusted Diluted Net Income (Loss) Per Common Share, as defined by Group, is a calculation which divides reported net income (loss) before gain (loss) on sale of assets, gain (loss) on disposal of assets, asset impairment expense, early termination interest penalties, gain (loss) on early extinguishment or restructuring of debt, foreign currency transaction gain (loss), extraordinary items, income (loss) from discontinued operations and income (loss) from sale of discontinued operations (collectively referred to as Adjusted Net Income (Loss)), and after accreted and deemed dividend on convertible preferred stock by diluted weighted average common shares outstanding, which dilutive calculations take into account the effect of the adjustments. Our definition of Adjusted Net Income (Loss) and Adjusted Diluted Net Income (Loss) Per Common Share may not be similar to Adjusted Net Income (Loss) and Adjusted Diluted Net Income (Loss) Per Common Share presented by other companies, are not measurements 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 for net income (loss) and basic and diluted net income (loss) per common share.

We believe the presentation of Adjusted Net Income (Loss) and Adjusted Diluted Net Income (Loss) Per Common Share assists readers in further understanding our results of operations and trends from period to period, consistent with management's internal evaluation of our results for a variety of measures including strategic planning, capital expenditures, and executive compensation. We believe Adjusted Net Income (Loss) and Adjusted Diluted Net Income (Loss) Per Common Share provide to investors a measurement that allows comparison of current and prior periods, by removing certain items that do not directly correlate to the results of our business of selling and provisioning telecommunications services.

Free Cash Flow

Free Cash Flow, as defined by Group, consists of net cash provided by (used in) operating activities 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.

Item 2.04. Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement

The filing of the Chapter 11 cases described in Item 1.03 above constituted an event of default that triggered repayment obligations under a number of debt instruments of the Debtors (the "Debt Documents"). As a result of the event of default, all obligations under the Debt Documents became automatically and immediately due and payable. The Debtors believe that any efforts to enforce the payment obligations under the Debt Documents against the Debtors are stayed as a result of the filing of such Chapter 11 cases in the Bankruptcy Court and shall take such action as appropriate to stay any efforts to enforce the payment obligations against non-Debtor guarantors. The Debt Documents and the approximate principal amount of debt currently outstanding thereunder are as follows:

1. $96 million Senior Secured Term Loan Facility of Group due February 2011.
2. $173 million 14 1/4% Senior Secured Notes of IHC due May 2011.
3. $23 million 5% Exchangeable Senior Notes of Holding due June 2010.
4. $186 million 8% Senior Notes of Holding due January 2014.
5. $34 million 3 3/4% Senior Notes of Group due September 2010.
6. $14 million 12 3/4% Senior Notes of Group due October 2009.
7. $9 million Step Up Convertible Subordinated Debentures of Group due August 2009.

Additionally, the filing of the Chapter 11 Cases described in Item 1.03 above constituted an event of default through a cross default provision of the Credit Agreement involving certain of Group's Canadian subsidiaries, as described in Item 1.01 above, and the description of the Credit Agreement and Waiver and Amendment thereto are incorporated by reference into this Item 2.04.

* * * * *

Statements in this document concerning the plan of reorganization, financing requirements, pre- and post-restructuring financial condition, prospects, cash flow, investments, and ongoing impacts on our operations

and objectives 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 filing. 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 of the Debtors to obtain requisite consent and support of the Term Loan group and to confirm and consummate the contemplated Chapter 11 plans of reorganization; (ii) the potential adverse impact of the Chapter 11 filings on the operations, management and employees of the Debtors and their subsidiaries, and the risks associated with operating businesses under Chapter 11 protection; (iii) the potential need to modify or amend the contemplated Chapter 11 plans of reorganization; (iv) the potential need to secure an approved debtor-in-possession financing facility; (v) the ability to service substantial indebtedness; (vi) customer, vendor, carrier and third-party responses to the Chapter 11 filings; (vii) potential adverse actions that may be pursued by certain senior lenders, including the Term Loan group; and (viii) 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) and with the U.S. Bankruptcy Court in connection with the Debtors’ Chapter 11 filings, including but not limited to (a) the continuation (or worsening) of trends involving the strengthening of the U.S. dollar, as well as 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; (b) 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; (c) a continuation or worsening of turbulent or weak financial and capital market conditions; (d) a continuation or worsening of global recessionary economic conditions, including the effects of such conditions on our customers and our accounts receivables and revenues; (e) fluctuations in prevailing trade credit terms due to the Debtors’ Chapter 11 filings or uncertainties concerning our financial position, or otherwise; and (f) 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. 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.

Item 9.01. Exhibits.

Exhibit No.	Description
10.1	Plan Support Agreement dated March 16, 2009.
10.2	Waiver and Amendment Agreement, dated March 10, 2009, to Senior Secured Credit Agreement dated as of March 27, 2007, as amended (the “Credit Agreement”) among Primus Telecommunications Canada, Inc. (“Primus Canada”) as Borrower, 3082833 Nova Scotia Company, as an Obligor, Guggenheim Corporate Funding, LLC, as administrative agent and collateral agent, and the Lenders from time to time parties thereto.
10.3	Supplemental Indenture Exhibit to Exhibit C of the Plan Support Agreement dated March 16, 2009.
99.1	Press release dated March 16, 2009 announcing voluntary petition by Group, Holding, PTII and IHC before the Bankruptcy Court.
99.2	Press release dated March 16, 2009 announcing Group’s consolidated fourth quarter 2008 and full-year 2008 results of operations.

SIGNATURE

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

PRIMUS TELECOMMUNICATIONS GROUP, INCORPORATED

Dated March 16, 2009

By: /s/ THOMAS R. KLOSTER
Name: Thomas R. Kloster
Title: Chief Financial Officer

INDEX TO EXHIBITS

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99.2	Press release dated March 16, 2009 announcing Group's consolidated fourth quarter 2008 and full-year 2008 results of operations.

Exhibit 10.1

PLAN SUPPORT AGREEMENT

This PLAN SUPPORT AGREEMENT is made and entered into as of March , 2009 (as may be amended from time to time in accordance with the terms set forth herein, this "Agreement") by and among the following parties:

(a) The undersigned beneficial owners of, or holders of investment authority over (subject to the addendum attached hereto) (each, a "Consenting Noteholder," and collectively, the "Consenting Noteholders"), the (i) 8% Senior Notes due 2014 (the "8% Notes") issued by Primus Telecommunications Holding, Inc. ("Holding") and guaranteed by Primus Telecommunications Group, Incorporated ("Group"), (ii) 5% Exchangeable Senior Notes due 2010 (the "5% Notes," and together with the 8% Notes, the "Holding Notes") issued by Holding and guaranteed by Group, and/or (iii) 14 1/4% Senior Secured Notes due 2011 (the "IHC Second Lien Notes") issued by Primus Telecommunications IHC, Inc. ("IHC") and guaranteed by Group, Holding and certain other subsidiaries of Group (the Holding Notes and the IHC Second Lien Notes referred to in clauses (i), (ii) and (iii) collectively referred to as the "Notes"); and

(b) Group, Holding, IHC and Primus Telecommunications International, Inc. ("PTII") (Group, Holding, IHC and PTII collectively, the "Debtors") (the Debtors, each of the foregoing Consenting Noteholders and any subsequent person that becomes a party hereto as a Consenting Noteholder (pursuant to the Joinder attached hereto as Exhibit B), a "Party," and collectively, the "Parties").

RECITALS

WHEREAS, each Consenting Noteholder is the beneficial holder of a Claim, as that term is defined in section 101(5) of title 11 of the United States Code (each, a "Claim," and collectively, the "Claims");

WHEREAS, the Debtors have determined that a prompt restructuring concerning or impacting, *inter alia*, the Notes and related Claims evidenced thereby pursuant to the terms of this Agreement and the term sheet attached hereto as Exhibit C (the "Plan Term Sheet") would be in the best interests of its creditors and shareholders (such restructuring being, the "Restructuring");

WHEREAS, the Parties intend to implement the Restructuring through a confirmed plan of reorganization under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), the form and substance of which shall be reasonably satisfactory to the Debtors and the holders of more than a majority of the aggregate outstanding principal amount of the Claims held by each of (i) the Consenting Noteholders that hold the Holding Notes (the "Requisite Holding Noteholders") and (ii) the Consenting Noteholders that hold the IHC Second Lien Notes (the "Requisite Second Lien Noteholders");

WHEREAS, in order to implement the Restructuring, the Debtors have agreed, subject to the terms and conditions of this Agreement, (i) to prepare and file (a) a plan of reorganization that is consistent in all material respects with this Agreement and the Plan Term Sheet, and which shall be in form and substance reasonably acceptable to the Requisite Holding Noteholders and the Requisite Second Lien Noteholders (such plan of reorganization together

with all exhibits thereto, the "Plan") in cases filed under chapter 11 of the Bankruptcy Code by the Debtors (the "Chapter 11 Cases") and (b) a disclosure statement that is consistent in all material respects with the terms of the Plan and the Restructuring, and which shall be in form and substance reasonably acceptable to the Requisite Holding Noteholders and the Requisite Second Lien Noteholders (the "Disclosure Statement"), and (ii) to use commercially reasonable efforts to have the Disclosure Statement approved and the Plan confirmed by the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") pursuant to an order confirming the Plan which shall be in form and substance reasonably acceptable to the Requisite Holding Noteholders and the Requisite Second Lien Noteholders (the "Confirmation Order");

WHEREAS, the Parties have engaged in good faith negotiations with the objective of reaching an agreement with regard to the Restructuring;

WHEREAS, each Consenting Noteholder has reviewed, or has had the opportunity to review, this Agreement and the Plan Term Sheet with the assistance of professional legal advisors of its own choosing; and

WHEREAS, each Consenting Noteholder desires to support and vote to accept the Plan, and the Debtors desire to support and pursue the Plan, in each case subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the promises, mutual covenants and agreements set forth herein and for other good and valuable consideration, the Parties agree as follows:

AGREEMENT

Section 1. Agreements of the Consenting Noteholders.

1.1 Ownership.

Each Consenting Noteholder represents, severally and not jointly that, as of the date hereof:

(a) it is the legal owner, beneficial owner and/or holder of investment authority over, and has the full power to vote, dispose of and compromise, the aggregate principal amount of each series of Notes set forth opposite such Consenting Noteholder's name on the signature pages hereof, and the registered holder and the custodial party for such Consenting Noteholder's Notes are set forth on Exhibit A hereto (which Exhibit A shall remain confidential unless disclosure is required by court order or such Consenting Noteholder consents); and

(b) to the actual knowledge of such Consenting Noteholder, there are no other Claims of which it is the legal owner, beneficial owner and/or investment advisor relating to the Debtors unless such Consenting Noteholder does not possess the full power to vote and dispose of such Claims.

1.2 Voting by Consenting Noteholders.

As long as a Termination Event (as defined herein) has not occurred, or has occurred but has been duly waived or cured in accordance with the terms hereof, and provided that each Consenting Noteholder has been properly solicited pursuant to sections 1125 and 1126 of the Bankruptcy Code, each Consenting Noteholder agrees (x) to cast all votes to which it is entitled with respect to its Claims in favor of the Plan in accordance with the voting procedures described in the Disclosure Statement and all other solicitation materials distributed in connection therewith; (y) to the extent such election is available, not elect on its ballot to preserve Claims in respect of the Notes, if any, that such Consenting Noteholder may own that may be affected by any releases provided for under the Plan; and (z) not withdraw or revoke its acceptance unless the Plan is modified in any respect in a manner inconsistent with the Plan Term Sheet (other than modifications that are immaterial to such Consenting Noteholder), or this Agreement is terminated in accordance with its terms. Anything in this Agreement to the contrary notwithstanding, each Consenting Noteholder hereby acknowledges and agrees that all Notes owned by such Consenting Noteholder are subject to the terms and conditions of this Agreement (whether or not such Notes are listed and/or described on Exhibit A hereto or Annex II to a Joinder Agreement) and no Consenting Noteholder shall be permitted to exclude any portion of its Notes from the terms of this Agreement.

1.3 Support of Plan.

(a) Support of the Restructuring. As long as a Termination Event has not occurred, or has occurred but has been duly waived or cured in accordance with the terms hereof, each of the Consenting Noteholders agrees that, by having executed and become party to this Agreement, it will instruct its counsel to take, or instruct its counsel to cause to be taken, all actions reasonably necessary to facilitate, encourage or otherwise support the Restructuring and the transactions contemplated by the Plan Term Sheet, and that it otherwise will not take, or cause to be taken, directly or indirectly, any action opposing, inconsistent with, or that would otherwise delay the consummation of the Restructuring or the transactions contemplated by the Plan Term Sheet. Without limiting the generality of the foregoing, and subject to the last paragraph of this Section 1.3(a), each Consenting Noteholder agrees that it will,

(i) not directly or indirectly seek, solicit, participate in, support or vote in favor of any other plan, termination of the Debtors' exclusive right to file and solicit acceptances of a plan of reorganization, sale, proposal or offer of dissolution, winding up, liquidation, reorganization, merger or restructuring of the Debtors that would reasonably be expected to prevent, delay or impede the restructuring of the Debtors as contemplated by the Plan Term Sheet, the Plan or any other document filed in connection with confirming the Plan that is not inconsistent with this Agreement or the Plan Term Sheet (collectively, an "Alternative Transaction");

(ii) not directly or indirectly (i) engage in, continue or otherwise participate in any negotiations regarding any Alternative Transaction, (ii) enter into a

letter of intent, memorandum of understanding, agreement in principle or other agreement relating to any Alternative Transaction or (iii) withhold, withdraw, qualify or modify its approval or recommendation of this Agreement, the Plan, the Plan Term Sheet, or the Restructuring;

(iii) [Intentionally Deleted]

(iv) not oppose the Debtors' request for the entry of customary "first day" orders, so long as such "first day" orders are in form and substance reasonably acceptable to the Requisite Holding Noteholders and the Requisite Second Lien Noteholders ("the "First Day Orders");

(v) support entry of an order approving the Disclosure Statement;

(vi) support confirmation of the Plan and entry by the Bankruptcy Court of the Confirmation Order;

(vii) support the release provisions contained in the Plan;

(viii) execute and deliver customary letter(s), in form and substance reasonably acceptable to the Debtors, for distribution to holders of the Notes, stating that such Consenting Noteholder supports and has committed to vote to approve the Plan;

(ix) not object to or otherwise commence any proceeding opposing or proposing to alter any of the terms of this Agreement, the Plan Term Sheet, the Disclosure Statement or the Plan; and

(x) not knowingly encourage any other entity to object to, delay, impede, appeal or take any other action, directly or indirectly, to interfere with the implementation of the Plan.

Anything in this Section 1.3(a) or elsewhere in this Agreement to the contrary notwithstanding, nothing contained herein or in the Plan Term Sheet shall: (A) limit the ability of a Consenting Noteholder to consult with other Consenting Noteholders or the Debtors; (B) limit the rights of a Consenting Noteholder under any applicable bankruptcy, insolvency, foreclosure or similar proceeding (including the Chapter 11 Cases), including, without limitation, appearing as a party in interest in any matter to be adjudicated concerning the Debtors or any of their respective assets or properties so long as such appearance and the positions advocated in connection therewith are not materially inconsistent with the Consenting Noteholder's obligations hereunder; (C) limit the ability of a Consenting Noteholder to sell or enter into any transactions in connection with the Notes or any other Claims of such Consenting Noteholder, subject to Section 1.5 hereof; or (D) limit the rights of any Consenting Noteholder under the indenture or any other documents or agreements governing or evidencing the Notes or other Claims of such Consenting Noteholder (collectively, the "Note Documents"), or constitute a waiver or amendment of any provision of any of the Note Documents.

(b) Agreement to Forbear. Each Consenting Noteholder agrees that until this Agreement has been terminated in accordance with the terms herein, it shall not (i) take any action or otherwise pursue any right or remedy under the Note Documents, including claims against any non-Debtor issuer, guarantor or otherwise liable party under the Note Documents, or (ii) initiate or at the instruction of such Consenting Noteholder have initiated on its behalf, any litigation or proceeding of any kind with respect to the Holding Notes or the IHC Second Lien Notes, including actions against any non-Debtor issuer, guarantor or otherwise liable party under the Note Documents, other than to enforce this Agreement.

(c) Committee Matters. Notwithstanding anything contained in this Agreement to the contrary, (i) the Parties shall be permitted to become members of, and interact with, any committee of creditors appointed in the Chapter 11 Cases (a "Committee") and (ii) if a Consenting Noteholder is appointed to, and serves on a Committee, the terms of this Agreement shall not be construed to limit the Consenting Noteholder's exercise of its fiduciary duties solely in its role as a member of such Committee, and any exercise of such fiduciary duties shall not be deemed to constitute a breach of the terms of this Agreement; provided, however, that serving as a member of such Committee shall not relieve such Consenting Noteholder (in its capacity as a Consenting Noteholder and not in its capacity as a member of such Committee) of its obligations under this Agreement unless such obligations are inconsistent with its duties as a member of a Committee; *provided*, *further*, that nothing in this Agreement shall be construed as requiring any Consenting Noteholder to serve on any Committee.

1.4 Further Acquisition of Claims.

Nothing in this Agreement shall be deemed to limit or restrict the ability or right of a Consenting Noteholder to acquire any additional Notes ("Additional Notes") or other claims against or interests in the Debtors or any affiliates of the Debtors; *provided*, *however*, that in the event a Consenting Noteholder acquires any such Additional Notes (or other claims or interests) after the date hereof, such Additional Notes (and any other claims or interests) shall immediately upon such acquisition become subject to the terms of this Agreement. Notwithstanding the foregoing, each Consenting Noteholder, as applicable, acknowledges and agrees that it remains subject to and bound by any standstill or similar provisions ("Standstill Provisions") contained in any confidentiality agreement (each, a "Confidentiality Agreement") executed by the Debtors (or any one of them), on the one hand, and such Consenting Noteholder, on the other, in accordance with the terms of such Confidentiality Agreement unless such Standstill Provisions have been terminated or expired in accordance with the terms of the Confidentiality Agreement.

1.5 Transfer of Claims, Interests and Securities.

Each of the Consenting Noteholders hereby agrees, for so long as this Agreement has not been terminated (such period, the "Restricted Period"), not to directly or indirectly, (i) sell, assign, transfer, pledge, hypothecate or otherwise dispose of any of its Notes or Claims or any option, right or interest (voting, participation or otherwise) therein or (ii) grant any proxies,

deposit any of its Notes in a voting trust or enter into a voting agreement with respect to any of its Notes or Claims (each such transfer, a "Transfer"), provided, however, that, notwithstanding the foregoing, and subject to the Standstill Provisions (if any) contained in any existing Confidentiality Agreement that have not been terminated or expired in accordance with the terms of such Confidentiality Agreement, a Consenting Noteholder may Transfer its Notes or Claims if (a) the transferee thereof is a Consenting Noteholder or (b) if the transferee thereof is not a Consenting Noteholder, (i) executes and delivers to the Debtors a Joinder and (ii) delivers such Joinder to Group before the close of five (5) business days after the relevant Transfer (each such transferee becoming, upon the Transfer, a Consenting Noteholder hereunder). Group, Holding and IHC, as appropriate, shall promptly acknowledge any such Transfer in writing and provide a copy of that acknowledgement to the transferor. By their acknowledgement of the relevant Transfer, Group, Holding and IHC, as appropriate, shall be deemed to have acknowledged that their obligations to the Consenting Noteholders hereunder shall be deemed to constitute obligations in favor of the relevant transferee as a Consenting Noteholder hereunder.

1.6 Representations of the Consenting Noteholders.

Each Consenting Noteholder represents, severally and not jointly that, as of the date hereof:

(a) it has full power to vote, dispose of and compromise the aggregate principal amount of its Claims;

(b) such Consenting Noteholder, or the holder for whom it acts as investment advisor or manager, is either (i) a "Qualified Institutional Buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the "Securities Act"), or (ii) an "Accredited Investor" (as such term is defined in subparagraph (1), (2), (3) or (7) of Rule 501 promulgated under the Securities Act);

(c) the financial situation of such Consenting Noteholder is such that it can afford to bear the economic risk of holding the Distributable New Equity and Holding Warrants (as such terms are defined in the Plan Term Sheet) (collectively, the "New Securities");

(d) the knowledge and experience of such Consenting Noteholder in financial and business matters is such that it, together with its advisors, is capable of evaluating the merits and risks of the investment in the New Securities;

(e) such Consenting Noteholder understands that the New Securities are a speculative investment that involve a high degree of risk of loss of its investment therein, that there may be substantial restrictions on the transferability of the New Securities and, accordingly, it may not be possible to liquidate such Consenting Noteholder's investment;

(f) in making its decision to invest in the New Securities hereunder, such Consenting Noteholder has relied upon independent investigations made by such Consenting Noteholder and, to the extent believed by such Consenting Noteholder to be appropriate, such Consenting Noteholder's representatives, including such Consenting Noteholder's own professional, tax and other advisors;

(g) such Consenting Noteholder and its representatives, if any, have received and reviewed this Agreement and all exhibits hereto, and have been given the opportunity to examine all documents and to ask questions of, and to receive answers from, Group, Holding and IHC and their representatives concerning the terms and conditions of the investment in the New Securities;

(h) it has been advised by Group that (i) the offer and sale of the New Securities has not been registered under the Securities Act, (ii) the offer and sale of the New Securities is intended to be exempt from registration pursuant to section 1145 of the Bankruptcy Code, and (iii) there is no established market for the New Securities and such a public market for the New Securities may not be established in the foreseeable future; and

(i) it is familiar with Rule 144 promulgated by the Securities and Exchange Commission under the Securities Act, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act.

