

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): February 10, 2000

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

DELAWARE (State or Other Jurisdiction of Incorporation)	0-29092 (Commission File Number)	54-1708481 (IRS Employer Identification No.)
---	--	--

1700 OLD MEADOW ROAD, SUITE 300, MCLEAN, VIRGINIA (Address of principal executive offices)	22102 (Zip Code)
---	---------------------

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

ITEMS 1-4. NOT APPLICABLE.

ITEM 5.

On February 10, 2000 Primus Telecommunications Group, Incorporated announced its financial results for the quarter ended December 31, 1999.

Our net revenue in the fourth quarter of 1999 increased to \$266 million compared with \$126 million for the fourth quarter of 1998, an increase of 111%. On a year-over-year basis, net revenue in Europe increased 226% to \$70 million; in North America net revenue increased 108% to \$127 million; and in the Asia-Pacific region net revenue increased 58% to \$69 million. Data and Internet revenue totaled \$12 million in the fourth quarter of 1999, which represented an increase of 306% year-over-year and 38% sequentially from the third quarter. The geographic mix of the revenue base in the fourth quarter was 48% from North America, 26% from Europe and 26% from Asia-Pacific. The mix of retail revenue for the fourth quarter of 1999 was 72.1% from business and residential customers (28.2% business and 43.9% residential), and 27.9% from other carriers.

Gross margin for the fourth quarter of 1999 increased 226% to \$73 million, compared with \$22 million for the fourth quarter of 1998. As a percentage of net revenue, gross margin (which is computed after accounting for bad debt) for the fourth quarter of 1999 was 27.6%, up from 17.8% for the fourth quarter of 1998 and up sequentially from 26.2% for the third quarter of 1999.

Selling, general and administrative expenses for the fourth quarter of 1999 were \$67 million, or 25% of net revenue, compared with \$22 million, or 18% of net revenue, for the fourth quarter of 1998. The selling, general and administrative increase reflected the impact of additional spending to grow the data and Internet business as well as the impact of our recent retail and Internet acquisitions.

EBITDA for the fourth quarter of 1999 was \$6.0 million, as compared to \$302,000 in the fourth quarter of 1998. Our operating loss for the fourth quarter of 1999 was \$(12.9) million, compared with \$(8.6) million for the fourth quarter of 1998. The net loss for the fourth quarter of 1999 was \$(33.2) million, compared with a net loss of \$(17.5) million for the fourth quarter of 1998. The increase in net loss was due to higher selling, general and administrative spending, depreciation and amortization expense for our expanding network and interest expense.

Net revenue for the year ended December 31, 1999 was \$833 million, compared with \$422 million for the year ended December 31, 1998, or an increase of nearly 100%. Gross margin was \$208 million for the year ended December 31, 1999, compared with \$69 million for the year ended December 31, 1998, an increase of over 200%. As a percentage of net revenue, gross margin for 1999 was 25.0% up from 16.3% for 1998. 1999 marked the first full year of positive EBITDA at \$8.6 million, compared with negative EBITDA of \$(10.9) million in 1998.

As of December 31, 1999, we held cash and investments of \$497 million which included the proceeds from our equity offering of 8,000,000 shares of common stock and private placement of \$250 million principal amount of senior notes, each completed during the fourth quarter.

Capital expenditures during the fourth quarter of 1999 were approximately \$49 million for continued network expansion including fiber optic cable capacity, data and voice switches and equipment, and back office support systems and software. Our total investment in gross property, plant and equipment was \$335 million as of the end of December 1999.

The following table sets forth certain consolidated statement of operations and other information for the fourth quarters and the years ended December 31, 1999 and December 31, 1998.

	Three Months Ended December 31,		Year Ended December 31,	
	1999	1998	1999	1998
	(Dollars in thousands) (unaudited)			
Net revenue(1).....	\$265,565	\$126,055	\$ 832,739	\$421,628
Cost of revenue.....	192,381	103,610	624,599	353,016
Gross margin.....	73,184	22,445	208,140	68,612
Operating expenses:				
Selling, general and administrative...	67,179	22,143	199,581	79,532
Depreciation and amortization.....	18,933	8,863	54,957	24,185
Total operating expenses.....	86,112	31,006	254,538	103,717
Loss from operations.....	(12,928)	(8,561)	(46,398)	(35,105)
Interest expense.....	(25,913)	(11,812)	(79,629)	(40,047)
Interest and other income.....	5,602	2,870	13,291	11,504

Loss before income taxes.....	(33,239)	(17,503)	(112,736)	(63,648)
Income taxes.....	--	--	--	--
Net loss.....	\$(33,239)	\$(17,503)	\$(112,736)	\$(63,648)
Other Data:				
EBITDA(2).....	\$ 6,005	\$ 302	\$ 8,559	\$(10,920)

- (1) Net revenue is after provision for bad debt.
- (2) As used herein, "EBITDA" is defined as income (loss) from operations plus depreciation and amortization expense. While EBITDA should not be construed as a substitute for operating income or a better measure of liquidity than cash flow from operating activities, which are determined in accordance with generally accepted accounting principles, it is included to provide additional information regarding our ability to meet our future debt service, capital expenditures and working capital requirements. EBITDA is not necessarily a measure of our ability to fund our cash needs and is not necessarily comparable to similarly titled measures of other companies.

The following table sets forth certain balance sheet information for the years ended December 31, 1999 and December 31, 1998.

	December 31, 1999	December 31, 1998
	(Dollars in thousands) (unaudited)	
Assets:		
Current assets:		
Cash and cash equivalents.....	\$ 471,542	\$ 136,196
Restricted investments.....	25,932	25,729
Accounts receivable (net of allowance for doubtful accounts of \$36,453 and \$14,976)....	165,384	92,531
Prepaid expenses and other current assets.....	56,994	13,505
Total current assets	719,852	267,961
Restricted investments.....	--	24,894
Property and equipment--net.....	285,390	158,873
Intangibles--net.....	402,030	205,039
Other assets.....	44,101	17,196
Total assets.....	\$ 1,451,373	\$ 673,963
Liabilities and stockholders' equity:		
Current liabilities:		
Accounts payable.....	\$ 169,527	\$ 82,520
Accrued expenses and other current liabilities.....	123,453	42,958
Accrued interest.....	32,420	12,867
Current portion of long-term obligations.....	16,438	22,423
Total current liabilities.....	341,838	160,768
Long term obligations.....	913,506	397,751
Other liabilities.....	4,543	527
Total liabilities.....	1,259,887	559,046
Stockholders' equity:		
Preferred stock \$.01 par value-- authorized 2,455,000 shares; none issued and outstanding.....	--	--
Common stock, \$.01 par value--authorized 80,000,000 shares; issued and outstanding 37,101,464 and 28,059,063 shares.....	371	281
Additional paid-in capital.....	417,060	234,549
Accumulated deficit.....	(224,389)	(111,653)
Accumulated other comprehensive loss.....	(1,556)	(8,260)
Total stockholders' equity.....	191,486	114,917
Total liabilities and stockholders' equity.....	\$ 1,451,373	\$ 673,963

ITEMS 6. NOT APPLICABLE.

ITEMS 7. c) Exhibits

NOT APPLICABLE.

ITEMS 8. NOT APPLICABLE.

SIGNATURES

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 hereunto duly authorized.

PRIMUS TELECOMMUNICATIONS
GROUP, INCORPORATED

By: /s/ David P. Slotkin

Deputy General Counsel
and Secretary

Date: February 16, 2000