SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended March 31, 1999

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

Commission File No. 0-29-092

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

Delaware	54-1708481
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1700 Old Meadow Road, Suite 300, McLean, VA	22102
(Address of principal executive offices)	(Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of April 30, 1999
Common Stock , $.01 par value	28,439,746

PRIMUS TELECOMMUNICATIONS GROUP, INCORPORATED

INDEX TO FORM 10-Q

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

	Three Months Ended March 31, 1999	Three Months Ended March 31, 1998
NET REVENUE	$131,228	$ 80,051
COST OF REVENUE	104,596	68,722
GROSS MARGIN	26,632	11,329
OPERATING EXPENSES		
Selling, general and administrative	29,296	15,377
Depreciation and amortization	8,976	3,478
Total operating expenses	38,272	18,855
LOSS FROM OPERATIONS	(11,640)	(7,526)
INTEREST EXPENSE	(16,770)	(7,175)
INTEREST INCOME	3,255	2,384
LOSS BEFORE INCOME TAXES	(25,155)	(12,317)
INCOME TAXES	-	-
NET LOSS	$(25,155)	$(12,317)
BASIC AND DILUTED NET LOSS PER COMMON SHARE	$ (0.89)	$ (0.62)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	28,317	19,717

See notes to consolidated financial statements.

PRIMUS TELECOMMUNICATIONS GROUP, INCORPORATED
CONSOLIDATED BALANCE SHEET
(in thousands, except share amounts)

	March 31, 1999	December 31, 1998
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 268,530	$ 136,196
Restricted investments	27,464	25,729
Accounts receivable (net of allowance for doubtful accounts of $13,564 and $14,976)	102,510	92,531
Prepaid expenses and other current assets	20,876	13,505
Total current assets	419,380	267,961
RESTRICTED INVESTMENTS	10,546	24,894
PROPERTY AND EQUIPMENT - Net	171,013	158,873
INTANGIBLES - Net	214,347	205,039
OTHER ASSETS	27,508	17,196
TOTAL ASSETS	$ 842,794	$ 673,963
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 89,045	$ 82,520
Accrued expenses and other current liabilities	42,658	42,958
Accrued interest	14,288	12,867
Current portion of long-term obligations	5,204	22,423
Total current liabilities	151,195	160,768
LONG TERM OBLIGATIONS	596,505	397,751
OTHER LIABILITIES	25	527
Total liabilities	747,725	559,046
COMMITMENTS AND CONTINGENCIES		
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, 28,404,934 and 28,059,063 shares	284	281
Additional paid-in capital	238,569	234,549
Accumulated deficit	(136,808)	(111,653)
Accumulated other comprehensive loss	(6,976)	(8,260)
Total stockholders' equity	95,069	114,917
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 842,794	$ 673,963

See notes to consolidated financial statements.

PRIMUS TELECOMMUNICATIONS GROUP, INCORPORATED
CONSOLIDATED STATEMENT OF CASH FLOWS
(in thousands)

	Three Months Ended March 31, 1999	Three Months Ended March 31, 1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$(25,155)	$(12,317)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation, amortization and accretion	9,067	3,567
Sales allowance	2,833	1,724
Stock issuance - 401(k) plan employer match	62	20
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(12,342)	(11,020)
(Increase) decrease in prepaid expenses and other current assets	(7,118)	(1,576)
(Increase) decrease in other assets	(2,272)	(325)
Increase (decrease) in accounts payable	5,512	9,876
Increase (decrease) in accrued expenses, other current liabilities and other liabilities	(2,179)	(413)
Increase (decrease) in accrued interest payable	1,419	(6,609)
Net cash provided by (used in) operating activities	(30,173)	(17,073)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(16,391)	(11,369)
(Purchase) sale of restricted investments	12,612	12,072
Cash used for business acquisitions, net of cash acquired	(7,825)	(1,627)
Net cash provided by (used in) investing activities	(11,604)	(924)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on capital leases and long-term obligations	(18,961)	(316)
Proceeds from sale of common stock and exercise of employee stock options	203	496
Proceeds from issuance of long-term obligations	200,000	(114)
Deferred financing costs	(7,500)	-
Net cash provided by (used in) financing activities	173,742	66
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	369	80
NET CHANGE IN CASH AND CASH EQUIVALENTS	132,334	(17,851)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	136,196	115,232
CASH AND CASH EQUIVALENTS, END OF YEAR	$268,580	$ 97,381

See notes to consolidated financial statements.

