

ARBINET Corp  
Form 425  
November 16, 2010

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Third Quarter 2010  
Earnings Conference Call  
November 16, 2010  
Filed by Primus Telecommunications Group, Incorporated  
Pursuant to Rule 425 under the Securities Act of 1933  
Subject Company: Arbinet  
Corporation  
Commission File No.: 000-51063

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Safe Harbor

In connection with the proposed merger, Primus Telecommunications Group, Incorporated ( Primus ) will file with the Securities and Exchange Commission ( SEC ) a Preliminary Proxy Statement on Form S-4 that will include a preliminary proxy statement of Primus and Arbinet Corporation ( Arbinet ) that also includes a preliminary joint proxy statement/prospectus. A definitive joint proxy statement/prospectus will be sent to security holders of both Arbinet and Primus seeking their approval of the proposed transaction. INVESTORS AND SECURITY HOLDERS OF ARBINET AND PRIMUS SHOULD BE AWARE THAT THE PRELIMINARY JOINT PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS FILED WITH THE SEC WHEN THEY BECOME AVAILABLE MAY CONTAIN IMPORTANT INFORMATION. Investors and security holders may obtain a free copy of the joint proxy statement/prospectus by contacting Primus at (800) 451-7777 or Arbinet at (800) 451-7777.

documents filed by Primus and Arbinet with the SEC, without charge, at the SEC's web site at [www.sec.gov](http://www.sec.gov). Copies of the joint proxy statement/prospectus for the proposed merger of the company's SEC filings that will be incorporated by reference in the joint proxy statement/prospectus may also be obtained for (ii) Arbinet (Andrea Rose/Jed Repko Joele Frank, Wilkinson Brimmer Katcher (212) 355-4449).

Arbinet, Primus, and their respective directors, executive officers and other members of their management and employees may obtain proxies from their respective security holders in connection with the proposed merger. Investors and security holders may obtain information regarding the interests of Primus's directors, executive officers and other members of its management and employees in Primus's Annual Report on Form 10-K for the year ended December 31, 2009, which was filed with the SEC on March 17, 2010, Arbinet's proxy statement for its 2010 Annual Meeting of Security Holders, which was filed with the SEC on June 14, 2010, and any subsequent statements of changes in beneficial ownership on file with the SEC. These documents can be obtained from the SEC's website at [www.sec.gov](http://www.sec.gov). Additional information regarding the interests of these individuals will also be included in the joint proxy statement/prospectus when it is available.

This document and related verbal statements include forward-looking statements as defined by the Securities and Exchange Commission. Historical fact, included herein that address activities, events or developments that Arbinet or Primus expects, believes or anticipates, are forward-looking statements. These forward-looking statements are subject to risks and uncertainties that could affect forward-looking statements include, but are not limited to, the following: (a) the proposed merger may not be consummated for reasons including that the conditions precedent to the completion of the acquisition may not be satisfied; (b) the proposed merger will not be realized, or will not be realized within the anticipated time period; (c) the risk that Primus's and Arbinet's business operations may be disrupted from the merger making it more difficult to maintain business and operational relationships; (d) any actions taken by either company to restructure or strategic initiatives (including capital investments or asset acquisitions or dispositions); (e) the ability to service our debt obligations as described from time to time in Arbinet's filings with the Securities and Exchange Commission; and (f) the risk factors or uncertainties identified in the Securities and Exchange Commission (including, among others, those listed under captions titled "Management's Discussion and Analysis of Financial Operations," "Liquidity and Capital Resources," "Short- and Long-Term Liquidity Considerations and Risks;" "Special Notes to Financial Statements," "Risk Factors" in Primus's annual report on Form 10-K and quarterly reports on Form 10-Q) that cover matters and risks including, but not limited to, global recessionary economic conditions, including the effects of such conditions on our customers and our accounts receivable; fluctuations in exchange rates of currencies, particularly any strengthening of the United States dollar relative to foreign currencies of the countries in which we operate; possible inability to raise additional capital or refinance indebtedness when needed, or at all, whether due to adverse credit market conditions; continuation or worsening of turbulent or weak financial and capital market conditions; (e) adverse regulatory rulings or changes in regulatory enforcement in the markets in which we operate and uncertainty regarding the nature and degree of regulation relating to certain aspects of our business; and (f) reduction efforts. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this document. Primus intends to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

Important  
Information  
and  
Where  
to  
Find  
It  
Participants  
in  
the  
Solicitation  
Forward-Looking  
Statements

### Q3 and YTD 2010 Highlights

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#### Notes:

All results of operations exclude Discontinued Operations and severance unless otherwise specified.