Section 2. Agreements of the Debtors.

2.1 Implementation of the Plan.

To implement the Plan Term Sheet, the Debtors hereby agree to use their commercially reasonable efforts to:

(a) effectuate and consummate the Restructuring on the terms contemplated by this Agreement, the Plan Term Sheet and the Plan;

(b) file the Plan and the Disclosure Statement with the Bankruptcy Court on or before 5 days after the date on which the Debtors file the Chapter 11 Cases with respect to the Restructuring in the Bankruptcy Court (the "Petition Date"), or such later date as may be mutually agreed upon by Group and by each of (i) the Requisite Holding Noteholders and (ii) the Requisite Second Lien Noteholders (the "Filing Date");

(c) obtain entry by the Bankruptcy Court of an order approving the Disclosure Statement on or before 40 days following the Filing Date, or such later date as may be mutually agreed upon by Group and by each of (i) the Requisite Holding Noteholders and (ii) the Requisite Second Lien Noteholders;

(d) solicit the requisite acceptances of the Plan in accordance with section 1125 of the Bankruptcy Code on or before 75 following the Filing Date, or such later date as may be mutually agreed upon by Group and by each of (i) the Requisite Holding Noteholders and (ii) the Requisite Second Lien Noteholders;

(e) move the Bankruptcy Court to enter the Confirmation Order on or before 90 days following the Filing Date, or such later date as may be mutually agreed upon by Group and by each of (i) the Requisite Holding Noteholders and (ii) the Requisite Second Lien Noteholders; and

(f) take no actions materially inconsistent with this Agreement, the Plan Term Sheet and the Plan or the expeditious confirmation and consummation of the Plan;

provided, *however*, that the Debtors shall have distributed such documents referenced in this Section 2.1 (which shall include the Plan, the Disclosure Statement and the Confirmation Order), the First Day Orders, and any documents, motions and orders that are material to the Restructuring and the Chapter 11 Cases, and which shall not include any documents, motions and orders that are immaterial or primarily covering case administration issues, and afforded reasonable opportunity for comment and review to the respective legal and financial advisors for the Consenting Noteholders in advance of any filing thereof. The Debtors shall not seek to implement any transaction or series of transactions that would effect a restructuring of the Debtors on terms other than the terms set forth in this Agreement and the Plan Term Sheet.

2.2 The Debtors' Fiduciary Obligations.

Notwithstanding anything to the contrary contained in this Agreement:

(a) any directors or officers of the Company (in such person's capacity as a director or officer of the Company) may take any action to the extent such person reasonably believes (after consultation with outside legal counsel) such action is required to comply with his or her fiduciary obligations under applicable law (including but not limited to any obligations to creditors, after consultation with such creditors and good faith consideration of such creditors' position), and such action shall not be deemed to constitute a breach of the terms of this Agreement.

(b) the Debtors may terminate their obligations under this Agreement by written notice to the Consenting Noteholders if the Debtors, in good faith exercise of their business judgment, and after consulting with outside counsel, determine that there is a sufficient risk of non-performance by the Debtors with respect to the financial obligations contemplated under the Plan Term Sheet and the Plan such that the Plan is no longer in the best interests of the Debtors' estates.

Section 3. Plan Term Sheet.

The Plan Term Sheet is incorporated herein by reference and is made part of this Agreement. Each of the Debtors and the Consenting Noteholders has reviewed, or has had the opportunity to review, the Plan Term Sheet and, by signing below, agrees and acknowledges that it is acceptable to and is approved by such Debtor or Consenting Noteholder. Capitalized terms used herein without definition shall have the meanings ascribed to any such terms in the Plan Term Sheet, and capitalized terms used in the Plan Term Sheet without definition shall have the meanings ascribed to any such terms in this Agreement. The general terms and conditions of the Restructuring are set forth in the Plan Term Sheet; *provided*, *however*, that the Plan Term Sheet

is supplemented by the terms and conditions of this Agreement. In the event of any inconsistencies between the terms of this Agreement and the Plan Term Sheet, the Plan Term Sheet shall govern.

Section 4. Mutual Representations and Warranties.

Each of (i) the Consenting Noteholders, severally and not jointly, represents and warrants to the Debtors and (ii) the Debtors, jointly and severally, represent and warrant to the Consenting Noteholders that the following statements, as applicable, are true, correct and complete as of the date hereof:

4.1 Power and Authority.

It has all requisite power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under, this Agreement, the Plan Term Sheet and the Plan.

4.2 Due Organization.

Any Party that is not a natural person is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and that it otherwise has the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

4.3 Enforceability.

Subject to the provisions of sections 1125 and 1126 of the Bankruptcy Code, and Section 8.7 hereof, this Agreement is a legal, valid and binding obligation of such Party, enforceable against it in accordance with its terms, except as enforcement may be limited by applicable laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

4.4 No Consent or Approval.

Except as expressly provided in this Agreement, no consent or approval is required by any other entity in order for such Party to carry out the provisions of this Agreement.

4.5 Authorization.

The execution and delivery by such Party of this Agreement and the performance of such Party's obligations hereunder have been duly authorized by all necessary action on its part.

4.6 Execution.

This Agreement has been duly executed and delivered by such Party.

4.7 Governmental Consents.

The execution, delivery and performance by such Party of this Agreement does not and shall not require any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any federal, state or other governmental authority or regulatory body, except such filings as (i) are identified in the Plan Term Sheet; (ii) may be necessary and/or required under the federal securities laws; and (iii) in connection with the commencement of the Chapter 11 Cases, the approval of the Disclosure Statement and entry of the Confirmation Order.

4.8 No Conflicts.

The execution, delivery and performance of this Agreement by such Party does not and shall not (a) violate any provision of law, rule or regulations applicable to it or, as applicable, any of its subsidiaries; (b) with respect to a Party that is not a natural person, violate its certificate of incorporation, bylaws or other organizational documents or those of any of its subsidiaries; or (c) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or, as applicable, any of its subsidiaries is a party, except to the extent such contractual obligation relates to the filing of a case under the Bankruptcy Code or any action taken in furtherance thereof or the solvency of the Debtors.

Section 5. No Waiver of Participation and Preservation of Rights.

Except as expressly provided in this Agreement, nothing herein is intended to, does or shall be deemed in any manner to waive, limit, impair or restrict the ability of each of the Parties to protect and preserve its rights, remedies and interests, including, but not limited to, its Claims against any of the Debtors or its full participation in the Chapter 11 Cases. Without limiting the foregoing sentence in any way, if the transactions contemplated by this Agreement or otherwise set forth in the Plan are not consummated as provided herein, if a Termination Event occurs, or if this Agreement is otherwise terminated for any reason, the Parties each fully reserve any and all of their respective rights, remedies and interests and claims against the other Parties hereto.

Section 6. Acknowledgement and Agreement.

(a) This Agreement and the Plan Term Sheet and the transactions contemplated herein and therein are the product of negotiations between the Parties and their respective representatives. This Agreement is not and shall not be deemed to be a solicitation of votes for the acceptance of a plan of reorganization for the purposes of sections 1125 and 1126 of the Bankruptcy Code or otherwise. The Debtors will not solicit acceptances of the Plan from any Consenting Noteholder until the Consenting Noteholders have been provided with copies of a Disclosure Statement approved by the Bankruptcy Court. Each Party further acknowledges that no securities of any Debtor are being offered or sold hereby and that this Agreement does not constitute an offer to sell or a solicitation of an offer to buy any securities of any Debtor.

(b) Subject to the terms and conditions set forth herein, the Parties agree to negotiate in good faith all of the documents and transactions described in the Plan Term Sheet and in this Agreement.

Section 7. Termination.

7.1 Termination Events.

The term "Termination Event," wherever used in this Agreement, means any of the following events (whatever the reason for such Termination Event and whether it is voluntary or involuntary):

(a) at 5:00 p.m. prevailing Eastern Time five (5) business days after the date of this Agreement, if this Agreement has not been executed by the holders of at least two-thirds (or a majority upon the consent of the Debtors) of the outstanding principal amount of Claims held by each of (i) the holders that hold the Holding Notes (the "Threshold Holding Noteholders") and (ii) the holders that hold the IHC Second Lien Notes (the "Threshold Second Lien Noteholders").

(b) the Plan or any subsequent Plan filed by the Debtors with the Bankruptcy Court (or a Plan supported or endorsed by the Debtors) is not in a form and substance that is reasonably satisfactory to each of (i) the Requisite Holding Noteholders and (ii) the Requisite Second Lien Noteholders;

(c) the Debtors shall not have (i) commenced the Chapter 11 Cases in the Bankruptcy Court on or prior to March 16, 2009, or (ii) filed the Plan and Disclosure Statement with the Bankruptcy Court on or prior to the Filing Date;

(d) the Disclosure Statement is not approved on or before 60 days following the Filing Date, or such later date as may be mutually agreed upon by Group and by each of (i) the Requisite Holding Noteholders and (ii) the Requisite Second Lien Noteholders;

(e) the Confirmation Order, in form and substance reasonably satisfactory to the Debtors and each of (i) the Requisite Holding Noteholders and (ii) the Requisite Second Lien Noteholders, confirming the Plan is not entered on or before 90 days following the Filing Date, or such later date as may be mutually agreed upon by Group and by each of (i) the Requisite Holding Noteholders and (ii) the Requisite Second Lien Noteholders;

(f) the effective date of the Plan shall not have occurred on or before 120 days following the Filing Date, or such later date as may be mutually agreed upon by Group and by each of (i) the Requisite Holding Noteholders and (ii) the Requisite Second Lien Noteholders;

(g) the Bankruptcy Court shall not have entered an interim order approving the use of cash collateral or otherwise approving the Debtors' use of cash to fund the chapter 11 cases within 15 days of the Petition Date, or such later date as may be mutually agreed upon by Group and by each of (i) the Requisite Holding Noteholders and (ii) the Requisite Second Lien Noteholders;

(h) any of the Chapter 11 Cases are converted to cases under chapter 7 of the Bankruptcy Code;

(i) the Bankruptcy Court shall enter an order in any of the Chapter 11 Cases appointing (i) a trustee under chapter 7 or chapter 11 of the Bankruptcy Code, (ii) a responsible officer or (iii) an examiner, in each case with enlarged powers relating to the operation of the business (powers beyond those set forth in subclauses (3) and (4) of Section 1106(a)) under Section 1106(b) of the Bankruptcy Code;

(j) any of the Chapter 11 Cases are dismissed;

(k) the Confirmation Order is reversed on appeal or vacated;

(l) any Party has breached any material provision of this Agreement or the Plan Term Sheet and such breach has not been duly waived or cured in accordance with the terms hereof after a period of five (5) days following written notice to the breaching party;

(m) any court or governmental authority shall enter a final, non-appealable judgment or order declaring this Agreement or any material portion hereof to be unenforceable or enjoining the consummation of a material portion of the transactions contemplated hereby;

(n) the Debtors shall withdraw the Plan or publicly announce their intention not to support the Plan, or propose a reorganization or plan under the Bankruptcy Code other than the Plan;

(o) the Debtors inform the Consenting Noteholders in writing of their determination, under Section 2.2 hereof, that there is a sufficient risk of non-performance by the Debtors with respect to the financial obligations contemplated under the Plan such that the Plan contemplated by the Plan Term Sheet is no longer in the best interests of the Debtors' estates;

(p) the occurrence, prior to the Petition Date, of an "Event of Default" as defined in and under any indenture or other Note Documents governing the Notes, in each case, which is not waived pursuant to the terms of, or remains uncured for the applicable period under, the relevant indenture or other Note Documents;

(q) the Debtors lose the exclusive right to file and solicit acceptances of a plan of reorganization;

(r) any final definitive documents evidencing the Restructuring, or the transactions contemplated by the Plan Term Sheet (the "Definitive Documents"), including any modification or amendment thereof, provides for any terms that are not, in whole or in part, consistent in any material respect with all or any portion of the Plan Term Sheet and is not otherwise reasonably satisfactory in all respects to each of (i) the Requisite Holding Noteholders and (ii) the Requisite Second Lien Noteholders;

(s) the Debtors file any motion or pleading with the Bankruptcy Court that is not consistent in any material respect with this Agreement or the Plan Term Sheet and such motion or pleading has not been withdrawn prior to the earlier of (i) two (2) business days of the Debtors receiving notice that such motion or pleading is inconsistent with this Agreement or the Plan Term Sheet and (ii) entry of an order of the Bankruptcy Court approving such motion;

(t) the Bankruptcy Court grants relief that is inconsistent with this Agreement or the Plan Term Sheet in any material respect;

(u) the commencement of an avoidance action affecting the rights of any Consenting Noteholder by the Debtors or the commencement of such an action by any other party; or

(v) subject to the execution of an appropriate and otherwise reasonable confidentiality agreement, the failure by the Debtors to provide to the Consenting Noteholders and their advisors, including Stroock & Stroock & Lavan LLP, and Andrews Kurth LLP (i) reasonable access to the books and records of the Debtors and (ii) reasonable access to the respective management and advisors of the Debtors for the purposes of evaluating the Debtors' respective business plans and participating in the plan process with respect to the Restructuring.

The foregoing Termination Events are intended solely for the benefit of the Debtors and the Consenting Noteholders; ***provided*** that neither the Debtors nor any Consenting Noteholder may seek to terminate this Agreement based upon a material breach or a failure of a condition (if any) in this Agreement arising out of its own actions or omissions. Upon a termination of this Agreement, the provisions of this Agreement (other than this Section 7.1) shall become null and void and have no further force or effect, and there shall be no continuing liability or obligation of any Party hereunder, except that no such termination shall relieve any Party from liability for its breach or non-performance of its obligations hereunder prior to the date of such termination. If this Agreement has been terminated in accordance with this Section 7.1 at a time when permission of the Bankruptcy Court shall be required for a Consenting Noteholder to change or withdraw (or cause to change or withdraw) its vote to accept the Plan, the Debtors shall not oppose any attempt by such Consenting Noteholder to change or withdraw (or cause to change or withdraw) such vote at such time.

7.2 Termination Event Procedures.

(a) Upon the occurrence of a Termination Event pursuant to Section 7.1(b) hereof, either: (i) the Requisite Holding Noteholders and/or (ii) the Requisite Second Lien Noteholders shall have the right to terminate this Agreement and the Plan Term Sheet by giving written notice to the other Parties, only if the occurrence of the Termination Event has not been waived or cured after a period of five (5) days following written notice.

(b) Upon the occurrence of a Termination Event pursuant to Section 7.1(l) hereof, either (i) the Debtors, (ii) the Requisite Holding Noteholders and/or (iii) the Requisite Second Lien Noteholders shall have the right to terminate this Agreement and the Plan Term Sheet, as to themselves, by giving written notice thereof to the other Parties.

(c) Upon the occurrence of a Termination Event contemplated by clauses (h), (i), (j), (k), (m), (n) or (o) of Section 7.1 hereof, this Agreement and the Plan Term Sheet shall automatically terminate without further action.

(d) Except as set forth in Sections 7.2(a), (b) and (c) hereof, upon the occurrence of a Termination Event, this Agreement and the Plan Term Sheet shall automatically terminate without further action unless no later than three (3) business days after the occurrence of any such Termination Event, the occurrence of such Termination Event is waived in writing by each of (i) the Requisite Holding Noteholders and (ii) the Requisite Second Lien Noteholders. The Parties hereby waive any requirement under section 362 of the Bankruptcy Code to lift the automatic stay thereunder (the "Automatic Stay") in connection with giving any such notice (and agree not to object to any non-breaching Party seeking to lift the Automatic Stay in connection with giving any such notice, if necessary). Any such termination (or partial termination) of this Agreement shall not restrict the Parties' rights and remedies for any breach of this Agreement by any Party, including, but not limited to, the reservation of rights set forth in Section 5 hereof.

If this Agreement terminates pursuant to the occurrence of a Termination Event as provided herein, with respect to either the Consenting Noteholders holding the Holding Notes or the Consenting Noteholders holding the IHC Second Lien Notes, the class of noteholders to which this Agreement has not terminated (either the Consenting Noteholders holding the Holding Notes or the Consenting Noteholders holding the IHC Second Lien Notes), can elect to terminate this Agreement as to themselves by delivering written notice to the Debtors within thirty (30) days of the occurrence of the Termination Event.

7.3 Consent to Termination.

In addition to the Termination Events set forth in Section 7.1 hereof, this Agreement may be terminated by mutual agreement of the Debtors and by each of (i) the Requisite Holding Noteholders and (ii) the Requisite Second Lien Noteholders.

Section 8. Miscellaneous Terms.

8.1 Binding Obligation; Assignment.

(a) **Binding Obligation.** Subject to the provision of sections 1125 and 1126 of the Bankruptcy Code, this Agreement is a legally valid and binding obligation of the Parties and their respective successors and assigns, other than a trustee or similar representative appointed in the Chapter 11 Cases, enforceable in accordance with its terms, and shall inure to the benefit of the Parties and their respective

successors and assigns. Nothing in this Agreement, express or implied, shall give to any entity, other than the Parties and their respective successors and assigns, any benefit or any legal or equitable right, remedy or claim under this Agreement. The agreements, representations, warranties, covenants and obligations of the Consenting Noteholders contained in this Agreement are, in all respects, several and not joint.

(b) **Assignment.** No rights or obligations of any Party under this Agreement may be assigned or transferred to any other entity except as provided for herein.

8.2 Further Assurances.

The Parties agree to execute and deliver such other instruments and perform such acts, in addition to the matters herein specified, as may be reasonably appropriate or necessary, from time to time, to effectuate the agreements and understandings of the Parties set forth in this Agreement.

8.3 Headings.

The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit or aid in the construction or interpretation of any term or provision hereof.

8.4 Governing Law.

THIS AGREEMENT IS TO BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE, WITHOUT GIVING EFFECT TO THE CHOICE OF LAWS PRINCIPLES THEREOF (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK). By its execution and delivery of this Agreement, each of the Parties hereto hereby irrevocably and unconditionally agrees for itself that any legal action, suit or proceeding against it with respect to any matter under or arising out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such action, suit or proceeding, may be brought in either a state or federal court of competent jurisdiction in the State of New York (County of New York). By execution and delivery of this Agreement, each of the Parties hereto hereby irrevocably accepts and submits itself to the nonexclusive jurisdiction of each such court, generally and unconditionally, with respect to any such action, suit or proceeding. Notwithstanding the foregoing consent to jurisdiction in either a state or federal court of competent jurisdiction in the State of New York (County of New York), upon the commencement of the Chapter 11 Cases, each of the Parties hereto hereby agrees that, if the Chapter 11 Cases are pending, the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or in connection with this Agreement.

8.5 Complete Agreement, Interpretation and Modification.

(a) **Complete Agreement.** This Agreement, the Plan Term Sheet and the other agreements, exhibits and other documents referenced herein and therein constitute the complete agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, between or among the Parties with respect thereto, *provided*, *however*, that, to the extent not terminated or expired by its terms, each Confidentiality Agreement and each indenture and other Note Document shall survive this Agreement and shall continue to be in full force and effect in accordance with its terms irrespective of the terms hereof.

(b) **Interpretation.** This Agreement is the product of negotiation by and among the Parties. Any Party enforcing or interpreting this Agreement shall interpret it in a neutral manner. There shall be no presumption concerning whether to interpret this Agreement for or against any Party by reason of that Party having drafted this Agreement, or any portion thereof, or caused it or any portion thereof to be drafted.