PRIMUS TELECOMMUNICATIONS GROUP, INCORPORATED
CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
(in thousands)

	Three Months Ended March 31,	
	1999	1998
NET LOSS	$(25,155)	$(12,317)
OTHER COMPREHENSIVE GAIN (LOSS) -		
Foreign currency translation adjustment	1,284	1,103
COMPREHENSIVE LOSS	$(23,871)	$(11,214)

See notes to consolidated financial statements.

(1) Basis of Presentation

The accompanying unaudited consolidated financial statements of Primus Telecommunications Group, Incorporated (the "Company" or "Primus") have been prepared in accordance with generally accepted accounting principles for interim financial reporting and Securities and Exchange Commission ("SEC") regulations. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, the financial statements reflect all adjustments (of a normal and recurring nature) which are necessary to present fairly the financial position, results of operations, cash flows and comprehensive loss for the interim periods. The results for the three months ended March 31, 1999 are not necessarily indicative of the results that may be expected for the year ending December 31, 1999.

The financial statements should be read in conjunction with the Company's audited consolidated financial statements included in the Company's most recently filed Form 10-K.

(2) Acquisitions

On March 31, 1999 the Company purchased the common stock of London Telecom Network, Inc. and certain related entities that provide long distance telecommunications services in Canada (the "LTN Companies"), for approximately $36 million in cash, including payments made in exchange for certain non-competition agreements. The acquisition of the LTN Companies will be reflected in the Company's financial statements beginning on April 1, 1999. In addition, on May 3, 1999 the Company purchased for approximately $15 million in cash substantially all of the operating assets of Wintel CNC Communications, Inc. and Wintel CNT Communications, Inc. (the "Wintel Companies"), which are Canadian-based long distance telecommunications providers affiliated with the LTN Companies. If the LTN Companies and the Wintel Companies collectively achieve certain financial goals during the first half of 1999, the Company has agreed to pay an additional amount of up to approximately $5 million in cash.

In February 1999 the Company purchased the remaining non-Company owned 40% of Hotkey Internet Services Pty., Ltd. ("Hotkey"), a Melbourne, Australia-based Internet service provider ("ISP"). The purchase price for the additional 40% ownership of Hotkey was approximately $1.1 million comprised of $0.3 million in cash and 57,025 shares of the Company's common stock.

In February 1999 the Company acquired all of the outstanding shares of GlobalServe Communications, Inc., a privately held ISP based in Toronto, Canada. The purchase price of approximately $4.4 million was comprised of $2.2 million in cash and 142,806 shares of the Company's common stock.

On June 9, 1998 the Company completed its acquisition of TresCom International, Inc. ("TresCom"), a long distance telecommunications carrier focused on international long distance traffic originating in the United States and terminating in the Caribbean and Central and South America. As a result of the acquisition, all of the approximately 12.7 million TresCom common shares outstanding were exchanged for approximately 7.8 million shares of the Company's common stock valued at approximately $138 million.

The Company has accounted for all of these acquisitions using the purchase method. Accordingly, the results of operations of the acquired entities are included in the consolidated results of operations of the Company as of the date of their respective acquisitions.

(3) Long Term Obligations

Long-term obligations consist of the following (in thousands):

	March 31, 1999 (Unaudited)	December 31, 1998
Obligations under capital leases	$ 28,237	$ 28,268
Revolving Credit Agreement	-	17,819
Senior Notes	573,069	372,978
Other long-term obligations	403	1,109
Subtotal	601,709	420,174
Less: Current portion of long term obligations	(5,204)	(22,423)
	$596,505	$397,751

On January 29, 1999 the Company completed the sale of $200 million 11 1/4% Senior Notes (the "1999 Senior Notes") due 2009 with semi-annual interest payments.

In January 1999, the Company voluntarily repaid in full and subsequently terminated the Trescom senior secured revolving credit facility (the "Revolving Credit Agreement").