1. EBITDA excludes impact of severance expenses, \$4.2 million in Q310 and \$1.8 million in Q110 and is a non-GAAP financial measure. All non-GAAP measures and relevant GAAP measures are available in the Appendix and in the Company's periodic SEC filings.

2. Free Cash Flow is defined as Cash Flow from Operating Activities less Capital Expenditures.

(US\$ 000s)

Q309  
 Q310  
 Change  
 Q309  
 Q310  
 Change  
 Revenue  
 \$194.9  
 \$188.2  
 (\$6.7)  
 \$560.2  
 \$575.8  
 \$15.6  
 Gross Margin  
 68.1  
 67.3  
 (0.8)  
 196.4  
 209.0  
 12.6  
 Gross Margin %  
 34.9%  
 35.8%  
 0.9%  
 35.1%  
 36.3%  
 1.2%  
 Adjusted EBITDA  
 (1)  
 \$21.2  
 \$20.0  
 (\$1.2)  
 \$60.7  
 \$65.7  
 \$5.1  
 EBITDA %  
 10.9%  
 10.6%  
 -0.3%  
 10.8%  
 11.4%  
 0.6%  
 Capex  
 3.9  
 6.4  
 2.5  
 9.5  
 16.7  
 7.2  
 Free Cash Flow

(2)  
9.1  
14.5  
5.4  
30.3  
20.3  
(10.0)  
Cash Balance  
\$41.9  
\$49.6  
\$7.7  
\$41.9  
\$49.6  
\$7.7  
Quarter ended  
YTD

The Primus Portfolio  
Sum of the Parts  
Adjusted  
Adjusted  
EBITDA  
(US\$ 000s)  
Revenue  
EBITDA

(1)  
Capex  
less Capex  
Canada  
\$172.4  
\$34.9  
\$7.3  
\$27.6  
Australia  
205.7  
  
29.8  
  
7.6  
  
22.2  
  
Global Wholesale  
137.6  
  
3.2  
  
0.1  
  
3.1  
  
Sub-Total  
\$515.7  
\$67.9  
\$15.0  
\$52.9  
US Retail  
\$38.8  
\$4.1  
\$0.8  
\$3.3  
Brazil  
21.3  
  
1.3  
  
0.8  
  
0.4  
  
Corporate / India  
-  
  
(7.6)



-

(7.6)

\$575.8

\$65.7

\$16.7

\$49.0

Discontinued Operations

36.4

(0.4)

0.3

(0.8)

Severance

-

(6.1)

-

(6.1)

Total

\$612.2

\$59.2

\$17.1

\$42.2

YTD Q310

Total before

Discontinued Operations

Canada

30%

Australia

35%

Wholesale

24%

US

7%

Brazil

4%

4

Canada

48%

Australia

41%

Wholesale

4%

US

5%

Brazil

2%

Notes:

1. A non-GAAP financial measure. Definitions and reconciliations between non-GAAP measures and relevant GAAP measure

Primus Canada Highlights  
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Headquartered in Toronto,  
Ontario

C\$240M revenue in annualized  
revenue

800 employees

Data centers and sales offices in  
BC, Alberta, and Ontario

450K customers across the  
country

70 DSLAMs  
(primarily in  
Ontario & Quebec)

Provide on-net equal access to  
~90% of population

Call centers in Ontario (Ottawa)  
and New Brunswick

Primus Australia Highlights  
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Headquartered in Melbourne

A\$305 million in annualized  
revenue

575 employees

3 Data Centers in Melbourne  
and Sydney

Offices in Melbourne, Sydney,  
Adelaide, Brisbane and Perth

250K customers located in all  
territories

5 carrier-grade voice switches  
and 66 points of interconnect

281 DSLAMs  
primarily in major  
cities and surrounding suburbs

Central business district metro  
fiber in Sydney and Melbourne

Global Wholesale Services

Key

Combination

Considerations:

Increased scale in carrier services market

Benefits

of  
the exchange  
TM

Arbinet's  
world-class  
telecommunications  
trading  
platform

Added products and services and enhanced access to certain international routes

Complementary market presence

Synergy potential of \$3 million to \$7 million (when fully integrated)

Consolidation benefits for network and facilities

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Combined

PRIMUS

Before

(all figures in millions and annualized, except customers)

Carrier

Arbinet

Synergies

Revenue

(1)

\$183.4

\$330.0

\$513.4

Gross Margin

(1)

\$10.8

\$25.0

\$35.8

Gross Margin %

5.9%

7.6%

7.0%

Customers

262

1,237

Minutes of Use

4,340

12,667

(1) Revenue and Gross Margin are presented net of Bad Debt allowance.