(c) **Modification of this Agreement and the Plan Term Sheet.** This Agreement, including any exhibits or supplements hereto, may not be modified, amended or supplemented and a Termination Event may not be waived except in a writing signed by the Debtors and by each of (i) the Requisite Holding Noteholders and (ii) the Requisite Second Lien Noteholders who are not then in breach hereof; provided, however, that any modification of, or amendment or supplement to, this Section 8.5(c) shall require the written consent of all of the Parties.

8.6 Execution of this Agreement;

This Agreement may be executed and delivered (by facsimile or otherwise) in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Except as expressly provided in this Agreement, each individual executing this Agreement on behalf of a Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said Party.

8.7 Effectiveness.

This Agreement shall become effective and binding upon each of the Parties that have executed and delivered counterpart signature pages hereto, if and only if, this Agreement has been executed and delivered by the Threshold Holding Noteholders and the Threshold Second Lien Noteholders; *provided*, *however*, that signature pages executed by Consenting Noteholders shall be delivered to (a) other Consenting Noteholders in a redacted form that removes such Consenting Noteholders' holdings of the Notes and (b) the Debtors and advisors to the Consenting Noteholders in an unredacted form.

8.8 Specific Performance.

The Parties hereto acknowledge and agree that money damages would not be an adequate remedy for any breach of the terms of this Agreement and, accordingly, the Parties hereto agree

that each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach, including, without limitation, an order of the Bankruptcy Court or other court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder.

8.9 Settlement Discussions.

This Agreement and the Restructuring are part of a proposed settlement of a dispute among the Parties. Nothing herein shall be deemed an admission of any kind. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating thereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce the terms of this Agreement.

8.10 Survival.

Each of the Parties acknowledges and agrees that this Agreement is being executed in connection with negotiations concerning the Restructuring and in contemplation of the possible commencement of the Chapter 11 Cases by the Debtors. Accordingly, (i) the rights granted in this Agreement are enforceable by each signatory hereto without approval of the Bankruptcy Court, (ii) the exercise of such rights shall not violate the Automatic Stay provisions of the Bankruptcy Code and (iii) subject to their respective fiduciary out, each Party hereto hereby waives its right to assert a contrary position in the Chapter 11 Cases, if any, with respect to the foregoing.

8.11 Consideration.

The Debtors and each Consenting Noteholder hereby acknowledge that no consideration, other than that specifically described herein and in the Plan Term Sheet, shall be due or paid to the Consenting Noteholders for their agreement to vote to accept the Plan in accordance with the terms and conditions of this Agreement, other than the Debtors' agreement to use commercially reasonable efforts to obtain approval of the Disclosure Statement and to seek to confirm the Plan in accordance with the terms and conditions of the Plan Term Sheet.

8.12 Disclosure.

Until the commencement of the Chapter 11 Cases, and subject to the terms of any Confidentiality Agreement, each of the Parties hereto (a) shall keep the terms and existence of this Agreement, including the Plan Term Sheet, confidential and (b) shall not, and shall cause its and its affiliates directors, officers, partners, members, employees, agents, advisors, fiduciaries and other representatives not to, without the prior written consent of the other Parties, disclose such information in any manner whatsoever, in whole or in part; provided, however, that the foregoing shall not prohibit any party from making any filings or other disclosures that may be necessary and/or required under the federal securities laws; and provided, further, that if such disclosure is so required by law or regulation, the Debtors shall afford the Consenting Noteholders a reasonable opportunity to review and comment upon any such announcement or disclosure prior to the Debtors making such announcement or disclosure. The foregoing shall not prohibit the Debtors from disclosing the approximate aggregate holdings of Notes held by the Consenting Noteholders (but not the identity of individual Consenting Noteholders and their holdings).

8.13 Notices.

All notices hereunder shall be deemed given if in writing and delivered, if sent by facsimile, courier or by registered or certified mail (return receipt requested) to the following addresses and facsimile numbers (or at such other addresses or facsimile numbers as shall be specified by like notice):

(a) If to the Debtors, to

Primus Telecommunications Group, Incorporated
7901 Jones Branch Drive, Suite 900
McLean, Virginia 22102
Facsimile: (703) 902-2814
Attn: John F. DePodesta

With copies to

Skadden, Arps, Slate, Meagher & Flom LLP
333 West Wacker Drive, Suite 1900
Chicago, Illinois 60606
Facsimile: (312) 407-0411
Attn: George Panagakis

and

Skadden, Arps, Slate, Meagher & Flom LLP
300 South Grand Avenue, Suite 3400
Los Angeles, California 90071
Facsimile: (213) 687-5600
Attn: Casey Fleck

(b) If to a Consenting Noteholder or a transferee thereof, to the addresses or facsimile numbers set forth below following the Consenting Noteholder's signature (or as directed by any transferee thereof), as the case may be, with copies to:

Stroock & Stroock & Lavan LLP
180 Maiden Lane
New York, New York 10038
Facsimile: (212) 806-6006
Attn: Kristopher M. Hansen
and
Attn: Lori E. Kata

and

Andrews Kurth LLP
450 Lexington Avenue, 15th Floor
New York, NY 10017
Facsimile: (212) 850-2929
Attn: Paul N. Silverstein
and
Attn: Jonathan I. Levine

(c) Any notice given by delivery, mail or courier shall be effective when received. Any notice given by facsimile shall be effective upon oral or machine confirmation of transmission.

8.**14** **Relationship Among Parties.**

It is understood and agreed that no Consenting Noteholder has any duty of trust or confidence in any form with any other Consenting Noteholder, and, except as provided in this Agreement, there are no commitments among or between them. In this regard, it is understood and agreed that any Consenting Noteholder may trade in the Notes or other debt or equity securities of the Debtors without the consent of the Debtors or any other Consenting Noteholder, subject to applicable securities laws and the terms of this Agreement and any Confidentiality Agreement (if applicable); provided further that no Consenting Noteholder shall have any responsibility for any such trading by any other entity by virtue of this Agreement. No prior history, pattern or practice of sharing confidences among or between the Consenting Noteholders shall in any way affect or negate this understanding and agreement.

IN WITNESS WHEREOF, the Parties have entered into this Agreement on the day and year first written above.

PRIMUS TELECOMMUNICATIONS GROUP, INCORPORATED

By: _____
Name:
Title:

PRIMUS TELECOMMUNICATIONS HOLDING, INC.

By: _____
Name:
Title:

PRIMUS TELECOMMUNICATIONS IHC, INC.

By: _____
Name:
Title:

PRIMUS TELECOMMUNICATIONS INTERNATIONAL, INC.

By: _____
Name:
Title:

Accepted and agreed to by the

Consenting Noteholders (subject to the Addendum attached hereto) named below:

CONSENTING NOTEHOLDERS:

[NAME OF NOTEHOLDER]

By: _____
Name:
Title:

Address: _____
_____
_____

Telephone: _____

Facsimile: _____

Addendum. Application of this Agreement.

Notwithstanding anything to the contrary in this Agreement, this Agreement applies only to the Credit Trading Group of J.P. Morgan Securities Inc. (the "JPMSI Credit Trading Group") in its capacity as a holder of the Notes and related Claims and the JPMSI Credit Trading Group's position in the Notes and related Claims and, the term "Consenting Noteholder" means only the JPMSI Credit Trading Group and such business unit's position in the Notes and related Claims and does not apply to (i) any Notes, related Claims, securities, loans, other obligations or any other interests in the Debtors that may be held, acquired or sold by, or any activities, services or businesses conducted or provided by, any other group or business unit within, or affiliate of, J.P. Morgan Securities Inc., (ii) any credit facilities to which JPMorgan Chase & Co. or any of its affiliates (other than the JPMSI Credit Trading Group) ("Morgan") is a party in effect as of the date hereof, (iii) any new credit facility, amendment to an existing credit facility, or debt or equity securities offering involving Morgan, (iv) any direct or indirect principal activities undertaken by any Morgan entity engaged in the venture capital, private equity or mezzanine businesses, or portfolio companies in which they have investments, (v) any ordinary course sales and trading activity undertaken by employees who not a member of the deal team involved on a day to day basis in the discussions regarding the Restructuring, (vi) any Morgan entity or business engaged in providing private banking or investment management services or (vii) any Notes or related Claims that may be beneficially owned by non-affiliated clients of J.P. Morgan Securities Inc. Provided, further, that with respect to Section 4.8, JMPSI Credit Trading Group is only making such representation and warranty on its own business units' behalf and not on the behalf of any affiliates or subsidiaries thereof.

EXHIBIT A

Claim	Principal Amount
5% Exchangeable Senior Notes due 2010	$
8% Senior Notes due 2014	$
14 1/4% Senior Secured Notes dues 2011	$

Held as Follows:

Amount/Security	Registered Holder	Custodian

EXHIBIT B

JOINDER

This Joinder to the Plan Support Agreement, dated as of March , 2009, by and among Primus Telecommunications Holding, Inc. ("Holding"), Primus Telecommunications Group, Incorporated ("Group"), Primus Telecommunications IHC, Inc. ("IHC"), Primus Telecommunications International, Inc. ("PTII") and the Consenting Noteholders signatory thereto (the "Agreement"), is executed and delivered by [ ] (the "Joining Party") as of [ ], 2009. Each capitalized term used herein but not otherwise defined shall have the meaning set forth in the Agreement.

1. Agreement to be Bound. The Joining Party hereby agrees to be bound by all of the terms of the Agreement, attached to this Joinder as Annex I (as the same may be hereafter amended, restated or otherwise modified from time to time). The Joining Party shall hereafter be deemed to be a "Consenting Noteholder" and a "Party" for all purposes under the Agreement.

2. Representations and Warranties. With respect to the Notes set forth Annex II hereto (which Annex II shall remain confidential unless disclosure is required by court order or the Joining Party consents) and all related claims, rights and causes of action arising out of or in connection with or otherwise relating to such Notes, the Joining Party hereby makes the representations and warranties of the Consenting Noteholders set forth in the Agreement to each other Party to the Agreement.

3. Governing Law. This Joinder shall be governed by and construed in accordance with the internal laws of the State of New York, without regard to any conflicts of law provisions which would require the application of the law of any other jurisdiction.

* * * * *

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EXHIBIT C

Summary Of Principal Terms Of Proposed Plan Of Reorganization

(The "Plan Term Sheet")

THE PLAN TERM SHEET AND SUMMARY IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION WILL BE MADE ONLY IN COMPLIANCE WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE. THIS OUTLINE IS BEING PROVIDED IN FURTHERANCE OF SETTLEMENT DISCUSSIONS AND IS ENTITLED TO PROTECTION PURSUANT TO FED. R. EVID. 408 AND ANY SIMILAR RULE OF EVIDENCE. THE TRANSACTIONS DESCRIBED IN THIS OUTLINE ARE SUBJECT IN ALL RESPECTS TO, AMONG OTHER THINGS, THE AGREEMENT OF THE CONSENTING NOTEHOLDERS, ENTRY INTO AN APPROPRIATE PLAN SUPPORT AGREEMENT, DEFINITIVE DOCUMENTATION, INCLUDING THE PLAN, APPROPRIATE DISCLOSURE MATERIAL AND RELATED DOCUMENTS.

Term	Description
Proposed Filing Entities	Primus Telecommunications Group, Incorporated, (the "Company" or "Group"), Primus Telecommunications Holding, Inc. ("Holding"), Primus Telecommunications IHC, Inc. ("IHC"), and Primus Telecommunications International, Inc. ("PTII"). To the extent necessary, the Company may determine to file the U.S. operating subsidiaries solely to cure bankruptcy-related defaults (including any defaults arising from a change of control of the Debtors as a result of the transactions consummated in the chapter 11 cases.
Plan Proponent	Group, Holding, IHC, and PTII as debtors and debtors-in-possession in jointly administered chapter 11 cases
Filing Venue	United States Bankruptcy Court for the District of Delaware

CLASSIFICATION, IMPAIRMENT, AND TREATMENT OF CLAIMS

Claims	Impairment	Treatment
Administrative Claims	N/A	All allowed administrative claims shall be paid in full in cash or upon such other terms as the Company and the holder thereof may agree.
Priority Tax Claims	N/A	To the extent applicable, all Priority Tax Claims shall be paid in full in cash over a term not longer than six years after the assessment.

Claims	Impairment	Treatment
Class 1 Holding Secured Term Loan	Unimpaired	The Holding Secured Term Loan shall be reinstated, provided that the terms of the reinstated Holding Secured Term Loan may be improved, subject to the consent of the Requisite Holding Noteholders and the Requisite Second Lien Noteholders, which consent shall not be unreasonably withheld; provided further that if the holders of the Holding Secured Term Loan contest this treatment, the Debtors reserve the right to impair such claims, subject to the consent of the Requisite Holding Noteholders and the Requisite Second Lien Noteholders, which consent shall not be unreasonably withheld.
Class 2 Other Priority Claims	Unimpaired	To the extent applicable, all Other Priority Claims shall be reinstated or paid in full in cash on the Effective Date.
Class 3 IHC Second Lien Notes	Impaired	Holders of IHC Second Lien Notes shall receive their (a) pro rata share of $123,471,201 of Second Lien Notes, subject to certain modifications described below, (b) pro rata share of 50% of Distributable New Equity[1] of Reorganized Group,[2] and (c) all reasonable fees, expenses and disbursements of their counsel, Andrews Kurth LLP (which shall be deemed a "Professional" in this Plan Term Sheet).
Class 4 Holding Notes (8% Notes, 5% Notes)	Impaired	Holders of Holding Notes shall receive their (a) pro rata share of 50% of Distributable New Equity of Reorganized Group, (b) pro rata share of Class 4 Warrants, with the terms described below, and (c) all reasonable fees, expenses and disbursements of their counsel, Stroock & Stroock & Lavan LLP (which shall be deemed a "Professional" in this Plan Term Sheet).
Class 5 Group Notes (Step Up Convertible Debentures, 3 3/4% Notes, 12 3/4% Notes)	Impaired	Holders of Group Notes shall receive their pro rata share of Class 5 Warrants, with the terms described below.
Class 6 General Unsecured Claims	Unimpaired	General Unsecured Claims shall be unimpaired and paid in the ordinary course of business.

1 "Distributable New Equity" shall mean the New Equity of Reorganized Group reserved for distribution to holders of IHC Second Lien Notes and Holding Notes on account of their claims, and shall not include (i) the 4% of new equity of Reorganized Group for distribution to management through the management compensation plan (ii) the new equity of Reorganized Group for distribution to management through the exercise of any warrants distributed to management, (iii) the new equity of Reorganized Group to be issued on account of exercise of the warrants distributed to holders of Class 4 and Class 5 claims, and (iv) the new equity of Reorganized Group to be issued on account of exercise of the CVRs distributed to holders of Class 8 claims. Except for the 4% of new equity of Reorganized Group to be distributed to management as described in clause (i) of the immediately preceding sentence, no other shares of capital stock of Reoganized Group will be issued or outstanding on the effective date of the Plan.

2 "Reorganized Group" shall mean Group from and after the effective date of the Plan.

Claims	Impairment	Treatment
Class 7 Intercompany Claims	Unimpaired	Intercompany Claims shall be reinstated, as appropriate.
Class 8 Existing Common Stock	Impaired	Holders of Existing Common Stock shall receive their pro rata share of contingent value rights ("CVRs") to receive up to approximately 15% of the Fully-diluted Equity Shares[3] of Reorganized Group after the Enterprise Value[4] of Reorganized Group, as determined semi-annually on predetermined dates (each a "Valuation Date") in accordance with note 4 infra, until the shares underlying the CVRs are fully-distributed, reaches or exceeds $700 million, however, in no case shall the distribution of the shares underlying the CVRs lower the recovery for the IHC Second Lien Notes, Holding Notes or Group Notes to less than the recovery to each respective note prior to the distribution of the CVRs. All newly created equity value, once the Enterprise Value of Reorganized Group exceeds $700 million will be distributed pro-rata to the holders of CVRs until the aggregate of all equity distributed to the holders of CVRs equals 15% of the total equity of Reorganized Group. The CVRs will expire on the 10th anniversary of the effective date of the Plan, if not previously distributed. Once the conditions are met for the distribution of the shares underlying the CVRs, the shares underlying CVRs shall be deemed to be distributed without any payment or consideration. The CVRs shall not entitle the holder thereof to vote or receive dividends or to be deemed the holder of capital stock or any other securities of Reorganized Group which may at any time be distributable thereunder for any purpose, nor shall the CVRs confer upon the holder thereof (in its capacity as a holder of the CVRs) any of the rights of a stockholder of Reorganized Group (including appraisal rights, any right to vote for the election of directors or upon any matter submitted to stockholders of Reorganized Group at any meeting thereof, or to receive notice of meetings, or to receive dividends or subscription rights or otherwise).
Class 9 Interests in Holding and IHC Debtors	Unimpaired	The holders of interests in the Holding, IHC and PTII Debtors shall retain their interests in the Holding, IHC and PTII Debtors.

[3] "Fully-diluted Equity Shares" shall mean all equity shares of Reorganized Group, including (i) Distributable New Equity, (ii) the new equity for distribution to management through the exercise of any warrants, (iii) the new equity to be issued on account of exercise of the warrants distributed to holders of Class 4 and Class 5 claims, and (iv) the new equity to be issued on account of exercise of the CVRs distributed to holders of Class 8 claims.

[4] "Enterprise Value" shall mean, in the case where Reorganized Group's common stock is listed on a national exchange, the market capitalization of Reorganized Group plus the face value of any funded debt, minority interest, capital leases and preferred stock of Reorganized Group and its subsidiaries less the value of any excess cash and cash equivalents of Reorganized Group and its subsidiaries. Otherwise, if the Reorganized Group's common stock is not listed on a national exchange, the Enterprise Value will be determined by an independent valuation firm selected by Reorganized Group every six months beginning January 1, 2010 (with the cost of such independent valuation firm to be borne by Reorganized Group).

Claims	Impairment	Treatment
Class 10 Other Interests	Impaired	Other interests, options, warrants, call rights, puts, awards, or other agreements to acquire existing common stock in Group shall be canceled; the holders thereof will receive no distribution under the Plan and are deemed to reject the Plan.

MEANS FOR IMPLEMENTATION OF THE PLAN

Term	Description
Management Compensation	4% of the new equity of Reorganized Group shall be issued to senior management in the form of restricted stock units on temporal and performance-based vesting terms to be mutually agreed upon by the Debtors, Requisite Holding Noteholders (as defined in the Plan Support Agreement to which this Plan Term Sheet is attached), and the Requisite Second Lien Noteholders (as defined in the Plan Support Agreement to which this Plan Term Sheet is attached) and set forth on an exhibit to the Plan. Warrants equal to 6% of the sum of the Distributable New Equity of Reorganized Group plus the 4% of new equity of Reorganized Group for distribution to management through the management compensation plan. Such warrants shall be non-transferable subject to anti-dilution protections (including (i) adjustments for stock splits, stock dividends, recapitalizations and similar events, and (ii) weighted-average adjustments for issuances of equity and equity-linked securities at prices below the Fair Market Value[5] of Reorganized Group's common stock (it being understood that for purposes of determining the price at which any such equity or equity-linked securities are issued, any customary underwriting discounts and commissions, liquidity discounts reasonably determined in good faith by the board, placement fees or other similar expenses incurred by Reorganized Group in connection with the issuance thereof shall not be taken into account)). The exercise price of each such warrant shall be equal to the per share price of New Equity in Reorganized Group upon the effective date of the Plan, which will be the grant date of the warrants, based on the Reorganized Group entities having an aggregate Enterprise Value of $375 million. Such warrants will have a 10 year term and may be exercised, at the option of the holder, on a cashless basis at such time as the per share equity value equals or exceeds 150% of the exercise price, as determined in accordance with note 4 infra. Upon exercise of a warrant on a cashless basis, the holder will be entitled to receive the number of shares equal to the difference between the value of the New Equity of Reorganized Group and the exercise price. The warrants shall be distributed and vest on terms to be mutually agreed upon by the Debtors, Requisite Holding Noteholders, and the Requisite Second Lien Noteholders and set forth on an exhibit to the Plan. The compensation, cash bonus targets, and severance policies shall remain those that were effective as of December 31, 2008, subject to the continued approval of the New Board (as defined below).
Board of Directors	There will be an initial board of directors of Reorganized Group (the "New Board"), which will consist of 5 directors, consisting of: (a) the current CEO of Group, (b) the current Executive Vice President of Group, (c) one member appointed by the holders of the Class 4 Claims, (d) one member appointed by the holders of the Class 3 Claims, and (e) one member jointly appointed by the holders of the Class 3 Claims and the Class 4 Claims, after consultation with the Debtors.