(4) Operating Segment and Related Information

The Company has three reportable operating segments based on management's organization of the enterprise into geographic areas North America, Asia-Pacific and Europe. The Company evaluates the performance of its segments and allocates resources to them based upon net revenue and income/(loss) from operations. Operations of the North America segment include shared corporate functions and assets that the Company does not allocate to its other geographic segments for management reporting purposes. Summary information with respect to the Company's segments is as follows (in thousands):

	Three Months Ended March 31, 1999	Three Months Ended March 31, 1998
Net Revenue		
North America	$ 62,186	$26,310
Asia-Pacific	44,410	44,659
Europe	24,632	9,082
Total	$131,228	$80,051
Income/(Loss) from Operations		
North America	$ (8,289)	$(5,320)
Asia-Pacific	(2,860)	(1,559)
Europe	(491)	(647)
Total	$(11,640)	$(7,526)

(5) New Accounting Pronouncements

In June 1998, Statement of Financial Accounting Standards No. 133 ("SFAS 133"), Accounting for Derivative Instruments and Hedging Activities was issued. SFAS 133 established standards for the accounting and reporting of derivative instruments and hedging activities and require that all derivative financial instruments be measured at fair value and recognized as assets or liabilities in the financial statements. The Statement will be adopted by the Company during fiscal 2000, and the Company is currently evaluating the impact of such adoption.

In April 1998, the American Institute of Certified Public Accountants (the "AICPA") issued Statement of Position ("SoP") 98-5, Reporting on the Costs of Start-Up Activities. SoP 98-5 provides guidance on the financial reporting of start-up and organizational costs. The effect of adopting SoP 98-5 is not expected to have a material effect on the financial position, results of operation or liquidity of the Company.

(6) Reclassifications

Certain previous year amounts have been reclassified to conform to the current year presentation.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Primus is a facilities-based global telecommunications company that offers international and domestic long distance, Internet access and data, and other telecommunications services to business, residential and carrier customers in North America and in selected markets within both the Asia-Pacific region and Europe. The Company seeks to capitalize on the increasing demand for high-quality international telecommunications services resulting from the globalization of the world's economies and the worldwide trend toward telecommunications deregulation and the growth of data and Internet traffic. Primus provides service over its network which includes (i) 12 international gateway switches in the Unites States, Australia, Canada, Germany, Japan, Puerto Rico and the United Kingdom, (ii) four domestic switches in Australia, (iii) data and Internet access switches in Australia and Canada, (iv) both owned and leased transmission capacity on undersea and land-based fiber optic cable systems and (v) an international satellite earth station located in London. Utilizing this network, along with resale arrangements and foreign carrier agreements, the Company provides service to over 650,000 customers.

Net revenue is earned based on the number of minutes billable by the Company and is recorded upon completion of a call, adjusted for sales allowance. The Company generally prices its services at a savings compared to the major carriers operating in each country. The Company's net revenue is derived from carrying a mix of business, residential and carrier long distance voice traffic, data and Internet traffic in Australia and Canada, and, in Australia, also from provision of local and cellular services.

Cost of revenue is primarily comprised of costs incurred from other domestic and foreign telecommunications carriers to originate, transport and terminate calls. The majority of the Company's cost of revenue is variable, based upon the number of minutes of use, with transmission and termination costs being the Company's most significant expense. As the Company increases the portion of traffic transmitted over its leased or owned facilities, fixed costs as a percentage of cost of revenue will proportionately increase.

Although the Company's functional currency is the United States dollar, a significant portion of the Company's net revenue is derived from its sales and operations outside the United States. In the future, the Company expects to continue to derive a significant portion of its net revenue and incur a significant portion of its operating costs outside the United States; therefore, changes in foreign currency exchange rates may have a significant effect on the Company's results of operations. The Company historically has not engaged in hedging transactions and does not currently contemplate engaging in hedging transactions.

Other Operating Data

The following information for the three months ended March 31, 1999 and 1998 is provided for informational purposes and should be read in conjunction with the unaudited Consolidated Financial Statements and Notes provided herein and the Consolidated Financial Statements presented with the Company's most recently filed Form 10-K.

