Primus Telecom Australia reports second quarter results

Record net profit driven by 290% increase in EBITDA

Primus Telecom Australia, a wholly-owned subsidiary of McLean, Virginia-based PRIMUS Telecommunications Group, Incorporated (NASDAQ: PRTL), today announced financial results for the second quarter ended June 30, 2002. Primus Telecom Australia recorded a net profit of A$7.8 million in the second quarter of 2002, an increase of 46% from the net profit of A$5.4 million in the first quarter of 2002 and compared with a loss of A$4.8 million in the second quarter of 2001. The Company reported second quarter 2002 EBITDA (earnings before interest, taxes, depreciation and amortization) of A$18.7 million, a 290% increase from A$4.8 million in the second quarter of 2001 and an increase of 15% from $A16.2 million in the first quarter of 2002.Greg Wilson, Managing Director and Chief Operating Officer of Primus Telecom Australia, said, Our results for the second quarter further demonstrate the benefits that are flowing from our business restructuring program and our renewed focus on profitable growth. A strategic review of the business in the first quarter identified critical drivers to improve our overall operations. Having aligned our services and support teams to address profitability and improvements in customer satisfaction, we are seeing the early results of this strategy. I am particularly pleased that we have been able to grow the business and increase our margins in the face of a highly competitive environment for all telecommunications companies.We have undertaken an aggressive marketing campaign which has been very successful in repositioning the Company and in attracting new and higher value customers. Growth has been pronounced in the corporate sector and the Internet.Primus Telecom Australia has consolidated its position in the market as a dynamic competitor. It is our goal to expand our share of the telecommunications market in Australia through internal initiatives which leverage our strong brand and suite of quality services, while opportunistically pursuing acquisitions. We are well positioned to attain this goal because of our growing profitability and improving financial condition.At the end of the second quarter, Primus Telecom Australia had net assets of A$110 million.Mr Wilson noted that Primus Telecom Australia was comfortably on track to attain its 2002 EBITDA goal of between A$60 million and A$70 million. Primus Telecom Australias parent company reported second quarter 2002 net revenue of US$251 million, record EBITDA of US$24 million and income from operations of US$4 million, which was a near four-fold increase from the first quarter operating income. Primus parent company is setting its sights on attaining an increased goal for EBITDA in the range of $95 million to $100 million for the full year 2002, an increase from the prior guidance of between $75 million to $90 million for the full year 2002.