5 "Fair Market Value" shall mean, as of any date of determination, (a) in the case where Reorganized Group's common stock is listed on a national exchange, the volume weighted average price for sales of the common stock, as reported by Bloomberg, L.P., for the period of ten (10) consecutive trading days ending on such date of determination and (b) in the case where Reorganized Group's common stock is not listed on a national exchange, as may be reasonably determined by the New Board in good faith.

Term	Description
Certificate Of Incorporation	Reorganized Group will adopt revised by-laws and a revised certificate of incorporation.
Terms of Reinstated IHC Second Lien Notes	$123,471,201 principal amount of IHC Second Lien Notes to be reinstated with no changes to the indenture or Intercreditor Agreement governing the IHC Second Lien Notes; provided, however, that the indenture governing the IHC Second Lien Notes shall be modified as reflected in the supplemental indenture attached as an exhibit hereto.
Public Listing	Upon the effective date of the Plan, Existing Common Stock of Reorganized Group shall be deregistered and the new common stock of Reorganized Group shall not be registered; provided, however, that the New Board of Reorganized Group shall take all actions necessary for the new common stock of Reorganized Group to be quoted on the OTCBB (the “Pink Sheets”), including complying with all applicable requirements of the Pink Sheets with respect to non-reporting companies; provided, further, that the New Board of Reorganized Group may consider seeking a public listing on a national exchange for the new common stock of Reorganized Group.

Term	Description
Terms Of Class 4 Warrants (warrants for Holding Notes)	The following three series of Class 4 Warrants shall be issued on the effective date of the plan of reorganization, pro rata, to holders of Class 4 Claims; a) Warrants to receive up to 10% of the sum of the Distributable New Equity of Reorganized Group plus the 4% of new equity of Reorganized Group for distribution to management through the management compensation plan with a strike price equivalent to the per share price of New Equity in Reorganized Group upon the effective date of the Plan, which will be the grant date of the warrants, based on the Reorganized Group entities having an aggregate Enterprise Value of $375 million. b) Warrants to receive up to 10% of the sum of the Distributable New Equity of Reorganized Group plus the 4% of new equity of Reorganized Group for distribution to management through the management compensation plan with a strike price equivalent to the per share price of New Equity in Reorganized Group upon the effective date of the Plan, which will be the grant date of the warrants, based on the Reorganized Group entities having an aggregate Enterprise Value of $425 million. c) Warrants to receive up to 10% of the sum of the Distributable New Equity of Reorganized Group plus the 4% of new equity of Reorganized Group for distribution to management through the management compensation plan with a strike price equivalent to the per share price of New Equity in Reorganized Group upon the effective date of the Plan, which will be the grant date of the warrants, based on the Reorganized Group entities having an aggregate Enterprise Value of $475 million. The Class 4 Warrants shall be detachable, subject to anti-dilution protections (including (i) adjustments for stock splits, stock dividends, recapitalizations and similar events, and (ii) weighted-average adjustments for issuances of equity and equity-linked securities at prices below the Fair Market Value of Reorganized Group's common stock (it being understood that for purposes of determining the price at which any such equity or equity-linked securities are issued, any customary underwriting discounts and commissions, liquidity discounts reasonably determined in good faith by the board, placement fees or other similar expenses incurred by Reorganized Group in connection with the issuance thereof shall not be taken into account)), and may be exercised, at the option of the holder, on a cashless basis (x) at such time as the per share equity value equals or exceeds 150% of the exercise price, as determined in accordance with note 4 infra or (y) upon a change of control or registration of securities. Upon exercise of the Class 4 Warrants on a cashless basis, the holder will be entitled to receive the number of shares equal to the difference between the value of the New Equity of Reorganized Group and the exercise price. The Class 4 Warrants shall expire on the 5th anniversary of the effective date of the Plan, if not previously exercised. The Class 4 Warrants may be exercised from time to time, in whole or in part, until the expiration thereof.

Term	Description
Terms Of Class 5 Warrants (warrants for Group Notes)	The following Class 5 Warrants shall be issued on the effective date of the plan of reorganization, pro rata, to holders of Class 5 Claims; Warrants to receive up to 15% of the sum of the Distributable New Equity of Reorganized Group plus the 4% of new equity of Reorganized Group for distribution to management through the management compensation plan with a strike price equivalent to the per share price of New Equity in Reorganized Group upon the effective date of the Plan, which will be the grant date of the warrants, based on the Reorganized Group entities having an aggregate Enterprise Value of $550 million. The Class 5 Warrants shall be detachable, subject to anti-dilution protections (including (i) adjustments for stock splits, stock dividends, recapitalizations and similar events, and (ii) weighted-average adjustments for issuances of equity and equity-linked securities at prices below the Fair Market Value of Reorganized Group's common stock (it being understood that for purposes of determining the price at which any such equity or equity-linked securities are issued, any customary underwriting discounts and commissions, liquidity discounts reasonably determined in good faith by the board, placement fees or other similar expenses incurred by Reorganized Group in connection with the issuance thereof shall not be taken into account)), and may be exercised, at the option of the holder, on a cashless basis (x) at such time as the per share equity value equals or exceeds 150% of the exercise price, as determined in accordance with note 4 infra or (y) upon a change of control or registration of securities. Upon exercise of the Class 5 Warrants on a cashless basis, the holder will be entitled to receive the number of shares equal to the difference between the value of the New Equity of Reorganized Group and the exercise price. The Class 5 Warrants shall expire on the 5th anniversary of the effective date of the Plan, if not previously exercised. The Class 5 Warrants may be exercised from time to time, in whole or in part, until the expiration thereof.

UNEXPIRED LEASES AND EXECUTORY CONTRACTS

Term	Description
Assumed And Rejected Contracts	Unless otherwise provided in the Plan or listed on an exhibit to the Plan, all executory contracts and unexpired leases as to which any of the Debtors is a party shall be deemed automatically assumed in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code as of the Effective Date of the Plan.
Cure Payments For Executory Contracts And Unexpired Leases	Any party to an Executory Contract or Unexpired Lease that wishes to assert that Cure is required as a condition to assumption shall file a proposed cure claim within forty-five days after entry of the Confirmation Order, after which the Debtors shall have forty-five days to file any objections thereto.

ALLOWANCE AND PAYMENT OF ADMINISTRATIVE CLAIMS

Term	Description
Professional Claims	Subject to the Holdback Amount, on the Effective Date, the Debtors or Reorganized Debtors shall pay all amounts owing to Professionals for all outstanding amounts payable relating to prior periods through the Effective Date in accordance with section 1129(a)(4) of the Bankruptcy Code. In order to receive payment on the Effective Date for unbilled fees and expenses incurred through the Confirmation Date, the Professionals shall estimate fees and expenses due for periods that have not been billed as of the Confirmation Date and shall deliver such estimate to the Debtors and the United States Trustee.
Section 503 Claims	Any Person who requests compensation or expense reimbursement for making a substantial contribution in the Chapter 11 Cases pursuant to sections 503(b)(3), (4), and (5) of the Bankruptcy Code must file an application with the clerk of the Bankruptcy Court on or before the 45th day after the Effective Date (the "503 Deadline"), and serve such application on counsel for the Debtors, and the Statutory Committees and as otherwise required by the Bankruptcy Court and the Bankruptcy Code on or before the 503 Deadline, or be forever barred from seeking such compensation or expense reimbursement. As set forth above in the Sections entitled "Class 3 IHC Second Lien Notes" and "Class 4 Holding Notes," Andrews Kurth LLP and Stroock & Stroock & Lavan LLP shall be treated as Professionals under the terms of this Plan Term Sheet; provided, however, that Reorganized Group will support any applications of each of Andrews Kurth LLP on behalf of the ad hoc group of holders of IHC Second Lien Notes, and Stroock & Stroock & Lavan LLP on behalf of the ad hoc group of holders of Holding Notes, for allowance and payment of fees and expenses incurred pursuant to section 503(b) of the Bankruptcy Code.
Other Administrative Claims	All other requests for payment of an Administrative Claim must be filed, in substantially the form of the Administrative Claim Request Form attached as an exhibit to the Plan, with the Claims Agent and served on counsel for the Debtors no later than 45 days after the Effective Date.

RELEASES AND RELATED PROVISIONS

Term	Description
Released Parties	"Released Parties" means, collectively, (i) all officers of each of the Debtors, all members of the boards of directors of each of the Debtors, and all employees of each of the Debtors, in each case in such respective capacities, as of the date of the commencement of the hearing on the Disclosure Statement, (ii) all noteholders party to the Plan Support Agreement to which this Plan Term Sheet is attached, (iii) all Professionals, (iv) the Indenture Trustees, and (v) with respect to each of the above-named Persons, and only in their aforementioned capacities, such Person's affiliates, principals, employees, agents, officers, directors, representatives, financial advisors, attorneys, and other professionals, in their capacities as such.
Release By Debtors	Full customary releases
Release By Holders Of Claims And Interests	Full customary releases
Exculpation And Limitation of Liability	Customary exculpation provision

Term	Description
Indemnitee	"Indemnitee" means all present and former directors, officers, employees, agents, or representatives of the Debtors who are entitled to assert Indemnification Rights.
Indemnification Rights	"Indemnification Rights" means obligations of the Debtors, if any, to indemnify, reimburse, advance, or contribute to the losses, liabilities, or expenses of an Indemnitee pursuant to the Debtor's certificate of incorporation, bylaws, policy of providing employee indemnification, applicable law, or specific agreement in respect of any claims, demands, suits, causes of action, or proceedings against an Indemnitee based upon any act or omission related to an Indemnitee's service with, for, or on behalf of the Debtors.
Continuing Indemnification Rights	"Continuing Indemnification Rights" means those Indemnification Rights held by any Indemnitee who is a Released Party and serves as a director, officer, or employee (or in any similar capacity) of the Debtors as of the date of the commencement of the hearing on the Disclosure Statement, together with any Indemnification Rights held by any Indemnitee on account of events occurring on or after the Petition Date.
Indemnification Obligations	Customary indemnification rights
	OTHER KEY PROVISIONS
Conditions to Confirmation	(i) No Termination Event (as defined in the Plan Support Agreement to which this Plan Term Sheet is attached) has terminated the Plan Support Agreement. (ii) The Disclosure Statement has been approved. (iii) The Bankruptcy Court shall have entered an order confirming the Plan, which order shall be in form and substance reasonably satisfactory to the Debtors and the Requisite Holding Noteholders and the Requisite Second Lien Noteholders.
Conditions to Effectiveness	The Plan shall contain such conditions to effectiveness of the Plan customary in plans of reorganization of this type, which shall be in form and substance reasonably satisfactory to the Debtors and the Requisite Holding Noteholders and the Requisite Second Lien Noteholders.
Investor Rights	Usual and customary investor rights.

Exhibit 10.2

EXECUTION VERSION

WAIVER AND AMENDMENT AGREEMENT

THIS WAIVER AND AMENDMENT AGREEMENT (this "Agreement") is dated as of March 10, 2009, by and among Primus Telecommunications Canada Inc., a corporation organized under the laws of the province of Ontario (the "Borrower"), 3082833 Nova Scotia Company, an unlimited liability company organized under the laws of the province of Nova Scotia ("Parent" and together with the Borrower, the "Obligors"), the Lenders (as defined herein), Primus Telecommunications International, Inc., a Delaware corporation ("Primus Telecommunications"), Primus Telecommunications Holding, Inc., a Delaware corporation ("Primus Holding"), Primus Telecommunications Group, Incorporated, a Delaware corporation (the "Ultimate Parent, and together with Primus Telecommunications and Primus Holding, the "Guarantors"; the Guarantors, together with the Obligors, are referred to herein as the "Credit Parties") and Guggenheim Corporate Funding, LLC, a Delaware limited liability company, as administrative agent for the Lenders (in such capacity, together with its successors and assigns, if any, the "Administrative Agent") and as collateral agent for the Secured Creditors (in such capacity, together with its successors and assigns, if any, the "Collateral Agent").

RECITALS

WHEREAS, the Borrower, Parent, the lenders party thereto from time to time (the "Lenders"), the Administrative Agent and the Collateral Agent entered into the Senior Secured Credit Agreement, dated as of March 27, 2007, as amended by the Amendment to the Credit Agreement, dated May 26, 2007, as further amended by the Second Amendment to the Credit Agreement, dated July 16, 2007, as further amended by the Third Amendment to the Credit Agreement, dated July 25, 2007, as further amended by the Fourth Amendment to the Credit Agreement, dated August 14, 2007, as further amended by the Fifth Amendment to the Credit Agreement, dated August 31, 2007, as further amended by the Sixth Amendment to the Credit Agreement, dated September 14, 2007, as further amended by the Seventh Amendment to the Credit Agreement, dated September 21, 2007, as further amended by the Eighth Amendment to the Credit Agreement, dated October 1, 2007, as further amended by the Ninth Amendment to the Credit Agreement, dated October 5, 2007, as further amended by the Tenth Amendment to the Credit Agreement, dated October 12, 2007, as further amended by the Eleventh Amendment to the Credit Agreement, dated October 16, 2007, as further amended by the Twelfth Amendment to the Credit Agreement, dated October 17, 2007, and as further amended by the Thirteenth Amendment to the Credit Agreement, dated December 19, 2007 (as may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement");

WHEREAS, the Borrower has requested the waiver of certain Events of Default under the Credit Agreement;

WHEREAS, one or more of the Guarantors intend to commence voluntary bankruptcy proceedings on or before April 1, 2009 (together with any additional voluntary or involuntary proceedings commenced by or against one or more Guarantors on or before August 31, 2010, that are jointly administered with such proceedings, the "Proceedings"), in the United States Bankruptcy Court for the District of Delaware (together with any other court having jurisdiction over the case from time to time, the "Bankruptcy Court"), in connection with a pre-packaged or pre-negotiated Chapter 11 plan of reorganization of one or more of the Guarantors (as such plan may be modified from time to time, the "Plan"); and

WHEREAS, the Credit Parties have requested, and the Lenders have agreed, that the Lenders will waive any Events of Default arising out of the Events (as defined below) on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Defined Terms. Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Credit Agreement (as amended by this Agreement).

Section 2. Acknowledgement of Events.

2.1. Specified Events. The parties hereto acknowledge that the following events (together, the "Specified Events") have occurred and may constitute Events of Default:

2.1.1. the failure of the Borrower to maintain Hedging Agreements, Lehman Unsecured Hedging Agreements or Unsecured Hedging Agreements reasonably satisfactory to the Administrative Agent to hedge the full amount of its currency rate exposures with respect to the aggregate principal amount outstanding under the Credit Agreement, in accordance with Section 8.18 of the Credit Agreement, with respect to which failure the Administrative Agent delivered written notice to the Borrower and the Ultimate Parent on December 22, 2008, which may constitute an Event of Default under Section 11.01(f) of the Credit Agreement;

2.1.2. the actions the Guarantors have taken to authorize or effect certain actions described in Section 11.01(i) of the Credit Agreement, which may constitute an Event of Default under Section 11.01(i)(v) of the Credit Agreement; and

2.1.3. the failure by the Obligors to deliver to the Administrative Agent an Officer's Certificate in connection with the events described in Sections 2.1.1 and 2.1.2 above, in accordance with Section 7.03 of the Credit Agreement, which may constitute an Event of Default under Section 11.01(e) of the Credit Agreement.

2.2. Anticipated Events. Each Credit Party anticipates that an Event of Default may occur under the Credit Agreement due to (together, the "Anticipated Events," and together with the Specified Events, the "Events"):

2.2.1. the institution of the Proceedings, constituting an Event of Default under Section 11.01(i) of the Credit Agreement and, at any time before the Plan is effective, Sections 11.01(i)(iii), (i)(v) and (i)(vi) of the Credit Agreement;

2.2.2. the occurrence of a Material Adverse Effect arising as a result of the Proceedings, constituting an Event of Default under Section 11.01(p) of the Credit Agreement;

2.2.3. the failure of a Guarantor to make any payment when due with respect to Indebtedness or the acceleration of Indebtedness of a Guarantor, in each case at any time before the Plan is effective, constituting an Event of Default under Section 11.01(h)(i) of the Credit Agreement; and

2.2.4. certain provisions of the Guarantee being deemed invalid or unenforceable against a Guarantor in connection with the Proceedings, constituting an Event of Default under Section 11.01(k) of the Credit Agreement.

Section 3. Acknowledgment and Ratification of Obligations. Each Credit Party hereby acknowledges and agrees that:

3.1.1. the Credit Agreement and each of the other Loan Documents are valid and binding agreements, enforceable against the Credit Parties according to their terms, and each Credit Party is obligated to perform all of such Credit Party's covenants, agreements and obligations in accordance with the Loan Documents as of the date hereof and does not have any defenses, counterclaims or rights of offset to any of such covenants, agreements or obligations (any and all of which are hereby unconditionally and irrevocably waived by each Credit Party);

3.1.2. the outstanding principal balance of the Loans as of March 10, 2009, is $35,000,000;

3.1.3. the Security Documents create and constitute valid, binding and enforceable first priority liens (subject only to Permitted Encumbrances) on, and perfected security interests in, the Collateral; and

3.1.4. except as set forth in Section 4 below, this Agreement does not constitute a waiver of any Default or Event of Default of any of the Lenders' or Agents' rights or remedies available at law, in equity or under the Loan Documents.

Section 4. Waiver. Subject to the terms and conditions of this Agreement, from and after the Effective Date (as defined below), the Lenders hereby waive any Events constituting Events of Default. This Agreement does not affect or restrict in any way the rights or remedies of the Lenders with respect to their claims against the Guarantors under the Guarantees, which the Credit Parties agree that the Lenders may exercise subject to the Proceedings and applicable law.

Section 5. Amendments to Credit Agreement; Additional Terms.

5.1. Applicable Margin. The definition of "Applicable Margin" in the Credit Agreement is hereby deleted and replaced by the following:

"Applicable Margin" means the rate per annum specified below (a) in the column under the caption "ABR Loans" for Alternate Base Rate Loans, or (b) in the column under the caption "LIBOR Loans" for LIBOR Rate Loans:

Loans	ABR Loans	LIBOR Loans
Term A Loans	2.750%	3.750%
Term B Loans	5.375%	6.375%

5.2. Collateral. The definition of "Collateral" in the Credit Agreement is hereby deleted and replaced by the following:

"Collateral" means all Collateral, Secured Property and Pledged Securities (as each such term is defined in any of the Security Documents), and any other property or asset as to which a Security Document creates or purports to create a Lien.

5.3. Maturity Date. The definition of "Maturity Date" in the Credit Agreement is hereby deleted and replaced by the following:

"Maturity Date" means May 21, 2011.

5.4. Prepayment Premium. Section 3.03 of the Credit Agreement is hereby deleted and replaced by the following:

[Reserved]

5.5. Interest on Loans. Section 4.01(a) of the Credit Agreement is hereby deleted and replaced by the following:

Interest on Loans. On each Interest Payment Date the Borrower shall pay interest on each Loan, in arrears, at a rate equal to the greater of (i) the applicable LIBOR Rate or Alternate Base Rate, as applicable, plus the Applicable Margin and (ii) 2.50% plus the Applicable Margin.

5.6. Hedging. Section 8.18 of the Credit Agreement is hereby deleted and replaced by the following:

[Reserved]

5.7. Refinancing of Lehman Loan. Section 8.21 of the Credit Agreement is hereby deleted and replaced by the following:

[Reserved]

5.8. Default as to Other Indebtedness. Section 11.01(h)(iii) of the Credit Agreement is hereby deleted and replaced by the following:

[Reserved]

5.9. Events of Default. Each of the following shall, for all purposes, constitute an Event of Default under Section 11.01 of the Credit Agreement:

5.9.1. the Bankruptcy Court shall enter an order denying confirmation of the Plan, or the Proceedings shall be converted to a case under Chapter 7 of Title 11 of the United States Code;

5.9.2. the Plan shall not have been confirmed by the Bankruptcy Court and become effective on or before August 31, 2010;

5.9.3. the Plan shall be confirmed or become effective without the reinstatement at effectiveness of each Guarantee on terms identical to such Guarantee existing on the date hereof as a valid, unsubordinated obligation of the applicable Guarantor, or the Plan is confirmed without any Guarantor holding, directly or indirectly, substantially all of its current assets and businesses;

5.9.4. the Bankruptcy Court shall enter any order that impairs the enforceability of this Agreement or any Loan Document (except as provided herein in connection with the obligations of the Guarantors under the Guarantee), as reasonably determined by the Administrative Agent;

5.9.5. any representation or warranty made by a Credit Party in this Agreement shall prove to be untrue in any material respect as of the date hereof;

5.9.6. any Credit Party shall default in the performance of any obligation under this Agreement that is not cured within 10 Business Days following notice thereof from the Administrative Agent; and

5.9.7. the Guarantee or any other Loan Document executed by a Guarantor shall cease to be valid and binding on or enforceable against any Guarantor.