	Three Months Ended March 31, 1999			
	Net	Minutes of Long Distance Use		
	Revenue	International	Domestic	Total
North America	$ 62,186	205,194	67,958	273,152
Asia-Pacific	44,410	35,113	85,054	120,167
Europe	24,632	97,133	21,516	118,649
Total	$131,228	337,440	174,528	511,968

	Three Months Ended March 31, 1998			
	Net	Minutes of Long Distance Use		
	Revenue	International	Domestic	Total
North America	$26,310	78,950	20,138	99,088
Asia-Pacific	44,659	24,596	61,151	85,747
Europe	9,082	22,944	11,462	34,406
Total	$80,051	126,490	92,751	219,241

Results of operations for the three months ended March 31, 1999 as compared to the three months ended March 31, 1998

Net revenue increased $51.1 million or 64%, from $80.1 million for the three months ended March 31, 1998 to $131.2 million for the three months ended March 31, 1999. Of the increase, $35.9 million was associated with the North American operations, which represents a growth rate of 136%. The growth reflects increased traffic volumes in business and ethnic residential retail operations and in carrier operations, and includes operations of TresCom in the 1999 results. The European net revenue increased $15.5 million from $9.1 million for the three months ended March 31, 1998 to $24.6 million for the three months ended March 31, 1999, a growth rate of 171%. The European net revenue increase is attributable to increased traffic volumes in business and residential retail traffic operations, the addition of carrier operations in the United Kingdom and the addition of carrier and retail operations in Germany. The Company's Asia-Pacific net revenue decreased slightly from $44.7 million for the three months ended March 31, 1998 to $44.4 million for the three months ended March 31, 1999. The Asia-Pacific net revenue decrease in United States dollar terms is a result of a 7% decrease in the Australian dollar's average exchange rate period over period. Net revenue of the Australian operations, in Australian dollar terms, grew as a result of increased traffic from retail residential and business customers and from the addition of data and Internet services.

Cost of revenue increased $35.9 million, from $68.7 million, or 85.8% of net revenue, for the three months ended March 31, 1998 to $104.6 million, or 79.7% of net revenue, for the three months ended March 31, 1999. The increase in the cost of revenue is attributable to the increase in traffic volumes and associated net revenue growth. The cost of revenue as a percentage of net revenue decreased by 610 basis points as a result of the continuing expansion of the Company's global network, a greater mix of retail versus carrier traffic and the continuing migration of existing and newly generated customer traffic onto the Company's network and new higher margin product offerings such as data and Internet services.

Selling, general and administrative expenses increased $13.9 million, from $15.4 million for the three months ended March 31, 1998, to $29.3 million for the three months ended March 31, 1999. The increase is attributable to the addition of expense from acquired operations including TresCom and GlobalServe and increased advertising and promotional expenses associated with the Company's retail marketing campaigns.

Depreciation and amortization expense increased from $3.5 million for the three months ended March 31, 1998 to $9.0 million for the three months ended March 31, 1999. The increase is associated with increased amortization expense related to intangible assets arising from the Company's acquisitions of TresCom, GlobalServe and Hotkey and increased depreciation expense related to capital expenditures for fiber optic cable, switching and other network equipment being placed into service.

Interest expense increased from $7.2 million for the three months ended March 31, 1998 to $16.8 million for the three months ended March 31, 1999. The increase is primarily due to the additional debt incurred pursuant to the 11 1/4% Senior Notes due 2009 (the "1999 Senior Notes") and, to a lesser extent, additional capital lease financings.

Interest income increased from $2.4 million for the three months ended March 31, 1998 to $3.3 million for the three months ended March 31, 1999. The increase is a result of the investment of the net proceeds from the Company's 1999 Senior Notes offering.

Liquidity and Capital Resources

The Company's liquidity requirements arise from cash used in operating activities, purchases of network equipment including switches, related transmission equipment, and fiber optic cable transmission capacity, interest and principal payments on outstanding indebtedness, and acquisitions of and strategic investments in businesses. The Company has financed its growth to date through public offerings and private placements of debt and equity securities and capital lease financing.

