

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name PTGi Holding, Inc.		2 Issuer's employer identification number (EIN) 54-1708481	
3 Name of contact for additional information Mesfin Demise		4 Telephone No. of contact 703-902-2800	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 460 Herndon Parkway, Suite 150		5 Email address of contact ir@ptgi.com	
8 Date of action August 27, 2013		7 City, town, or post office, state, and Zip code of contact Herndon, VA 20170	
10 CUSIP number 741929 301		9 Classification and description Distribution	
11 Serial number(s) N/A	12 Ticker symbol PTGI	13 Account number(s) N/A	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On August 27, 2013, Primus Telecommunications Group, Inc. ("PTGI") made a cash distribution of \$8.50 per share for a total of \$119,787,805.50 to its shareholders on record on August 20, 2013.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **The distribution per share was \$8.50. \$0.00 per share is estimated to be a taxable dividend (with no effect on basis). The remaining \$8.50 per share is a reduction in the stock basis in each share. To the extent the tax basis in a share is less than \$8.50 per share, the excess of \$8.50 over the basis in that share is recognized as capital gain.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **When a cash distribution (or other distribution of property) is made by a corporation, it is treated as a taxable dividend to the extent of the current and accumulated earnings and profits ("E&P") of that corporation at the date of the distribution or, in certain cases, at the end of the tax year in which the distribution was made. In order to determine what portion of this cash distribution should be treated as a taxable dividend versus return of capital/capital gain, PTGI completed a computation of E&P as of December 31, 2012 with an estimate of the current E&P for the year ended December 31, 2013. According to this computation, PTGI had approximately \$0.00 of E&P per outstanding share of stock. As a result, the distribution of \$8.50 per share resulted in a dividend of \$0.00 per share (with no effect on basis) and a reduction in basis of up to \$8.50 per share.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____

Section 316 - Dividend defined

Section 317 - Property defined

Section 301(c) - Distributions of property

Section 312 - Effect on earnings and profits

Reg. Section 1.1502-33 - Earnings and profits (this section applies to taxpayers filing a consolidated Federal corporate income tax return)

Other sections further defining adjustments to E&P that are not contained in section 312.

18 Can any resulting loss be recognized? ▶ This distribution would not create a loss.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The adjustment to basis would be taken into account in the tax year of the shareholder during which the distribution was received (e.g., 2013 for calendar year taxpayers).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ [Handwritten Signature] Date ▶ 01/13/14

Print your name ▶ MESKIN DEMISE Title ▶ CFO

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Stephen Tarrant	<u>[Handwritten Signature]</u>	1/13/14		P00645933
Firm's name ▶	Firm's EIN ▶		Phone no.	
DELOITTE TAX LLP	86-1065772		703-251-1477	
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