5.10. Mandatory Prepayment Schedule. In addition to the obligations of the Borrower under Article III of the Credit Agreement, and notwithstanding anything to the contrary in Section 3.02(d) of the Credit Agreement, the Borrower shall prepay the outstanding principal of the Loans, without premium or penalty, on the dates and in the amounts set forth below:

Payment Date	Monthly Principal Payment Amount
March 31, 2009	$ 500,000
April 30, 2009	$ 500,000
May 31, 2009	$ 500,000
June 30, 2009	$2,250,000
The last day of each calendar month from and including July 2009 to and including April 2011	$ 500,000

All prepayments pursuant to this Section 5.10 shall be made in accordance with Sections 3.04 and 3.05 of the Credit Agreement. Each such prepayment shall be accompanied by the payment of (a) all accrued and unpaid interest with respect to the principal being prepaid through the date of

prepayment and (b) any amount contemplated by Section 4.03 of the Credit Agreement. All prepayments pursuant to this Section 5.10 shall (i) be applied on a pro rata basis to the Term A Loans and the Term B Loans and (ii) shall be reduced in order of maturity by any prepayments of the Loans pursuant to Section 3.01 or 3.02 of the Credit Agreement (excluding the payment made to satisfy the condition precedent to this Agreement in Section 8.3 (the "Required Prepayment")). The Lenders hereby waive any notice of the Required Prepayment that may be required under the Credit Agreement.

5.11. Second-Lien Term Loan. Notwithstanding anything to the contrary in Sections 9.01 or 9.02 of the Credit Agreement, the Borrower shall be permitted to create, incur, assume, guarantee or suffer to exist, or otherwise become or remain liable with respect to, a term loan, in an aggregate principal amount not to exceed $5,000,000 at any time outstanding, secured by a second-priority Lien (the "Second-Lien Term Loan") and guarantees by the Credit Parties (other than the Borrower); *provided*, that (a) the Second-Lien Term Loan shall not mature, or provide for any amortization payments, prior to the Maturity Date and (b) the Second-Lien Term Loan shall be subject to an intercreditor agreement, between the Lenders and the lenders in connection with the Second-Lien Term Loan, whose terms and conditions shall be satisfactory to the Administrative Agent.

5.12. Default Interest Rate. Notwithstanding the occurrence of the Events, Section 4.01(b) of the Credit Agreement shall not apply from the date hereof unless and until an Event of Default occurs. Each Credit Party agrees that this Section 5.12 shall not constitute a waiver by the Lenders of their rights pursuant to Section 4.01(b) of the Credit Agreement at any time after the occurrence of an Event of Default.

Section 6. Covenants.

6.1. No Obligor shall make, nor shall any Guarantor take any action to facilitate an Obligor in making, any Restricted Payment or Ultimate Parent Payment to any Guarantor except as permitted by the terms of the Loan Documents (as modified by this Agreement). In the event that, notwithstanding the foregoing sentence, any Guarantor shall receive any such non-permitted payment from any Obligor, then such payment shall be received and held by such Guarantor apart from its other assets in trust for the benefit of such Obligor and the Lenders, and returned immediately to such Obligor. Each Guarantor acknowledges and agrees that it shall have no right, title or interest in such payment or the proceeds thereof and that the same shall not constitute property of its estate under the U.S. Bankruptcy Code.

6.2. Concurrently with the filing of the Plan with the Bankruptcy Court, the Borrower shall deliver to the Administrative Agent a copy of the Plan as so filed.

6.3. No later than 60 days after the Effective Date, the Obligors shall deliver to the Collateral Agent updated perfection certificates with respect to the Obligors and the Collateral, substantially identical in form to all such certificates delivered to the Collateral Agent on or about the Closing Date.

Section 7. Representations and Warranties. Each Credit Party hereby represents and warrants as follows:

7.1. Organization, Good Standing, Etc. Each Credit Party (a) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has all requisite corporate power and authority to conduct its business as now conducted and as presently contemplated, to execute and deliver this Agreement, and to consummate the transactions contemplated hereby, and (c) is duly qualified to do business and is in good standing in each jurisdiction in which the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

7.2. Authorization. The execution, delivery and performance by each Credit Party of this Agreement and the transactions contemplated hereby (a) have been duly authorized by all necessary corporate action, (b) do not and will not contravene its Governing Documents, (c) do not and will not violate any material Requirements of Law binding on such Credit Party or any of its properties or any material Contractual Obligation of such Credit Party, in each case the violation of which would reasonably be expected to have a Material Adverse Effect, and (d) do not and will not result in or require the creation of any Lien (other than Permitted Encumbrances and Liens permitted in connection with the Second-Lien Term Loan) upon or with respect to any of its properties.

7.3. Enforceability. This Agreement has been duly executed and delivered by each Credit Party and constitutes the legal, valid and binding obligation of each Credit Party, enforceable against such Credit Party in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws, or by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

7.4. Governmental Approvals. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority that has not been obtained or made (or waived) is required in connection with the due execution, delivery and performance by each Credit Party of this Agreement.

7.5. Defenses and Counterclaims. The obligations of each Obligor to repay the Loans, together with all interest accrued thereon, is absolute and unconditional, and neither Obligor has any deductions, defenses, counterclaims, offsets or similar rights of any nature whatsoever with respect to its obligations of payment and performance under the Loan Documents.

7.6. No Default. Except for the Events, both before and after giving effect to this Agreement, no event has occurred or is continuing that would constitute a Default or Event of Default.

7.7. Litigation. Except for the Anticipated Events, no Credit Party has been served in any action or proceeding and there are no actions or proceedings pending or threatened against such Credit Party or its respective assets, that could reasonably be expected to (a) cause this Agreement or any Loan Document to be unenforceable against such Credit Party, or (b) have a

Material Adverse Effect. Neither Obligor has initiated any bankruptcy or reorganization proceedings in respect of itself or its assets; and neither Obligor has been served in any such bankruptcy or reorganization proceedings.

7.8. Solvency; Indebtedness. Each Obligor is, and after giving effect to this Agreement will be, Solvent.

7.9. Security Interests. Each Security Document creates in favor of the Collateral Agent on behalf of the Lenders a legal, valid and enforceable security interest in the Collateral as and to the extent purported to be covered thereby. Each such security interest is a perfected first priority security interest (subject to Permitted Encumbrances), in each case to the extent a security interest therein can be perfected by filing pursuant to the PPSA, and no further recordings or filings are or will be required in connection with the creation, perfection, priority or enforcement of such security interests, other than (a) the filing of continuation or renewal statements or financing change statements in accordance with Applicable Law, (b) the recording of the collateral assignments for security pursuant to the Security Agreements in the Canadian Intellectual Property Office, the United States Patent and Trademark Office and the United States Copyright Office, as applicable, with respect to after-acquired Canadian and United States patent and trademark applications and registrations and Canadian and United States copyrights and (c) additional filings if any Obligor changes its name, identity or organizational structure or the jurisdiction in which any Obligor is organized.

Section 8. Conditions Precedent. This Agreement shall become effective upon the first day on which each of the following conditions is satisfied (the "Effective Date"):

8.1. the Administrative Agent shall have received, in form and substance satisfactory to it, duly executed counterparts of this Agreement from each of the parties hereto;

8.2. the Borrower shall have paid (to the extent invoiced) all reasonable fees, costs and expenses incurred by or on behalf of the Agents, including, without limitation, reasonable out-of-pocket fees, costs and expenses of U.S. and Canadian counsel for the Agents, in connection with the negotiation, preparation, execution and delivery of this Agreement, the consummation of the transactions contemplated hereunder, the review and negotiation of Blocked Account Agreements, and the preservation and protection of the Lenders' rights under the Loan Documents in connection with the Events, in accordance with Section 13.05 of the Credit Agreement; *provided*, that such fees, costs and expenses shall not exceed $152,000; and

8.3. the Borrower shall have prepaid, without premium or penalty, the outstanding principal of the Loans in an amount equal to $1,750,000, such payment to be applied on a pro rata basis to the Term A Loans and the Term B Loans, accompanied by the payment of all accrued and unpaid interest with respect to such principal through the date of prepayment.

Section 9. Release. Each Credit Party hereby unconditionally and irrevocably releases, discharges and waives any and all claims of any kind or nature whatsoever that the Credit Parties may possess against the Lenders, the Agents, any Affiliate of the Lenders or the Agents, or any of their respective officers, directors, shareholders, advisors, employees and agents (the "Lender Parties") from any and all liability, whether known or unknown, arising on or before the date

hereof in connection with or relating to this Agreement, the Loan Documents, the exercise by the Lender Parties of any of their rights and remedies under this Agreement or the Loan Documents, the origination, modification, restructuring, administration or enforcement of the Loans, or any discussions or negotiations between the Lender Parties and the Credit Parties or their respective representatives in respect of the Loans. Each of the Credit Parties shall indemnify, defend and hold harmless the Lender Parties from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, the reasonable fees and disbursements of U.S. and Canadian counsel for the Lender Parties in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not the Lender Parties shall be designated a party thereto), that may be imposed upon, incurred by, or asserted against the Lender Parties in any manner in connection with or in any way directly or indirectly arising out of this Agreement or the Loan Documents and the exercise by the Lender Parties of any of their rights and remedies under this Agreement or the Loan Documents (collectively, the "Lender Indemnified Liabilities"); *provided*, that the Credit Parties shall not have any obligation to indemnify, defend or hold the Lender Parties harmless for any Lender Indemnified Liabilities that arise from the gross negligence, illegal acts, fraud or willful misconduct of the Lender Parties. To the extent that the undertaking to indemnify, defend and hold harmless set forth in this Section 9 is unenforceable because such undertaking violates any law or public policy, each of the Credit Parties shall pay the maximum amount that is permitted to be paid to satisfy the Lender Indemnified Liabilities incurred by the Lender Parties. The provisions of this Section 9 shall survive any termination of this Agreement in accordance with its terms.

Section 10. No Waiver; No Interference.

10.1. Except as expressly set forth herein, this Agreement shall not be construed to be a commitment by the Lenders, or evidence of the intent of the Lenders, to make any commitment to modify, amend or waive any provision of any of the Loan Documents or to forbear from exercising any right or remedy contained therein or available under or otherwise at law or in equity, and each Credit Party acknowledges and agrees that, except as expressly set forth in this Agreement, no such commitment, amendment, modification, forbearance or waiver has been offered, granted, extended or agreed to by the Lender Parties. Each Credit Party further acknowledges that the Lenders do not, except as expressly set forth herein, waive any defaults of the Credit Parties under the Loans or the Lenders' rights and remedies as a result thereof, and upon the occurrence of an Event of Default that has not been waived under this Agreement the Lenders shall be entitled to pursue immediately any and all rights and remedies under the Loan Documents or otherwise available at law or in equity, as the Lenders may elect in their sole discretion. No discussions, whether prior or subsequent to the execution of this Agreement, shall prejudice the Lenders or be raised as a claim or defense in any present or future action or litigation involving the Lender Parties or their respective successors and assigns.

10.2. Each Credit Party hereby agrees that neither it, any of its Affiliates, nor their respective successors and assigns, by act or omission, directly or indirectly, now or in the future, by a default of any of their respective obligations hereunder or otherwise, shall contest or challenge the enforceability or any other aspect of this Agreement or any Loan Document.

Section 11. Miscellaneous.

11.1. Loan Document. This Agreement constitutes a Loan Document, and the obligations of the Borrower under this Agreement of any nature whatsoever, whether now existing or hereafter arising, are Obligations.

11.2. Notices. Except as specifically provided in this Agreement, all notices, requests or consents to any party hereunder shall be given in accordance with Section 13.01 of the Credit Agreement.

11.3. Successors and Assigns. This Agreement and all of the terms and provisions hereof shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective legal representatives, heirs, successors and permitted assigns.

11.4. Expenses. For the avoidance of doubt, during the continuance of any of the Events, the Obligors shall permit (i) any authorized representative designated by the Administrative Agent to visit and inspect the Obligors' books and records and perform such other activities in accordance with Section 8.05 of the Credit Agreement and (ii) any financial advisor designated by the Administrative Agent to visit and inspect the Obligors' books and records and, no later than five Business Days following demand therefor and receipt by the Obligors of a reasonably detailed invoice relating thereto, the Obligors shall pay all reasonable fees, costs and expenses incurred by or on behalf of the Agents in connection with the services of any such financial advisor; *provided*, that such fees, costs and expenses shall not exceed Cdn.$30,000.

11.5. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability, without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

11.6. Waivers. Neither the failure nor any delay on the part of any party hereto to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

11.7. Further Assurances. The Credit Parties agree to execute such other and further documents and instruments as the Agents may reasonably request to implement the provisions of this Agreement and to perfect and protect the liens and security interests created by the Loan Documents.

11.8. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by telecopy or other electronic delivery shall have the same force and effect as the delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of any such agreement by telecopy shall also deliver an original executed counterpart, but the failure to do so shall not affect the validity, enforceability or binding effect of such agreement.

11.9. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

11.10. WAIVER OF JURY TRIAL, ETC. EACH CREDIT PARTY, THE LENDERS AND THE AGENTS HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM CONCERNING ANY RIGHTS UNDER THIS AGREEMENT, OR UNDER ANY AMENDMENT, WAIVER, CONSENT, INSTRUMENT, DOCUMENT OR OTHER AGREEMENT DELIVERED OR WHICH IN THE FUTURE MAY BE DELIVERED IN CONNECTION THEREWITH, OR ARISING FROM ANY FINANCING RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT, AND AGREE THAT ANY SUCH ACTION, PROCEEDINGS OR COUNTERCLAIM SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. EACH CREDIT PARTY CERTIFIES THAT NO OFFICER, REPRESENTATIVE, AGENT OR ATTORNEY OF THE LENDERS OR THE AGENTS HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE LENDERS OR THE AGENTS WOULD NOT, IN THE EVENT OF ANY ACTION, PROCEEDING OR COUNTERCLAIM, SEEK TO ENFORCE THE FOREGOING WAIVERS. EACH CREDIT PARTY HEREBY ACKNOWLEDGES THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDERS AND THE AGENTS ENTERING INTO THIS AGREEMENT.

11.11. Captions. Captions contained in this Agreement are inserted only as a matter of convenience and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

11.12. Interpretation. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against the Lenders, the Agents or the Credit Parties, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of all parties hereto.

11.13. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, subject to Section 13.10 of the Credit Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first set forth above.

BORROWER:

PRIMUS TELECOMMUNICATIONS CANADA INC.

By: /s/ Edmund Chislett
Name: Edmund Chislett
Title: President

OBLIGOR:

3082833 NOVA SCOTIA COMPANY

By: /s/ Edmund Chislett
Name: Edmund Chislett
Title: President

GUARANTOR:

PRIMUS TELECOMMUNICATIONS INTERNATIONAL, INC.

By: /s/ Thomas R. Kloster
Name: Thomas R. Kloster
Title: CFO

GUARANTOR:

PRIMUS TELECOMMUNICATIONS HOLDING, INC.

By: /s/ Thomas R. Kloster
Name: Thomas R. Kloster
Title: CFO

GUARANTOR:

PRIMUS TELECOMMUNICATIONS GROUP, INCORPORATED

By: /s/ Thomas R. Kloster
Name: Thomas R. Kloster
Title: CFO

ADMINISTRATIVE AGENT:

GUGGENHEIM CORPORATE FUNDING, LLC

By: /s/ Bill Hagner
Name: **Bill Hagner**
Title: **Managing Director**

COLLATERAL AGENT:

GUGGENHEIM CORPORATE FUNDING, LLC

By: /s/ Bill Hagner
Name: **Bill Hagner**
Title: **Managing Director**

LENDER:

COPPER RIVER CLO LTD.

By: Guggenheim Investment Management, LLC, as its Collateral Manager

By: /s/ Michael Damaso
Name: **Michael Damaso**
Title: **Senior Managing Director**

LENDER:

KENNECOTT FUNDING LTD.

By: Guggenheim Investment Management, LLC, as its Collateral Manager

By: /s/ Michael Damaso
Name: **Michael Damaso**
Title: **Senior Managing Director**

LENDER:

SANDS POINT FUNDING LTD.

By: Guggenheim Investment Management, LLC, as its Collateral Manager

By: /s/ Michael Damaso
Name: **Michael Damaso**
Title: **Senior Managing Director**

LENDER:

ORPHEUS FUNDING LLC

By: Guggenheim Investment Management, LLC, its Manager

By: /s/ Michael Damaso
Name: **Michael Damaso**
Title: **Senior Managing Director**

LENDER:

NZC OPPORTUNITIES II LLC

By: Guggenheim Investment Management, LLC, its Manager

By: /s/ Michael Damaso
Name: **Michael Damaso**
Title: **Senior Managing Director**

LENDER:

IRON HILL CLO LIMITED

By: Guggenheim Partners Europe Limited, its Manager

By: /s/ ADRIAN DUFFY
Name: **ADRIAN DUFFY**
Title: **Senior Managing Director**
Guggenheim Partners Europe Limited

Exhibit 10.3

SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE (this "**Supplemental Indenture**"), dated as of , 2009, by and among Primus Telecommunications IHC, Inc., a Delaware corporation (the "Issuer"), the Guarantors (as defined in the Indenture referred to below) and U.S. Bank National Association, a national banking association, as Trustee under the Indenture referred to below (the "Trustee"). Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

W I T N E S S E T H

WHEREAS, the Issuer and the Guarantors have heretofore executed and delivered to the Trustee an indenture, dated as of February 26, 2007, by and among the Issuers, the Guarantors, and the Trustee (the "**Indenture**"), pursuant to which the Company has issued $175.3 million aggregate principal amount of the Company's 14.25% Senior Secured Notes due 2011 (the "**Notes**");

WHEREAS, the Issuer has implemented a restructuring of the Notes and the related Claims evidenced thereby (as that term is defined in section 101(5) of title 11 of the United States Code) through a confirmed plan of reorganization pursuant to voluntary bankruptcy cases under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 in the United States Bankruptcy Court for the District of Delaware (the "**Plan**"); and

WHEREAS, the Plan provides that the Indenture shall be amended as set forth in this Supplemental Indenture;

NOW, THEREFORE, the Issuer and the Guarantors hereby covenant and agree with the Trustee for the equal and proportionate benefit of the Holders as follows:

ARTICLE 1
AMENDMENT

Section 1.01. Amendment to Exhibit A. All references in the Indenture to Exhibit A shall mean the form of Note attached to this Supplemental Indenture as Exhibit A.

Section 1.02. Amendment to the Recitals of the Issuer and the Guarantors. The first paragraph of the Recitals of the Issuer and the Guarantors shall be deleted and replaced in its entirety with the following:

The Issuer has duly authorized the creation of an issue of 14.25% Senior Secured Notes Due 2013 (the "Initial Notes") and 14.25% Series B Senior Secured Notes Due 2013 (the "Exchange Notes" and, together with the Initial Notes, the "Notes"), of substantially the tenor and amount hereinafter set forth, and to provide therefor the Issuer has duly authorized the execution and delivery of this Indenture.

Section 1.03 Amendments to Section 1.01.

(a) Section 1.01 is hereby amended to amend and restate the following definitions in their entirety:

"**Additional Notes**" means any Notes issued subsequent to the Closing Date (other than Exchange Notes issued in exchange for Initial Notes and other than PIK Notes (and any increase in the principal amount thereof) issued as a result of the payment of PIK Interest) in accordance with the terms of this Indenture, including Section 3.01, Section 3.03 and Section 10.11.

"**Notes**" has the meaning stated in the first recital of this Indenture and more particularly means any Notes authenticated and delivered under the Indenture, including Additional Notes and PIK Notes. For purposes of this Indenture, the term "Notes" shall include any Exchange Notes to be issued and exchanged for any Initial Notes pursuant to the Registration Rights Agreement and this Indenture and shall include any PIK Notes (and any increase in the principal amount of any Global Note) issued as a result of the payment of PIK Interest and, for purposes of this Indenture, (A) all Initial Notes and Exchange Notes (including, to the extent provided in clauses (B) and (C), Additional Notes and PIK Notes (or increase in the principal amount of any Global Note as a result of the payment of PIK Interest), respectively) shall vote together as one series of Notes under this Indenture, (B) all Additional Notes that are of the same series as other Notes shall vote together with such other Notes as one series of Notes under this Indenture, and (C) all PIK Notes that are of the same series as other Notes (or increase in the principal amount of any Global Note as a result of the payment of PIK Interest) shall vote together with such other Notes as one series of Notes under this Indenture.