Net cash used in operating activities was $30.2 million for the three months ended March 31, 1999 as compared to net cash used in operating activities of $17.1 million for the three months ended March 31, 1998. The increase in operating cash used is primarily comprised of an increase in the net loss of $12.8 million.

Net cash used in investing activities was $11.6 million for the three months ended March 31, 1999 compared to net cash used in investing activities of $0.9 million for the three months ended March 31, 1998. Net cash used in investing activities during the three months ended March 31, 1999 includes $16.4 million of capital expenditures primarily for the expansion of the Company's global network, $7.8 million for business acquisition, partially offset by $12.6 million of cash provided by the sale of restricted investments used to fund interest payments on the 11 3/4% Senior Notes due 2007 (the "1997 Senior Notes").

Net cash provided by financing activities was $173.7 million for the three months ended March 31, 1999 as compared to net cash provided by financing activities of $0.1 million during the three months ended March 31, 1998. Cash provided by financing activities in the three months ended March 31, 1999 resulted primarily from $192.5 million of net proceeds of the 1999 Senior Notes offering, offset by the $17.8 million net repayment of the Revolving Credit Agreement.

The Company anticipates aggregate capital expenditures of approximately $100 million during the remainder of 1999. Such capital expenditures will be primarily for international and domestic switches and points of presence, international and domestic fiber optic cable capacity for new and existing routes, satellite earth station facilities, other transmission equipment, and back office support systems.

On March 31, 1999 the Company purchased the common stock of London Telecom Network, Inc. and certain related entities that provide long distance telecommunications services in Canada (the "LTN Companies"), for approximately $36 million in cash, including payments made in exchange for certain non-competition agreements. The acquisition of the LTN Companies will be reflected in the Company's financial statements beginning on April 1, 1999. In addition, on May 3, 1999 the Company purchased for approximately $15 million in cash substantially all of the operating assets of

Wintel CNC Communications, Inc. and Wintel CNT Communications, Inc. (the "Wintel Companies"), which are Canadian-based long distance telecommunications providers affiliated with the LTN Companies. If the LTN Companies and the Wintel Companies collectively achieve certain financial goals during the first half of 1999, the Company has agreed to pay an additional amount of up to approximately $5 million in cash.

The Company believes that its cash, cash equivalents, and restricted investments along with available capital lease financing (subject to the limitations in the Indentures related to the Company's Senior Notes) will be sufficient to fund the Company's operating losses, debt service requirements, capital expenditures, and other cash needs for its operations for at least until the end of 2000. The semi-annual interest payments due under the 1997 Senior Notes through August 1, 2000 have been pre-funded and will be paid from restricted investments. The Company is continually evaluating the expansion of its service offerings and plans to make further investments in and enhancements to its Network and distribution channels (including the acquisitions) in order to expand its service offerings. In order to fund these additional cash requirements, the Company anticipates that it will be required to raise additional financing from public or private equity or debt sources. Additionally, if the Company's plans or assumptions change (including those with respect to the development of the network, the level of its operations and its operating cash flow), if its assumptions prove inaccurate, if it consummates additional investments or acquisitions, if it experiences unexpected costs or competitive pressures, or if existing cash and any other borrowings prove insufficient, the Company may be required to seek additional capital sooner than expected. In the event that the Company is unable to obtain such additional capital or is unable to obtain such additional capital on acceptable terms, it may be required to reduce the scope of its expansion, which could adversely affect its business prospects and its ability to compete. There can be no assurance that the Company will be able to raise equity capital, obtain capital lease or bank financing or incur other borrowings on commercially reasonable terms, if at all, to fund any such expansion or otherwise.

Year 2000

General. Primus is reviewing its network elements, computer systems, software applications and other business systems in order to determine if any of these systems will not properly reflect or recognize the year 2000. Because many computer and computer applications define dates by the last two digits of the year, "00" could be interpreted to mean the year 1900, rather than the year 2000. This error could result in miscalculations or system failures. Year 2000 issues may also affect the systems and applications of Primus' customers, vendors or resellers.

Compliance Program. Beginning in 1998, Primus began a comprehensive inventory and Year 2000 assessment of its principal computer systems, network elements, software applications and other business systems. Primus expects to complete its inventory and assessment by June 30, 1999 and has begun repairing or replacing the most critical network elements and significant management systems that are determined not to be Year 2000 compliant. Primus expects to complete the repair, replacement, testing and certification of substantially all non-compliant network elements by September 30, 1999. Primus is using both internal and external resources to identify, correct or reprogram, and test its systems for Year 2000 compliance.

Suppliers. Primus is also contacting third party suppliers of major equipment, software, systems and services used by the Company to identify and, to the extent possible, to resolve issues involving Year 2000 compliance. However, the Company has limited or no control over the actions of these third party suppliers. Consequently, while Primus expects that it will be able to resolve any significant Year 2000 issues with regard to its systems and services, there can be no assurance that its suppliers will resolve any or all Year 2000 issues before the occurrence of a material disruption to the business of the Company or any of its customers.

Costs. Primus expects to incur approximately $3 to $5 million in expenditures in 1999 to complete its Year 2000 compliance program. The costs of modifying the Company's network elements, software and systems for Year 2000 compliance are being funded from existing cash resources and are being charged as expenses as incurred.

Risks. Primus believes that it will complete the implementation of its Year 2000 program prior to December 31, 1999. Consequently, the Company does not believe that Year 2000 issues will have a material adverse effect on the Company's business, cash flows, or results of operations. However, if the Company does not achieve compliance prior to December 31, 1999, if it fails to identify and remedy all critical Year 2000 problems or if major suppliers or customers experience material Year 2000 problems, the Company's results of operations or financial condition could be materially and adversely affected. Primus has determined that non-compliant network elements may result in improperly routed traffic and that non-compliant, non-network systems may result in errors in customer billing and accounting records.

Contingency Plans. Primus has begun to develop appropriate contingency plans to mitigate, to the extent possible, any significant Year 2000 noncompliance. The Company expects to complete its contingency plans by September 30, 1999. If Primus is required to implement its contingency plans, the cost of Year 2000 compliance may be greater than the amount referenced above and there can be no assurance that these plans will be adequate.

Special Note Regarding Forward Looking Statements

Statements in this Form 10-Q, including those concerning the Company's expectations of future sales, net revenue, gross profit, net income, network development, traffic development, capital expenditures, selling, general and administrative expenses, service introductions and cash requirements include certain forward-looking statements. As such, actual results may vary materially from such expectations. Factors, which could cause results to differ from expectations, include risks associated with Primus's limited operating history; entry into developing markets; managing rapid growth; substantial indebtedness; liquidity; historical and future operating losses; acquisition and strategic investment risks; intense competition; dependence on transmission facilities-based carriers; international operations; dependence on effective information systems; industry changes; network development; dependence on key personnel and government regulations. These factors are discussed more fully in the Company's 1998 Form 10-K and the Prospectus dated May 7, 1999 filed with the Securities and Exchange Commission.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's primary market risk exposures relate to changes in foreign currency exchange rates and to changes in interest rates.

Foreign currency - Although the Company's functional currency is the United States dollar, a significant portion of the Company's net revenue is derived from its sales and operations outside the United States. In the future, the Company expects to continue to derive a significant portion of its net revenue and incur a significant portion of its operating costs outside the United States, and changes in foreign currency exchange rates may have a significant effect on the Company's results of operations. The operations of affiliates and subsidiaries in foreign countries have been funded with investments and other advances. Due to the long-term nature of such investments and advances, the Company accounts for any adjustments resulting from translation as a charge or credit to "accumulated other comprehensive loss" within the stockholders' equity section of the consolidated balance sheet. The Company historically has not engaged in hedging transactions.

Interest rates - The Company's financial instruments that are sensitive to changes in interest rates are its 1997, 1998 and 1999 Senior Notes. The aggregate fair value of the 1997, 1998 and 1999 Senior Notes approximates their face value.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Not applicable.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

(a) On January 20, 1999, the Company amended the indenture relating to the 1997 Senior Notes to modify exceptions to the debt incurrence covenant, an exception to the restricted payments covenant, and the definitions of "permitted investments" and "permitted liens", in each case to conform such provisions substantially to the corresponding provisions of the 1998 and 1999 Senior Notes.