(b) Section 1.01 is hereby amended to insert the following definitions in alphabetical order:

"**Canadian Facility**" means that certain Senior Secured Credit Agreement, dated as of March 27, 2007, by and among Primus Telecommunications Canada Inc., 3082833 Nova Scotia Company, the lenders party thereto from time to time, Group, Holding and Guggenheim Corporate Funding, LLC, as administrative agent and collateral agent (as may be amended, restated, supplemented or otherwise modified from time to time).

"**Cash Interest**" means interest paid in the form of cash.

"**PIK Interest**" means interest paid with respect to the Notes in the form of either increasing the outstanding principal amount of a Global Note or, with respect to any Note that is not a Global Note, issuing PIK Notes.

"**PIK Notes**" means additional Notes issued under this Indenture on the same terms and conditions as the Notes issued on the Closing Date in connection with the payment of PIK Interest.

"**Priority Indebtedness**" means (a) any Indebtedness of any Restricted Subsidiary of the Issuer and (b) any Indebtedness of any Restricted Person (including the Notes) which is secured by any Lien on any of the assets or properties of any character (including, without limitation, licenses and trademarks) of the Issuer or any Restricted Person, or on any shares of Capital Stock or Indebtedness of any Restricted Person; provided, that Priority Indebtedness shall not include Indebtedness owing by any Restricted Person to the Issuer or any Subsidiary Guarantor.

(c) Section 1.01 is hereby amended to amend and restate clause (xii) of the definition of Permitted Liens in its entirety as follows:

(xii) Liens securing Indebtedness incurred after , 2009 [Note: Date of this Supplemental Indenture] to refinance or replace any secured Indebtedness outstanding on , 2009 [Note: Date of this Supplemental Indenture] (plus premiums, accrued interest, and reasonable fees and expenses on or relating to such secured Indebtedness) that was incurred under clause (i) of paragraph (b) of Section 10.11; provided that such Liens do not extend to or cover any property or assets of any Restricted Person other than the property or assets or, in the case of accounts receivables and inventories and to the extent covered by the terms of the Indebtedness being refinanced, properties or assets of a similar type or category as the property or assets securing the Indebtedness being refinanced or replaced;

Section 1.04. Amendments to Section 3.01.

(a) The fourth paragraph of Section 3.01 of the Indenture shall be deleted and replaced in its entirety with the following:

The Initial Notes shall be known as the "14.25% Senior Secured Notes Due 2013" and the Exchange Notes shall be known as the "14.25% Series B Senior Secured Notes Due 2013," in each case, of the Issuer. The Stated Maturity of the Notes shall be May 20, 2013, and the Notes shall bear interest at the rate of 14.25% per annum from the Issuance Date, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semi-annually on May 31 and November 30 in each year, commencing on May 31, 2007, and at said Stated Maturity, until the principal thereof is paid or duly provided for.

(b) The second-to-last paragraph of Section 3.01 of the Indenture shall be deleted and replaced in its entirety with the following:

The Issuer shall pay interest on the Notes in cash; provided, however, that prior to the earlier of (i) the extension of the maturity of or the repayment in full of the Indebtedness outstanding pursuant to the First Lien Term Loan Credit Facility and the Canadian Facility or (ii) June 1, 2011, up to 4.25% per annum of

the interest on the Notes may be paid, at the sole option of the Issuer, as PIK Interest.

With respect to Global Notes only, if a Holder has given wire instructions to the Issuer, the Issuer will pay all principal of (and premium and Additional Interest, if any) and Cash Interest on such Holder's Notes in accordance with those instructions. Otherwise, the principal of (and premium and Additional Interest, if any) and Cash Interest on the Notes shall be payable at the office or agency of the Issuer maintained for such purpose in The City of New York, or at such other office or agency of the Issuer as may be maintained for such purpose; provided, however, that, at the option of the Issuer, Cash Interest may be paid by check mailed to addresses of the Persons entitled thereto as such addresses shall appear on the Note Register.

(c) There shall be added to the end of Section 3.01 of the Indenture the following paragraph:

Notwithstanding anything in this Indenture to the contrary, in connection with the payment of PIK Interest, the Issuer is entitled, without the consent of the Holders (and without regard to any restrictions or limitations set forth in Section 10.11 hereof), to either increase the outstanding principal amount of a Global Note or, with respect to any Note that is not a Global Note, issue PIK Notes.

Section 1.05 Amendment to Section 3.02. Section 3.02 of the Indenture is hereby amended and restated in its entirety as follows:

Denominations. The Notes shall be issuable only in registered form without coupons and only in denominations of $1,000 and any integral multiple thereof; provided that Notes issued to a Holder that certifies that it is an Accredited Investor on the form set forth as Exhibit C pursuant to Section 3.07 shall be issuable only in registered form without coupons and only in denominations of $250,000 and any integral multiple of $1,000 in excess thereof; provided further that PIK Notes shall be issuable in registered form without coupons and only in denominations of $1.00 and any integral multiple thereof.

Section 1.06 Amendment to Section 3.03. The fourth paragraph of Section 3.03 of the Indenture is hereby amended and restated in its entirety as follows:

At any time and from time to time after the execution and delivery of this Indenture, the Issuer may deliver Initial Notes executed by the Issuer to the Trustee for authentication, together with an Issuer Order for the authentication and delivery of such Initial Notes directing the Trustee to authenticate the Notes and certifying that all conditions precedent to the issuance of Notes contained herein have been fully complied with, and the Trustee in accordance with such Issuer Order shall authenticate and deliver such Initial Notes. On Issuer Order, the Trustee shall authenticate for original issue Exchange Notes; provided that such Exchange Notes shall be issuable only upon the valid surrender for cancellation of Initial Notes of a like aggregate principal amount in accordance with an Exchange Offer pursuant to the Registration Rights Agreement and an Issuer Order for the authentication of such securities

certifying that all conditions precedent to the issuance have been complied with (including the effectiveness of a registration statement related thereto). On Issuer Order, the Trustee shall authenticate for original issue PIK Notes (or increases in the principal amount of any Global Note) as a result of the payment of PIK Interest; provided that such PIK Notes (or increase in the principal amount of any Global Note) as a result of the payment of PIK Interest shall be issuable upon an Issuer Order for the authentication of such securities (or increase in the principal amount of any Global Note) certifying that all conditions precedent to the issuance have been complied with. In each case, the Trustee shall be entitled to receive an Officer's Certificate and an Opinion of Counsel of the Issuer that it may reasonably request in connection with such authentication of Notes. Such order shall specify the amount of Notes to be authenticated or increased and the date on which the original issue of Initial Notes, Exchange Notes or PIK Notes (or increases in the principal amount of any Global Note) are to be authenticated or increased.

Section 1.07. Amendment to Section 10.01. There shall be added to the end of Section 10.01 of the Indenture the following sentence:

PIK Interest shall be considered paid on the date due if the Trustee is directed on or prior to such date to issue PIK Notes or increase the principal amount of the Global Note, in each case, in an amount equal to the amount of applicable PIK Interest.

Section 1.08. Amendment to Section 10.09. Section 10.09 of the Indenture is hereby amended to add the following at the end of such section:

(d) At Group's option, in lieu of complying with the provisions set forth in Sections 10.09(a), (b) and (c) above, Group may furnish to the Trustee:

(i) as soon as available, but in any event within 90 days after the end of each fiscal year of Group, a copy of the audited consolidated balance sheet of Group as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures as of the end of and for the previous year, reported on by Deloitte & Touche or other independent certified public accountants of nationally recognized standing;

(ii) as soon as available, but in any event not later than 45 days after the end of each of the first three quarterly periods of each fiscal year of Group, the unaudited consolidated balance sheet of Group as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures as of the end of and for the corresponding period in the previous year; and all such financial statements to be complete and correct in all material respects and to be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein and with prior periods (except as approved by such accountants or officer, as the case may be, and disclosed therein);

(iii) in connection with each delivery pursuant to clause (ii) above, a certificate by the Chief Financial Officer of Group certifying that such financial statements are fairly stated in all material respects (subject to normal year-end audit adjustments); and

(iv) in addition, for so long as any Notes remain outstanding, Group shall furnish to the Holders, beneficial owners of the Notes, and to securities analysts and prospective investors, upon their request, the information described above as well as all information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Group will distribute such information and such reports electronically to the Trustee, and will make them available upon request to any Holder, any beneficial owner of the Notes, any prospective investor, any securities analyst and any market maker in the Notes by posting such information and reports on Intralinks or any comparable password protected outline data system, which will require a confidentiality acknowledgement.

Section 1.09. Amendments to Section 10.10.

(a) Section 10.10(c)(vii) of the Indenture is hereby amended and restated in its entirety as follows:

(vii) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered; provided that each Note purchased and each new Note issued shall be in a principal amount of $1,000 or integral multiples thereof; provided further that each PIK Note in definitive form purchased and each new PIK Note issued shall be in a principal amount of $1.00 or integral multiples thereof.

(b) The second paragraph of Section 10.10(e) of the Indenture is hereby amended and restated in its entirety as follows:

The Paying Agent promptly shall mail, to the Holders of Notes so accepted, payment in an amount equal to the purchase price, and the Trustee promptly shall authenticate and mail to such Holders a new Note equal in principal amount of any unpurchased portion of the Notes surrendered; provided that each Note purchased and each new Note issued shall be in a principal amount of $1,000 or integral multiples thereof; provided further that each PIK Note in definitive form purchased and each new PIK Note in definitive form issued shall be in a principal amount of $1.00 or integral multiples thereof. The Issuer will announce publicly the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

Section 1.10. Amendments to Section 10.11.

(a) Section 10.11(a) of the Indenture is hereby amended and restated in its entirety as follows:

(a) Issuer will not, and will not permit any of the Restricted Persons to, Incur any Indebtedness, including Acquired Indebtedness (other than Existing Indebtedness and the Notes issued under the Indenture (other than Additional Notes)); provided, however, that

(i) the Issuer and any Restricted Person that is a Guarantor may Incur Indebtedness, including Acquired Indebtedness but excluding Priority Indebtedness, if immediately thereafter the ratio (the "Indebtedness to Consolidated Cash Flow Ratio") of:

(A) the aggregate principal amount (or accreted value, as the case may be) of Indebtedness of the Restricted Persons on a consolidated basis outstanding as of the Transaction Date to

(B) the Pro Forma Consolidated Cash Flow of the Restricted Persons for the preceding two full fiscal quarters multiplied by two, determined on a pro forma basis as if any such Indebtedness that had been Incurred and the proceeds thereof had been applied at the beginning of such two fiscal quarters,

would be greater than zero and less than 3.5 to 1.0 or, if Group is, at the time of determination, a Restricted Person, 5.0 to 1.0; and

(ii) the Issuer and any Restricted Person that is a Guarantor may Incur Priority Indebtedness, including Acquired Indebtedness, if immediately thereafter the ratio (the "Priority Indebtedness to Consolidated Cash Flow Ratio") of

(A) the aggregate principal amount (or accreted value, as the case may be) of Priority Indebtedness of the Restricted Persons on a consolidated basis outstanding as of the Transaction Date to

(B) the Pro Forma Consolidated Cash Flow of the Restricted Persons for the preceding two full fiscal quarters multiplied by two, determined on a pro forma basis as if any such Indebtedness that had been Incurred and the proceeds thereof had been applied at the beginning of such two fiscal quarters,

would be greater than zero and less than 2.0 to 1.0.

(b) Clause (iii) of Section 10.11(b) of the Indenture is hereby amended by inserting the following before the semicolon at the end of such clause:

and, in the case of any Indebtedness other than intercompany Indebtedness arising out of the ordinary course of business intercompany transactions, may not constitute Priority Indebtedness

(c) Clause (iv) of Section 10.11(b) of the Indenture is hereby amended and restated in its entirety as follows:

(iv) Indebtedness of any Restricted Person issued in exchange for, or the net proceeds of which are used to refinance or refund, then outstanding Indebtedness of a Restricted Person, other than Indebtedness Incurred under clauses (i), (iii), (v), (viii), (ix) and (x) of this paragraph, and any refinancings thereof in an amount not to exceed the amount so refinanced or refunded (plus premiums, accrued interest, and reasonable fees and expenses); provided that such new Indebtedness shall only be permitted under this clause (iv) if

(A) in case the Notes are refinanced in part or the Indebtedness to be refinanced is pari passu with the Notes or any applicable Guarantee, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made pari passu with, or subordinate in right of payment to, the remaining Notes or the applicable Guarantee,

(B) in case the Indebtedness to be refinanced is subordinated in right of payment to the Notes or any applicable Guarantee, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is made subordinate expressly in right of payment to the Notes or the applicable Guarantee at least to the extent that the Indebtedness to be refinanced is subordinated to the Notes and the applicable Guarantee,

(C) such new Indebtedness, determined as of the date of Incurrence of such new Indebtedness, does not mature prior to the Stated Maturity of the Indebtedness to be refinanced or refunded, and the Average Life of such new Indebtedness is at least equal to the remaining Average Life of the Indebtedness to be refinanced or refunded; and provided further that in no event may (1) Indebtedness of Parent be refinanced by means of any Indebtedness of any Restricted Person that is a Subsidiary of Parent pursuant to this clause (iv) and (2) Indebtedness of the Issuer be refinanced by means of any Indebtedness of any Restricted Subsidiary of the Issuer pursuant to this clause (iv), and

(D) such new Indebtedness may not constitute Priority Indebtedness except to the extent that, and in the same manner as, the Indebtedness to be refinanced or refunded is Priority Indebtedness;

(d) Clause (vi) of Section 10.11(b) of the Indenture is hereby amended to insert the following at the end of such clause:

provided, that proceeds of Indebtedness of any Subsidiary Guarantor may not be used to defease any Indebtedness of any Person other than such Subsidiary Guarantor or another Subsidiary Guarantor;

(e) Clause (vii) of Section 10.11(b) of the Indenture is hereby amended and restated in its entirety as follows:

(vii) Acquired Indebtedness not to exceed $100 million at any one time outstanding; provided that, as a result of such incurrence,

(A) in the case of Acquired Indebtedness incurred by any Restricted Person, the Indebtedness to Consolidated Cash Flow Ratio at the time of the incurrence of such Acquired Indebtedness and calculated giving pro forma effect to such incurrence (in accordance with the definition of "Indebtedness to Consolidated Cash Flow Ratio") and the related Asset Acquisition as if the same had occurred at the beginning of the most recently ended two fiscal quarters, would have been less than, in the case of Acquired Indebtedness incurred directly by any Restricted Person, the Indebtedness to Consolidated Cash Flow Ratio for the same period without giving pro forma effect to such incurrence and Asset Acquisition; and

(B) in the case of Acquired Indebtedness that is Priority Indebtedness, the Priority Indebtedness to Consolidated Cash Flow Ratio at the time of the incurrence of such Acquired Indebtedness and calculated giving pro forma effect to such incurrence (in accordance with the definition of "Priority Indebtedness to Consolidated Cash Flow Ratio") and the related Asset Acquisition as if the same had occurred at the beginning of the most recently ended two fiscal quarters, would have been less than the Priority Indebtedness to Consolidated Cash Flow Ratio for the same period without giving pro forma effect to such incurrence and Asset Acquisition;

(f) Clause (ix) of Section 10.11(b) of the Indenture is hereby amended and restated in its entirety as follows:

(ix) Indebtedness (other than Priority Indebtedness) of any Restricted Person not otherwise permitted hereunder in an aggregate principal amount which, when aggregated with the principal amount of all other Indebtedness then outstanding and incurred by any Restricted Person pursuant to this clause (ix) or clause (xi) below, does not exceed $200 million at any one time outstanding;

(g) Clause (x) of Section 10.11(b) of the Indenture is hereby amended by deleting the period at the end of such clause and substituting "; and" in lieu thereof.

(h) Section 10.11(b) of the Indenture is hereby amended by inserting the following new clause (xi):

(xi) Indebtedness of the Issuer and the Subsidiary Guarantors in respect of the Notes (and guarantees thereof), whether issued prior to or after , 2009 [Note: the date of this Supplemental Indenture], in an aggregate principal amount outstanding, when combined with any outstanding principal amount of Indebtedness issued under clause (ix) above, not to exceed $200,000,000.

Section 1.11. Amendments to Section 10.17.

(a) Section 10.17(vii) of the Indenture is hereby amended and restated in its entirety as follows:

(vii) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered; provided that each Note purchased and each new Note issued shall be in a principal amount of $1,000 or integral multiples thereof; provided further that each PIK Note in definitive form purchased and each new PIK Note in definitive form issued shall be in a principal amount of $1.00 or integral multiples thereof.

(b) The second to the last paragraph of Section 10.17 of the Indenture is hereby amended and restated in its entirety as follows:

The Paying Agent promptly shall mail to the Holders of Notes so accepted payment in an amount equal to the purchase price, and the Trustee shall upon Issuer Order promptly authenticate and mail to such Holders a new Note equal in principal amount to any unpurchased portion of the Note surrendered; provided that each Note purchased and each new Note issued shall be in a principal amount of $1,000 or integral multiples thereof; provided further that each PIK Note in definitive form purchased and each new PIK Note in definitive form issued shall be in a principal amount of $1.00 or integral multiples thereof. The Issuer will publicly announce the results of the Excess Proceeds Offer as soon as practicable after the Excess Proceeds Payment Date. For purposes of this Section 10.17, the Trustee shall act as the Paying Agent.

Section 1.12. Amendment to Section 11.04. The first paragraph of Section 11.04 of the Indenture is hereby amended and restated in its entirety as follows:

Selection by Trustee of Notes to Be Redeemed. If less than all the Notes are to be redeemed, the particular Notes to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Notes not previously called for redemption, in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed, if the Notes are not listed on a national securities exchange, on a pro rata basis, by lot or by such method as the Trustee shall deem fair and appropriate and

which may provide for the selection for redemption of portions of the principal of Notes; provided that no such partial redemption shall reduce the portion of the principal amount of a Note not redeemed to less than $1,000; provided further that no such partial redemption shall reduce the portion of the principal amount of a PIK Note in definitive form not redeemed to less than $1.00.

ARTICLE 2
MISCELLANEOUS

Section 2.01 Effect and Operation of Supplemental Indenture. This Supplemental Indenture shall be effective, binding and operative immediately upon its execution by the Issuer, the Guarantors and the Trustee, and thereupon this Supplemental Indenture shall form a part of the Indenture for all purposes, and every Note and Guarantee heretofore or hereafter authenticated and delivered under the Indenture shall be bound hereby.

Section 2.02 Indenture and Supplemental Indenture Construed Together. This Supplemental Indenture is an indenture supplemental to and in implementation of the Indenture, and the Indenture and this Supplemental Indenture shall henceforth be read and construed together.

Section 2.03 Trust Indenture Act Controls. If any provision of the Indenture, as amended by this Supplemental Indenture, limits, qualifies or conflicts with the duties imposed by TIA § 318(c), the imposed duties shall control.

Section 2.04 GOVERNING LAW. THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SECOND SUPPLEMENTAL INDENTURE WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

Section 2.05 Successors. All covenants and agreements by an Obligor in the Indenture, as amended by this Supplemental Indenture, shall bind its successors and assigns, whether so expressed or not.

Section 2.06 Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

Section 2.07 Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

Section 2.08 Severability. In case any provision in the Indenture, as amended by this Supplemental Indenture, or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 2.09 The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Company.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

PRIMUS TELECOMMUNICATIONS IHC, INC.,
as the Issuer

By: _____
Name:
Title:

Guarantors:

PRIMUS TELECOMMUNICATIONS GROUP,
INCORPORATED

By: _____
Name:
Title:

PRIMUS TELECOMMUNICATIONS
HOLDING, INC.

By: _____
Name:
Title:

PRIMUS TELECOMMUNICATIONS, INC.

By: _____
Name:
Title:

TRESCOM INTERNATIONAL, INC.

By: _____
Name:
Title:

LEAST COST ROUTING, INC.

By: _____
Name:
Title:

TRESCOM U.S.A., INC.

By: _____
Name:
Title:

IPRIMUS USA, INC.

By: _____
Name:
Title:

IPRIMUS.COM, INC.

By: _____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Name:
Title:

EXHIBIT A

[FORM OF FACE OF NOTE]

PRIMUS TELECOMMUNICATIONS IHC, INC.

14.25% [Series B][1] Senior Secured Note Due 2013

[CUSIP] [CINS]

No. $

Primus Telecommunications IHC, Inc., a Delaware corporation (herein called the "Issuer," which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to or registered assigns, the principal sum of United States dollars on May 20, 2013, at the office or agency of the Issuer referred to below, and to pay interest thereon on May 31, 2007 and semi-annually thereafter, on May 31 and November 30 in each year, from February 26, 2007 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, at the rate of 14.25% per annum as set forth below, until the principal hereof is paid or duly provided for, and (to the extent lawful) to pay on demand interest on any overdue interest at the rate borne by the Notes from the date on which such overdue interest becomes payable to the date payment of such interest has been made or duly provided for. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Note (or one or more Predecessor Notes) is registered at the close of business on the Regular Record Date for such interest, which shall be the May 15 or November 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Holder on such Regular Record Date, and such defaulted interest, and (to the extent lawful) interest on such defaulted interest at the rate borne by the Notes, may be paid to the Person in whose name this Note (or one or more Predecessor Notes) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Notes not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

The Issuer shall pay interest on the Notes in cash ("Cash Interest"); provided, however, that prior to the earlier of (i) the extension of the maturity of or the repayment in full of the Indebtedness outstanding pursuant to the First Lien Term Loan Credit Facility and the Canadian Facility or (ii) June 1, 2011, up to 4.25% per annum of the interest on the Notes may be paid, at the option of the Issuer, [by increasing the principal amount of this Note][2] [by issuing PIK Notes

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1 Include only for Exchange Notes.

2 Include for Global Notes only.

("PIK Interest")][3]. The Issuer must elect the form of interest payment with respect to each Interest Payment Date by delivering a notice to the Trustee prior to such Interest Payment Date. The Trustee shall promptly deliver a corresponding notice to the Holders. In the absence of such an election for any Interest Payment Date, interest on this Note will be payable in the form of the interest payment for the prior Interest Payment Date.

PIK Interest on this Note will be payable [by increasing the principal amount of this Note by an amount equal to the amount of PIK Interest (rounded up to the nearest $1,000)][4] [by issuing PIK Notes in an aggregate principal amount equal to the amount of PIK Interest (rounded up to the nearest whole dollar) and the Trustee will, at the request of the Issuer, authenticate and deliver such PIK Notes for original issuance to the Holders on the relevant record date, as shown on the Note Register][5]. [Following an increase in the principal amount of this Note as a result of the payment of PIK Interest, this Note will bear interest on such increased principal amount from and after the date of such payment of PIK Interest.][6] [Any PIK Notes will be dated as of the applicable Interest Payment Date and will bear interest from and after such date.][7] All PIK Notes issued pursuant to the payment of PIK Interest will mature on May 20, 2013 and will be governed by, and subject to the terms, provisions and conditions of, the Indenture and shall have the same rights and benefits as the Notes issued on the Issuance Date. [Any PIK Notes will be issued with the description "PIK" on the face of such PIK Note.][8]

The Holder of this Note is entitled to the benefits of the Registration Rights Agreement, dated as of February 26, 2007 (the "Registration Rights Agreement"), among the Issuer, Primus Telecommunications Group, Incorporated, Primus Telecommunications Holding, Inc., the subsidiaries party thereto and the Holders party thereto. In the event that either (i) any of the Registration Statements required by the Registration Rights Agreement is not declared effective by the Commission on or prior to the date specified for such effectiveness in the Registration Rights Agreement (the "Effectiveness Target Date"), (ii) the Exchange Offer has not been consummated on or prior to the date specified for such consummation in the Registration Rights Agreement or (iii) any Registration Statement required by the Registration Rights Agreement is filed and declared effective but thereafter ceases to be effective or fails to be usable for its intended purpose (in the case of the Exchange Offer Registration Statement referred to in the Registration Rights Agreement, at any time after the Effectiveness Target Date and, in the case of a Shelf Registration Statement referred to in the Registration Rights Agreement, at any time but subject to certain permitted suspensions as more fully described in the Registration Rights Agreement) without being succeeded within five Business Days by a post-effective amendment to such Registration Statement that cures such failure and that is declared effective within such five Business Day period (each such event referred to in clauses (i) through (iii) above, a

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3 Include for certificated Notes only.

4 Include for Global Notes only.

5 Include for certificated Notes only.

6 Include for Global Notes only.

7 Include for certificated Notes only.

8 Include for certificated Notes only.

"Registration Default"), additional cash interest ("Additional Interest") shall accrue to each Holder of the Notes commencing upon the occurrence of such Registration Default in an amount equal to .25% per annum of the principal amount of Notes held by such Holder. The amount of Additional Interest will increase by an additional .25% per annum of the principal amount of Notes with respect to each subsequent 90-day period (or portion thereof) until all Registration Defaults have been cured, up to a maximum rate of Additional Interest of 1.00% per annum of the principal amount of Notes. All accrued Additional Interest will be paid to Holders by the Issuer in the same manner as interest is paid pursuant to the Indenture. Following the cure of all Registration Defaults, the accrual of Additional Interest will cease.

If a Holder has given wire instructions to the Issuer, the Issuer will pay all principal of (and premium and Additional Interest, if any) and Cash Interest on such Holder's Notes in accordance with those instructions. Otherwise, payment of the principal of (and premium and Additional Interest, if any) and Cash Interest on this Note will be made at the office or agency of the Issuer maintained for that purpose in The City of New York, or at such other office or agency of the Issuer as may be maintained for such purpose, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of Cash Interest may be made at the option of the Issuer (i) by check mailed to the address of the Person entitled thereto as such address shall appear on the Note Register or (ii) by transfer to an account maintained by the payee located in the United States.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been duly executed by the Trustee referred to on the reverse hereof by manual signature, this Note shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be duly executed under its corporate seal.

PRIMUS TELECOMMUNICATIONS IHC, INC.

By: _____
Name:
Title:

Attest:

Authorized Signature

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

Dated: _____

This is one of the Notes referred to in the within-mentioned Indenture

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

[FORM OF REVERSE SIDE OF NOTE]

PRIMUS TELECOMMUNICATIONS IHC, INC.

14.25% [Series B][9] Senior Secured Notes Due 2013

This Note is one of a duly authorized issue of notes of the Issuer designated as its 14.25% Senior Secured Notes Due 2013 (herein called the "Notes"), which may be issued under an indenture (herein called the "Indenture") dated as of February 26, 2007 among the Issuer, Primus Telecommunications Group, Incorporated ("Group"), Primus Telecommunications Holding, Inc. ("Holding" and, together with Group, "Parent"), the subsidiaries party thereto (the "Subsidiary Guarantors" and, together with Parent, the "Guarantors") and U.S. Bank National Association, trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties, obligations and immunities thereunder of the Issuer, Parent, the Subsidiary Guarantors, the Trustee and the Holders of the Notes, and of the terms upon which the Notes are, and are to be, authenticated and delivered.

The performance and punctual payment when due, whether at maturity, by acceleration, by redemption or otherwise, of all monetary obligations of the Issuer under this Indenture and the Notes, whether for principal of, or interest or Additional Interest on, the Notes, indemnification or otherwise, are unconditionally guaranteed by Parent as set forth in the Indenture.

The Notes are subject to redemption upon not less than 30 nor more than 60 days prior notice, in whole or in part, at any time or from time to time on or after February 26, 2008 and prior to Maturity, at the election of the Issuer, at Redemption Prices (expressed in percentages of principal amount thereof), plus accrued and unpaid interest and Additional Interest, if any, thereon to the Redemption Date (subject to the right of Holders of record on the relevant Record Date to receive interest due on an Interest Payment Date that is on or prior to the Redemption Date), if redeemed during the 12-month period beginning February 26 of the years indicated:

	Redemption
2008	102.00%
2009	101.00%
2010 (and thereafter)	100.00%

Notwithstanding the foregoing, prior to February 26, 2008, the Issuer may on any one or more occasions redeem up to 35% of the originally issued principal amount of Notes at a redemption price of 100.00% of the principal amount thereof, plus accrued and unpaid interest and Additional Interest, if any, thereon to the redemption date, with the Net Cash Proceeds of one or more Equity Offerings to the extent such Net Cash Proceeds have been contributed to the Issuer as common equity; provided (i) that at least 65% of the originally issued principal amount

9 Include only for Exchange Notes.

of Notes remains outstanding immediately after giving effect to such redemption and (ii) that notice of such redemption is mailed within 60 days of the closing of each such Equity Offering.

Upon the occurrence of a Change of Control, the Holder of this Note may require the Issuer, subject to certain limitations provided in the Indenture, to repurchase all or any part of this Note at a purchase price in cash in an amount equal to 101% of the principal amount thereof plus accrued and unpaid interest and Additional Interest, if any, to the date of purchase.

Under certain circumstances, in the event the Net Cash Proceeds received by the Issuer from an Asset Sale, which proceeds are not used to (i) (A) apply an amount equal to such Net Cash Proceeds to permanently reduce, repay, redeem or repurchase First Lien Indebtedness of any Restricted Person that is not a Guarantor, in each case owing to a Person other than any Restricted Person; provided that if such unsubordinated Indebtedness (other than secured Indebtedness under any Credit Facility) is pari passu with the Notes, then the Issuer will ratably reduce, repay, redeem or repurchase Indebtedness under the Notes, or (B) invest an equal amount, or the amount not so applied pursuant to clause (A), in long-term property or assets of a nature or type or that are used in a business (or in a company having property and assets of a nature or type, or engaged in a business) similar or related to the nature or type of the property and assets of, or the business of, the Issuer and the Restricted Persons existing on the date of such investment (as determined in good faith by the Board of Directors of Group, whose determination shall be conclusive and evidenced by a Board Resolution) and (ii) apply (no later than the end of the 360-day period immediately following the date of receipt of the Net Cash Proceeds from an Asset Sale) such excess Net Cash Proceeds (to the extent not applied pursuant to clause (i)) in accordance with the Indenture, the Issuer shall be required to make an offer to all Holders to purchase the maximum principal amount of Notes, in an integral multiple of $1,000, that may be purchased out of such amount at a purchase price in cash equal to 100% of the principal amount thereof, plus accrued, unpaid interest and Additional Interest, if any, to the date of purchase, in accordance with the Indenture. Holders of Notes that are subject to any offer to purchase shall receive an Excess Proceeds Offer from the Issuer prior to any related Excess Proceeds Payment Date.

In the case of any redemption or repurchase of Notes, interest installments and Additional Interest, if any, whose Stated Maturity is on or prior to the Redemption Date or Excess Proceeds Payment Date will be payable to the Holders of such Notes, or one or more Predecessor Notes, of record at the close of business on the relevant Record Date referred to on the face hereof. Notes (or portions thereof) for whose redemption and payment provision is made in accordance with the Indenture shall cease to bear interest from and after the Redemption Date or Excess Proceeds Payment Date, as the case may be.

In the event of redemption of this Note in part only, a new Note or Notes for the unredeemed portion hereof shall be issued in the name of the Holder hereof upon the cancellation hereof.

If an Event of Default shall occur and be continuing, the principal of all the Notes may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture contains provisions for defeasance at any time of (a) the entire indebtedness of the Issuer on this Note and (b) certain restrictive covenants and the related Defaults and Events of Default, upon compliance by the Issuer with certain conditions set forth therein, which provisions apply to this Note.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Holders under the Indenture at any time by the Issuer and the Trustee with the consent of the Holders of a majority in aggregate principal amount of the Notes at the time Outstanding. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Notes at the time Outstanding, on behalf of the Holders of all the Notes, to waive compliance by the Issuer with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by or on behalf of the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange herewith or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of (and premium, if any) and interest and Additional Interest, if any, on this Note at the times, place, and rate, and in the coin or currency, herein prescribed.

If less than all the Notes are to be redeemed, the particular Notes to be redeemed shall be selected not more than 60 days prior to the Redemption Date in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed or, if the Notes are not listed on a national securities exchange, on a pro rata basis, by lot or by such other method as the Trustee in its sole discretion shall deem fair and appropriate and which may provide for the selection for redemption of portions of the principal of Notes.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Note is registrable on the Note Register of the Issuer, upon surrender of this Note for registration of transfer at the office or agency of the Issuer maintained for such purpose in The City of New York, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Note Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Notes, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Notes are issuable only in registered form without coupons in denominations of $1,000 and any integral multiple thereof; provided that PIK Notes are issuable only in registered form without coupons in denominations of $1.00 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, the Notes are exchangeable for a like aggregate principal amount of Notes of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any registration of transfer or exchange of Notes, but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to the time of due presentment of this Note for registration of transfer, the Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the Person in whose name this Note is registered on the Note Register as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Issuer, the Trustee nor any agent shall be affected by notice to the contrary.

THIS NOTE SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Interest on this Note shall be computed on the basis of a 360-day year of twelve 30-day months. All terms used in this Note which are defined in the Indenture and not otherwise defined herein shall have the meanings assigned to them in the Indenture.

[FORM OF TRANSFER NOTICE]

FOR VALUE RECEIVED the undersigned registered holder hereby sell(s), assign(s) and transfer(s) unto

Insert Taxpayer Identification No.

(Please print or typewrite name and address including zip code of assignee)

the within Note and all rights thereunder, hereby irrevocably constituting and appointing _____ its attorney to transfer such Note on the books of the Issuer with full power of substitution in the premises.

**[THE FOLLOWING PROVISION TO BE INCLUDED ON ALL NOTES
OTHER THAN EXCHANGE NOTES AND OFFSHORE PHYSICAL NOTES]**

In connection with any transfer of this Note occurring prior to the date which is the earlier of the (i) date of an effective Registration Statement or (ii) one year after the later of the original issuance of this Note or the last date on which this Note was held by an Affiliate of the Issuer, the undersigned confirms that without utilizing any general solicitation or general advertising:

[Check One]

[ ] (a) this Note is being transferred in compliance with the exemption from registration under the Securities Act of 1933, as amended, provided by Rule 144A thereunder,

or

[ ] (b) this Note is being transferred other than in accordance with (a) above and documents are being furnished which comply with the conditions of transfer set forth in this Note and the Indenture.

If neither of the foregoing boxes is checked, the Trustee or other Note Registrar shall not be obligated to register this Note in the name of any Person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Section 3.05 of the Indenture shall have been satisfied.

Signature Guarantee*:

Date:

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or any change whatsoever.

* Guarantor must be a member of the Securities Transfer Agents Medallion Program (“STAMP”), the New York Stock Exchange Medallion Signature Program (“MSP”) or the Stock Exchange Medallion Program (“SEMP”)

DTC Participant Number: _____

TO BE COMPLETED BY PURCHASER IF (a) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it or such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, as amended, and that each is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Issuer as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that each is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Date:

NOTICE: To be executed by an executive officer

OPTION OF HOLDER TO ELECT PURCHASE

If you wish to have this Note purchased by the Issuer pursuant to Section 10.10 or 10.17 of the Indenture, check the Box: [ ]

If you wish to have a portion of this Note purchased by the Issuer pursuant to
Section 10.10 or 10.17 of the Indenture, state the amount (in original principal amount) below:

$.

Date:

Your Signature:

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee*: _____

* Guarantor must be a member of the Securities Transfer Agents Medallion Program ("STAMP"), the New York Stock Exchange Medallion Signature Program ("MSP") or the Stock Exchange Medallion Program ("SEMP")

DTC Participant Number: _____

Primus Telecommunications Group, Incorporated Announces Consensual Financial Restructuring

- **Over 50 Percent Debt and Interest Expense Reduction Sought Through Expedited Chapter 11 Filing**
- **No Operating Subsidiaries Included in the Filing; All Vendors, Carriers, Customers and Employees of Operating Subsidiaries Unaffected by the Filing**
- **Consensual Plan of Reorganization and Disclosure Statement Filed with Court**
- **Plan Support Agreement Signed by Majority of Impaired Noteholders**

McLean, VA – March 16, 2009 – Primus Telecommunications Group, Incorporated (OTCBB: PRTL), together with three affiliated holding companies, Primus Telecommunications Holding, Inc, Primus Telecommunications International, Inc. and Primus Telecommunications IHC, Inc. (together, the "Holding Companies"), today announced that they have reached agreement with various noteholders on the terms of a consensual financial restructuring that, if consummated, would materially improve the Holding Companies' liquidity by reducing principal debt obligations by approximately $315 million, or over 50%, reduce interest payments by over 50% and extend certain debt maturities. The Holding Companies and certain noteholders have entered into a Plan Support Agreement whereby a majority of noteholders have committed to support the restructuring through an agreed plan of reorganization.

The Holding Companies today filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the District of Delaware, along with the proposed plan of reorganization and disclosure statement. The Company also secured waivers from certain senior secured lenders with respect to the filings and the debt of the remaining

senior secured lenders is to be reinstated under the proposed plan. The Company is in continuing discussions with the remaining senior secured lenders for a potential resolution of their claims. A hearing on the adequacy of the disclosure statement will be requested shortly. It is anticipated that the plan filing should expedite the reorganization and that the reorganization could be completed in 90 to 120 days.

None of PRIMUS's operating companies in the United States, Australia, Canada, India, Europe and Brazil are included in the filing. All operating units are expected to continue to manage and to operate their businesses without interruption as a result of the filing. Employees, customers, suppliers and partners of these operating business units will be unaffected during what is anticipated to be an expedited financial restructuring of the Holding Companies.

The Holding Companies stated that, because this plan represents a balance sheet restructuring, it did not create a need to seek debtor-in-possession financing due to the fact that all business expenses are handled at the operating level and should not be affected by today's filing. They stated further that the Holding Companies have adequate cash available to support operations during this "fast-track," consensual restructuring.

"This is a relatively straight-forward balance sheet restructuring at the Holding Company level. Our operating units are strong and have adequate cash resources to meet the needs of their businesses throughout this process," said K. Paul Singh, Chairman and Chief Executive Officer. "Confirmation of the plan of reorganization will put PRIMUS in a stronger position to weather current global economic conditions and should enable us to take advantage of opportunities that may arise. After emergence, the Holding Companies will have a stronger balance sheet and should have improved free cash flow."

The Proposed Plan of Reorganization

The significant elements of the consensual plan include:

- Reinstate $96 million in outstanding variable rate Term Loan debt due 2011;

- Exchange $173.2 million of outstanding 14 1/4 % Senior Secured Notes for a pro rata share of $123.4 million of 14 1/4 % Senior Secured Notes to be issued by Primus Telecommunications IHC, Inc., subject to certain modifications, and for a pro rata share of 50% of the equity of the reorganized company distributed to creditors of the Holding Companies;
- Exchange the 8% Senior Notes and 5% Exchangeable Notes for 50% of the equity of the reorganized company distributed to creditors of the Holding Companies and warrants exchangeable into additional equity in the reorganized company at predetermined levels of enterprise value;
- Exchange the 12 3/4% Senior Notes, 3 3/4% Convertible Senior Notes and 8% Step Up Convertible Subordinated Debentures for warrants exchangeable into equity in the reorganized company at predetermined levels of enterprise value;
- Cancel all of the existing equity interests in the parent Holding Company and issue contingent value rights (CVRs) exchangeable into up to 15% of the fully diluted value of the reorganized company after a predetermined level of enterprise value is reached;
- Key employees can attain up to 4% of the equity of the reorganized company through a combination of shares vesting upon attaining performance benchmarks and warrants for up to 6% exchangeable into equity in the reorganized company based upon achieving predetermined levels of enterprise value.
- Suppliers to be paid in full in the ordinary course.

“The proposed plan is the result of extensive negotiations with most of our major stakeholders, and we believe that it provides the highest and fairest recovery for all of our stakeholders,” said Mr. Singh.

Fourth Quarter Results

Mr. Singh also stated, “As discussed in our earnings press release issued today, our operating results are stable and showed some improvement in the fourth quarter 2008. We reported fourth quarter 2008 net revenue of $203 million, down $28 million from

third quarter 2008 and down $18 million from the year-ago quarter. The revenue decline in the fourth quarter is attributable to the $35 million negative impact from the strengthening of the US dollar against currencies in our major foreign operations, which was offset by retail revenue growth of $4 million and wholesale services revenue growth of $3 million in the fourth quarter. Income from operations for the fourth quarter 2008 was $7 million; this is in line with the $7 million reported in the prior quarter, which included a $5 million gain from the sale of primarily rural WIMAX spectrum assets. Fourth quarter 2008 Adjusted EBITDA was $15 million, as compared to $12 million in the prior quarter and $17 million in the year-ago quarter. Adjusted EBITDA for the full year 2008 was $66 million. The December 31, 2008 unrestricted cash balance was $37 million.

Business As Usual

“All operations are expected to continue in the ordinary course without interruption. Employees worldwide will continue to be paid in the normal manner, and benefits will continue without interruption. Vendors of all the foreign and domestic operating entities will continue to be paid in full, in accordance with normal terms and conditions, for all goods furnished and services provided to date and in the future. In summary, the plan of reorganization has been carefully crafted to minimize any impact on our employees, our customers or our vendors,” Mr. Singh concluded. “The non-disruptive outcome was also an objective of our consenting noteholders and certain senior lenders who, through their cooperation, have demonstrated faith in our operating businesses and the enterprise value that a restructured PRIMUS is capable of generating.”