(b) On February 2, 1999, the Company acquired the shares of Hotkey that it did not already own for $0.3 million in cash and 57,025 shares of the Company's common stock. On February 9, 1999, the Company acquired all of the outstanding equity of GlobalServe for $2.2 million in cash and 142,806 shares of the Company's common stock. The Company issued these shares in reliance on the exemption from registrations provided by Section 4(2) of the Securities Act of 1933, as amended.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits (see index on page 15)

(b) Reports on Form 8-K

Not applicable.

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

Date May 14, 1999 By: /s/ Neil L. Hazard

Neil L. Hazard
(Executive Vice President and Chief Financial Officer)

Date May 14, 1999 By: /s/ Thomas R. Kloster

Thomas R. Kloster
(Vice President, Corporate Controller and Chief Accounting Officer)

EXHIBIT INDEX

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of Primus; Incorporated by reference to Exhibit 3.1 of the Registration Statement on Form S-8, No. 333-56557 (the "S-8 Registration Statement").
3.2	Amended and Restated Bylaws of Primus; Incorporated by reference to Exhibit 3.2 of the Registration Statement on Form S-1, No. 333-10875 (the "IPO Registration Statement").
4.1	Specimen Certificate of Primus Common Stock; Incorporated by reference to Exhibit 4.1 of the IPO Registration Statement.
4.2	Form of Indenture of Primus regarding the 1997 Senior Notes (the "1997 Indenture"); Incorporated by reference to Exhibit 4.1 of the Registration Statement on Form S-1, No 333-30195 (the "1997 Senior Note Registration Statement").
4.3	Form of Supplemental Indenture of Primus to the 1997 Indenture dated January 20, 1999, between Primus and First Union National Bank; Incorporated by reference to Exhibit 4.3 of the Registration Statement on Form S-4/A, No 333-76965 (the "1999 Exchange Offer Registration Statement").
4.4	Form of Warrant Agreement of Primus; Incorporated by reference to Exhibit 4.2 of the 1997 Senior Note Registration Statement.
4.5	Indenture, dated May 19, 1998, between Primus Telecommunications Group, Incorporated and First Union National Bank; Incorporated by reference to Exhibit 4.4 of the Registration Statement on Form S-4, No 333-58547 (the "1998 Senior Note Registration Statement").
4.6	Specimen 9 7/8% Senior Note due 2008; Incorporated by reference to Exhibit A included in Exhibit 4.4 of the 1998 Senior Note Registration Statement.
4.7	Indenture, dated January 29, 1999, between Primus and First Union National Bank; Incorporated by reference to Exhibit 4.7 of the 1999 Exchange Offer Registration Statement.
4.8	Specimen 11 1/4% Senior Note due 2009; Incorporated by reference to Exhibit A included in Exhibit 4.7 of the 1999 Exchange Offer Registration Statement.
4.9	Rights Agreement, dated as of December 23, 1998, between Primus and StockTrans, Inc., including the Form of Rights Certificate (Exhibit A), the Certificate of Designation (Exhibit B) and the Form of Summary of Rights (Exhibit C); Incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form 8-A, No 000-29092 filed with the Commission on December 30, 1998.
4.10	Form of legend on certificates representing shares of Common Stock regarding Series B Junior Participating Preferred Stock Purchase Rights; Incorporated by reference to Exhibit

4.2 to the Company's Registration Statement on Form 8-A, No 000-29092 filed with the Commission on December 30, 1998.

27.1 Financial Data Schedule for the three months ended March 31, 1999 Exhibit 27.1

THIS SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM THE BALANCE SHEET OF PRIMUS TELECOMMUNICATIONS GROUP, INCORPORATED AT MARCH 31, 1999 AND THE INCOME STATEMENT FOR THE THREE MONTHS ENDED MARCH 31, 1999 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

3-MOS
MAR-31-1999
MAR-31-1999
268,530
38,010
116,074
13,564
0
419,380
197,101
26,088
842,794
151,195
596,505
0
0
284
94,785
842,794
0
131,228
0
104,596
38,272
2,833
16,770
(25,155)
0
(25,155)
0
0
0
(25,155)
(0.89)
(0.89)