The Companies have established toll-free and direct dial numbers for parties interested in more information. For callers in the U.S., the number is 866-889-2182. For callers outside the U.S. the number is 310-432-4187. We also can be reached via email at ir@primustel.com.

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PRIMUS Telecommunications Group, Incorporated (OTCBB: PRTL) is an integrated communications services provider offering international and domestic voice, voice-over-Internet protocol (VOIP), Internet, wireless, data and hosting services to business and residential retail customers and other carriers located primarily in the United States, Canada, Australia, the United Kingdom and Western Europe. PRIMUS provides services over its global network of owned and leased transmission facilities, including approximately 500 points-of-presence (POPs) throughout the world, ownership interests in undersea fiber optic cable systems, 18 carrier-grade international gateway and domestic switches, and a variety of operating relationships that allow it to deliver traffic worldwide. Founded in 1994, PRIMUS is based in McLean, Virginia.

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Statements in this press release concerning the plan of reorganization, financing requirements, post-restructuring financial condition, prospects, cash flow and investments, fourth quarter 2008 financial performance, year-end financial condition and ongoing impacts on our operations and objectives 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 filing. 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 of the Holding Companies to obtain support of the Term Loan group and to confirm and consummate the contemplated Chapter 11 plans of reorganization; (ii) the potential adverse impact of the Chapter 11 filings on the operations, management and employees of the Holding Companies and their subsidiaries, and the risks associated with operating businesses under Chapter 11 protection; (iii) the potential need to modify or amend the contemplated Chapter 11 plan of reorganization, (iv) the potential need to secure an approved debtor-in-possession financing facility; (v) the ability to service substantial indebtedness; (vi) customer, vendor, carrier and third-party responses to the Chapter 11 filings; (vii) potential adverse actions that may be pursued by certain senior lenders including the Term Loan group; and (viii) 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) and with the U.S. Bankruptcy Court in connection with the Companies’ Chapter 11 filing, including but not limited to (a) the continuation (or worsening) of trends involving the strengthening of the U.S. dollar, as well as 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; (b) 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; (c) a continuation or worsening of turbulent or weak financial and capital market conditions; (d) a continuation or worsening of global recessionary economic conditions, including the effects of such conditions on our customers and our accounts receivables and revenues; (e) fluctuations in prevailing trade credit terms due to the Holding Companies’ Chapter 11 filings or uncertainties concerning our financial position, or otherwise; and (f) 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. 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.

Contact:

John DePodesta
Executive Vice President
PRIMUS Telecommunications Group, Incorporated
(703) 748-8050
ir@primustel.com

PRIMUS TELECOMMUNICATIONS REPORTS
FOURTH QUARTER AND FULL YEAR 2008 FINANCIAL RESULTS

McLEAN, VA — (MARKET WIRE) – March 16, 2009 — PRIMUS Telecommunications Group, Incorporated (OTCBB: PRTL), a global, facilities-based integrated communications services provider, today announced its results for the quarter and year ended December 31, 2008.

Fourth Quarter 2008 Highlights:

- **$203 Million Net Revenue**
- **$7 Million Income from Operations**
- **$15 Million Adjusted EBITDA**

Full Year 2008 Highlights:

- **$896 Million Net Revenue – Stable With Prior Year**
- **$39 Million Income from Operations – Improved by $7 Million From Prior Year**
- **$66 Million Adjusted EBITDA**

On March 16, 2009, PRIMUS Telecommunications Group, Incorporated, together with three domestic subsidiary holding companies (collectively, the "Holding Companies") announced they reached agreement with certain noteholders on the terms of a consensual financial restructuring, which, if consummated, could materially improve the Company's liquidity by reducing principal debt obligations by approximately $315 million, or over 50%, reduce interest payments by over 50%, and extend certain debt maturities. Accordingly, on March 16, 2009, the Company, together with the three holding companies, filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code. The Company has issued a separate press release, dated March 16, 2009, detailing terms and important conditions related to those filings, and that release should be read together with these financial results.

The financial results in the press release have been prepared assuming that the Company will continue as a going concern; however, under bankruptcy the Company will operate as a debtor-in-possession, subject to the procedures of the bankruptcy court and the uncertainty of the outcome. During the reorganization process, the Company has elected to suspend its quarterly conference calls.

Fourth Quarter 2008 Financial Results

“Fourth quarter 2008 net revenue was $203 million, down $28 million from $231 million in the prior quarter and down $18 million from the year-ago quarter. The sequential quarter to quarter revenue decrease is attributable to the strengthening of the United States dollar against the currencies in our major foreign operations. The $28 million revenue decrease as compared to the prior quarter was comprised of a $35 million decrease from the strengthening of the United States dollar, partially offset by a $4 million increase in retail services revenue, and a $3 million increase in wholesale services revenue,” said Thomas R. Kloster, Chief Financial Officer. “We were pleased to report sequential retail revenue growth as a result of stability in our primary operating units and growth in our European operating unit. Additionally, each of the last four quarters’ results have had increases in wholesale revenue as we continue to experience strong demand for our wholesale services because of our expanded routing and pricing capabilities.”

Net revenue from broadband, VOIP, local, wireless, data and hosting services was $50 million (25% of net revenue) for the fourth quarter 2008, compared to $59 million for the prior quarter (26% of net revenue). This revenue component would be considered stable with the prior quarter exclusive of the effect of changes in foreign currency rates. The mix of net revenue was 74% retail (50% residential and 24% business) and 26% wholesale. The fourth quarter retail revenue mix of 74% compares to 77% and 82% in the prior and year-ago quarters, respectively. Geographic retail revenue mix, as a percent of total revenue, was comprised of 27% from Asia-Pacific, 28% from Canada, 8% from Europe and 11% from the United States.

Net revenue less cost of revenue was $67 million or 33.1% of net revenue in the fourth quarter as compared to $81 million and 35.2% in the prior quarter and $90 million and 40.9% in the year-ago quarter. The margin percentage decline was partially influenced by a higher percentage of total revenue from lower-margin wholesale revenue.

Selling, general and administrative (SG&A) expense in the fourth quarter was $52 million (25.6% of net revenue), a decrease from the prior quarter expense of $70 million (30.1% of net revenue), and down $21 million from $73 million (33.2% of net revenue) in the year-ago quarter. The significant fourth quarter 2008 SG&A expense improvement as compared to the prior quarter reflects a $10 million decrease from the strengthening of the United States dollar, a $4 million decline in salaries and benefits as a result of headcount and related cost reductions in the latter half of 2008, and a $3 million decline in advertising and other sales and marketing expenses. These reductions were partially offset by an increase of $1 million in professional fees associated with debt restructuring activities. The third quarter 2008 SG&A expense included $2 million of sales and other indirect tax accruals as a result of completed or ongoing audits.

Income from operations was $7 million in the fourth quarter 2008, which includes $1 million from loss on sale or disposal of assets. The third quarter 2008 income from operations was also $7 million and included the positive effect of a $5 million gain realized by a Canadian affiliate from the sale of primarily rural WIMAX spectrum assets.

Fourth quarter 2008 Adjusted EBITDA, as calculated in the attached schedule, was $15 million, as compared to $12 million in the prior quarter and $17 million in the year-ago quarter.

Interest expense for the fourth quarter 2008 was $12 million, down $1 million from the prior quarter and down $4 million from the fourth quarter 2007. The sequential and year-over-year decrease is attributable to debt reduction transactions in prior periods and a lower variable interest rate on our secured term loan.

Net loss was ($35) million in the fourth quarter 2008 (including a $34 million loss on foreign currency transactions primarily from intercompany debt agreements), as compared to a net loss of ($33) million in the third quarter 2008 (including a $23 million loss on foreign currency transactions), and net income of $2 million in the fourth quarter 2007 (including a $2 million gain on foreign currency transactions).

Basic and diluted net loss per common share was ($0.25) in the fourth quarter 2008, as compared to basic and diluted net loss per common share of ($0.23) in the prior quarter, and basic and diluted net income per common share of $0.01, in the year-ago quarter. Adjusted Diluted Net Loss Per Common Share, as calculated in the attached schedule, was ($0.02) for the fourth quarter 2008, compared to a loss of ($0.08) for the third quarter 2008 and ($0.00) in the year-ago quarter.

Full Year 2008 Financial Results:

Full year 2008 net revenue was $896 million, in line with 2007.

SG&A expense in 2008 was $260 million (29.1% of net revenue) as compared to $281 million (31.4% of net revenue) in 2007, reflecting the results of the Company’s cost reduction programs which took effect in the latter half of 2008.

Income from operations in 2008 was $39 million (which included $6 million in gain on sale or disposal of assets, principally from the sale of primarily rural WIMAX spectrum assets by a Canadian affiliate) compared to $32 million in 2007.

Full year 2008 Adjusted EBITDA, as calculated in the attached schedule, was $66 million as compared to $64 million in 2007.

Full year 2008 interest expense was $54 million as compared to $61 million in 2007 primarily as a result of the debt restructuring transactions that have occurred throughout 2007 and 2008.

Full year 2008 net loss was ($25) million as compared to net income of $16 million in 2007. Full Year 2008 basic and diluted loss per common share was ($0.18), as compared to basic and diluted income per common share of $0.12 and $0.09, respectively, in 2007.

Liquidity and Capital Resources

PRIMUS ended the fourth quarter 2008 with an unrestricted cash balance of $37 million, down $11 million from $48 million as of the end of the third quarter 2008. Cash uses were comprised of $5 million for capital expenditures, $18 million on debt coupon and other interest payments, $1 million for income tax payments, $1 million for scheduled debt principal reductions, and a $4 million effect from foreign currency exchange rates. These declines were offset by $15 million of Adjusted EBITDA, and $3 million from changes in working capital.

Free Cash Flow for the fourth quarter 2008, as calculated in the attached schedule, was negative ($1) million (with $4 million provided by operating activities and $5 million utilized for capital expenditures) as compared to negative ($7) million in the prior quarter and negative ($12) million in the year-ago quarter.

The principal amount of PRIMUS's long-term debt obligations as of December 31, 2008 was $578 million. The Company's plan of reorganization is intended to provide relief with respect to the debt maturities that come due in 2009, subject to the uncertainties that come with the plan.

* * *

PRIMUS Telecommunications Group, Incorporated (OTCBB: PRTL) is an integrated communications services provider offering international and domestic voice, voice-over-Internet protocol (VOIP), Internet, wireless, data and hosting services to business and residential retail customers and other carriers located primarily in the United States, Canada, Australia, the United Kingdom and western Europe. PRIMUS provides services over its global network of owned and leased transmission facilities, including approximately 500 points-of-presence (POPs) throughout the world, ownership interests in undersea fiber optic cable systems, 18 carrier-grade international gateway and domestic switches, and a variety of operating relationships that allow it to deliver traffic worldwide. Founded in 1994, PRIMUS is based in McLean, Virginia.

* * *

Statements in this press release concerning the plan of reorganization, financing requirements, post-restructuring financial condition, prospects, cash flow and investments, fourth quarter 2008 financial performance, year-end financial condition and ongoing impacts on our operations and objectives 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 filing. 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 of the Holding Companies to obtain requisite consent and support of the senior secured term loan lenders (the "Term Loan Group") and to confirm and consummate the contemplated Chapter 11 plans of reorganization; (ii) the potential adverse impact of the Chapter 11 filings on the operations, management and employees of the Holding Companies and their subsidiaries, and the risks associated with operating businesses under Chapter 11 protection; (iii) the potential need to modify or amend the contemplated Chapter 11 plan of reorganization, (iv) the potential need to secure an approved debtor-in-possession financing facility; (v) the ability to service substantial indebtedness; (vi) customer, vendor, carrier and third-party responses to the Chapter 11 filings; (vii) potential adverse actions that may be pursued by certain senior lenders including the Term Loan Group; and (viii) 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) and with the U.S. Bankruptcy Court in connection with the Holding Companies' Chapter 11 filing, including but not limited to (a) the continuation (or worsening) of trends involving the strengthening of the U.S. dollar, as well as 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; (b) 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; (c) a continuation or worsening of turbulent or weak financial and capital market conditions; (d) a continuation or worsening of global recessionary economic conditions, including the effects of such conditions on our customers and our accounts receivables and revenues; (e) fluctuations in prevailing trade credit terms due to the Holding Companies' Chapter 11 filings or uncertainties concerning our financial position, or otherwise; and (f) 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. 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.

This release includes certain non-GAAP financial measures as defined under SEC rules, which include Adjusted EBITDA, Adjusted Diluted Income (Loss) Per Common Share, and Free Cash Flow. As required by SEC rules, we have provided a reconciliation of these measures to the most directly comparable GAAP measures, which is contained in the tables to this release and on our website at www.primustel.com. Additionally, information regarding the purpose and use for these non-GAAP financial measures is set forth with this press release in our Current Report on Form 8-K filed with the SEC on March 16, 2009 and available on our website.

For more information:

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PRIMUS TELECOMMUNICATIONS GROUP, INCORPORATED
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(unaudited)

	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2008	2007	2008	2007
NET REVENUE	$ 203,276	$ 221,252	$895,863	$896,029
OPERATING EXPENSES				
Cost of revenue (exclusive of depreciation shown below)	136,052	130,787	569,865	551,303
Selling, general and administrative	52,092	73,411	260,430	281,010
Depreciation and amortization	7,390	9,304	32,791	30,529
(Gain) loss on sale or disposal of assets	1,013	779	(6,028)	1,463
Total operating expenses	196,547	214,281	857,058	864,305
INCOME FROM OPERATIONS	6,729	6,971	38,805	31,724
INTEREST EXPENSE	(12,331)	(15,678)	(53,888)	(61,347)
ACCRETION ON DEBT PREMIUM (DISCOUNT), NET	127	(38)	583	(449)
GAIN (LOSS) ON EARLY EXTINGUISHMENT OR RESTRUCTURING OF DEBT	2,264	258	36,872	(7,652)
INTEREST AND OTHER INCOME	165	2,007	120	5,665
FOREIGN CURRENCY TRANSACTION GAIN (LOSS)	(34,359)	2,413	(47,563)	32,699
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(37,405)	(4,067)	(25,071)	640
INCOME TAX BENEFIT	1,893	5,707	366	9,232
INCOME (LOSS) FROM CONTINUING OPERATIONS	(35,512)	1,640	(24,705)	9,872
INCOME (LOSS) FROM DISCONTINUED OPERATIONS, net of tax	176	(126)	(326)	(268)
GAIN FROM SALE OF DISCONTINUED OPERS., net of tax	—	—	—	6,132
NET INCOME (LOSS)	$ (35,336)	$ 1,514	$ (25,031)	$ 15,736
BASIC INCOME (LOSS) PER COMMON SHARE:				
Income (loss) from continuing operations	$ (0.25)	$ 0.01	$ (0.17)	$ 0.07
Income (loss) from discontinued operations	0.00	(0.00)	(0.01)	(0.00)
Gain from sale of discontinued operations	—	—	—	0.05
Net income (loss)	$ (0.25)	$ 0.01	$ (0.18)	$ 0.12
DILUTED INCOME (LOSS) PER COMMON SHARE:				
Income (loss) from continuing operations	$ (0.25)	$ 0.01	$ (0.17)	$ 0.06
Income (loss) from discontinued operations	0.00	(0.00)	(0.01)	(0.00)
Gain from sale of discontinued operations	—	—	—	0.03
Net income (loss)	$ (0.25)	$ 0.01	$ (0.18)	$ 0.09
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
BASIC	142,674	142,633	142,643	128,771
DILUTED	142,674	189,578	142,643	196,470

PRIMUS TELECOMMUNICATIONS GROUP, INCORPORATED
CONSOLIDATED CONDENSED BALANCE SHEET
(in thousands)
(unaudited)

	December 31, 2008
Cash and cash equivalents	$ 37,000
Accounts receivable, net	99,483
Other current assets	15,846
TOTAL CURRENT ASSETS	152,329
Restricted cash	8,133
Property and equipment, net	112,152
Goodwill	32,688
Other intangible assets, net	746
Other assets	24,396
TOTAL ASSETS	$ 330,444
Accounts payable	$ 58,671
Accrued interconnection costs	41,422
Deferred revenue	13,303
Accrued expenses and other current liabilities	42,440
Accrued income taxes	18,213
Accrued interest	10,248
Current portion of long-term obligations	35,429
TOTAL CURRENT LIABILITIES	219,726
Non-current portion of long-term obligations	569,408
Other liabilities	2,849
TOTAL LIABILITIES	791,983
Stockholders' deficit	(461,539)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 330,444

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

	Three Months Ended			Year Ended	
	December 31, 2008	September 30, 2008	December 31, 2007	December 31, 2008	December 31, 2007
NET INCOME (LOSS)	$ (35,336)	$ (33,220)	$ 1,514	$ (25,031)	$ 15,736
Share-based compensation expense	69	67	62	268	246
Depreciation and amortization	7,390	9,351	9,304	32,791	30,529
(Gain) loss on sale or disposal of assets	1,013	(4,576)	779	(6,028)	1,463
Interest expense	12,331	12,810	15,678	53,888	61,347
Accretion on debt (premium) discount, net	(127)	(269)	38	(583)	449
(Gain) loss on early extinguishment or restructuring of debt	(2,264)	(121)	(258)	(36,872)	7,652
Interest and other (income) expense	(165)	2,966	(2,007)	(120)	(5,665)
Foreign currency transaction (gain) loss	34,359	23,045	(2,413)	47,563	(32,699)
Income tax (benefit) expense	(1,893)	1,489	(5,707)	(366)	(9,232)
Income (loss) from discontinued operations, net of tax	(176)	436	126	326	268
Gain from sale of discontinued operations, net of tax	—	—	—		(6,132)
ADJUSTED EBITDA	$ 15,201	$ 11,978	$ 17,116	$ 65,836	$ 63,962

PRIMUS TELECOMMUNICATIONS GROUP, INCORPORATED
RECONCILIATION OF DILUTED NET INCOME (LOSS) PER COMMON SHARE TO
ADJUSTED DILUTED NET LOSS PER COMMON SHARE
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended			Year Ended	
	December 31, 2008	September 30, 2008	December 31, 2007	December 31, 2008	December 31, 2007
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS – DILUTED	$ (35,336)	$ (33,220)	$ 1,514	$ (25,031)	$ 17,582
ADJUSTMENT FOR INTEREST EXPENSE ON DILUTIVE SHARES	—	—	—	—	(1,846)
NET INCOME (LOSS)	(35,336)	(33,220)	1,514	(25,031)	15,736
Add:					
(Gain) loss on sale or disposal of assets	1,013	(4,576)	779	6,028	1,463
(Gain) loss on early extinguishment or restructuring of debt	(2,264)	(121)	(258)	(36,872)	7,652
Minority interest share of gain on sale of assets	—	2,489	—	—	—
Foreign currency transaction (gain) loss	34,359	23,045	(2,413)	47,563	(32,699)
(Income) loss from discontinued operations, net of tax	(176)	436	126	326	268
Gain from sale of discontinued operations, net of tax	—	—	—	—	(6,132)
	(2,404)	(11,947)	(252)	(7,986)	(13,712)
ADJUSTMENT FOR INTEREST EXPENSE ON DILUTIVE SHARES	—	—	—	—	—
ADJUSTED NET INCOME (LOSS)	$ (2,404)	$ (11,947)	$ (252)	$ (7,986)	$ (13,712)
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	142,674	142,633	189,578	142,643	196,470
ANTI-DILUTIVE WEIGHTED AVG. COMMON SHARES OUTSTANDING ADJUSTMENT	—	—	(46,945)	—	(67,699)
ADJUSTED DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	142,674	142,633	142,633	142,643	128,771
DILUTED NET INCOME (LOSS) PER COMMON SHARE	$ (0.25)	$ (0.23)	$ 0.01	$ (0.18)	$ 0.09
ADJUSTED DILUTED NET INCOME (LOSS) PER COMMON SHARE	$ (0.02)	$ (0.08)	$ (0.00)	$ (0.06)	$ (0.11)

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

	Three Months Ended			Year Ended	
	December 31, 2008	September 30, 2008	December 31, 2007	December 31, 2008	December 31, 2007
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 4,084	$ (609)	$ 3,301	$ 8,779	$ 11,467
Net cash used in purchase of property and equipment	(4,684)	(6,157)	(15,028)	(25,441)	(44,745)
FREE CASH FLOW	$ (600)	$ (6,766)	$ (11,727)	$ (16,662)	$ (33,278)