YTD Q310 Annualized



Financial Summary  
Revenue  
Adjusted EBITDA  
(1) (2)  
Capital Expenditures  
Free  
Cash  
Flow

(1)  
(\$ Millions)  
8  
\$195  
\$203  
\$193  
\$195  
\$188  
\$0  
\$50  
\$100  
\$150  
\$200  
\$250  
Q309  
Q409  
Q110  
Q210  
Q310  
-3.3%  
% Sequential  
Change  
5.9 %  
4.0%  
-4.7%  
0.8%  
3.4%  
% of  
Revenue  
2.0%  
2.7%  
2.5%  
3.0%  
10.6%  
% of  
Revenue  
10.7%  
10.8%  
11.8%  
11.7%  
\$14  
(\$7)  
\$13  
\$6  
\$9  
-\$10  
-\$5  
\$0  
\$5  
\$10

\$15

\$20

Q309

Q409

Q110

Q210

Q310

\$21

\$22

\$23

\$23

\$20

\$0

\$5

\$10

\$15

\$20

\$25

Q309

Q409

Q110

Q210

Q310

\$6

\$6

\$5

\$6

\$4

\$0

\$2

\$4

\$6

\$8

\$10

Q309

Q409

Q110

Q210

Q310

7.4%

% of

Revenue

4.7%

3.0%

6.7%

(3.6)%

(1)

A non-GAAP financial measure. Definitions and reconciliations between non-GAAP measures and relevant GAAP measures

(2)

Adjusted EBITDA excludes impact of severance charges in Q109 (\$1.8 million) and Q310 (\$4.2 million).

Note:

All results of operations exclude Discontinued Operations unless otherwise specified.

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Canada Overview

Net Revenue

Adjusted EBITDA

(1)

(0.8)%

59.1

(CAD\$)

\$63.1  
 \$62.1  
 \$59.8  
 \$59.6  
 Sequential Change  
 (2.0)%  
 (1.6)%  
 (3.6)%  
 (0.4)%  
 20.0%  
 (3.3)%  
 \$11.8  
 (CAD\$)  
 \$12.8  
 \$11.8  
 \$12.1  
 \$12.2  
 Sequential Change  
 (7.9)%  
 (7.8)%  
 2.5%  
 0.8%  
 % of Revenue  
 20.3%  
 19.1%  
 20.2%  
 20.5%  
 (\$Millions)  
 (\$Millions)  
 Most profitable business unit  
 in the portfolio  
 Stable EBITDA averaging  
 20% of net revenue despite  
 declining revenues  
 40% and 7% growth year-  
 over-year in Hosted IP/PBX  
 and data center revenues,  
 respectively  
 Effective cost controls helped  
 offset the impact of declining  
 revenues on EBITDA and free  
 cash flow  
 \$56.9  
 \$58.0  
 \$57.5  
 \$58.7  
 \$57.4  
 \$0  
 \$25  
 \$50

\$75

Q309

Q409

Q110

Q210

Q310

\$11.3

\$12.0

\$11.6

\$11.2

\$11.6

\$0

\$5

\$10

\$15

\$20

Q309

Q409

Q110

Q210

Q310

(1)

A non-GAAP financial measure. Definitions and reconciliations between non-GAAP measures and relevant GAAP measures

10  
Australia Overview  
Net Revenue  
Adjusted EBITDA  
(1)  
(0.8)%  
\$75.8  
(AUS\$)



\$76.5

\$75.9

\$77.3

\$76.4

Sequential Change

(0.9)%

(0.8)%

1.9%

(1.2)%

13.2%

(2.9)%

\$10.0

(AUS\$)

\$9.8

\$9.7

\$12.9

\$10.3

Sequential Change

(10.1)%

(1.0)%

33.0%

(20.2)%

% of Revenue

12.9%

12.8%

16.6%

13.5%

(\$Millions)

(\$Millions)

Stable revenue stream

Declining residential revenue

replaced by higher margin

business revenue

46% growth year-over-year in

data center revenues and 6%

growth for business revenues in

aggregate

Adjusted EBITDA of 13.2% of

net revenue in Q310 versus

12.9% in Q309

\$68.4

\$69.9

\$63.7

\$69.0

\$67.5

\$60

\$64

\$68

\$72

Q309

Q409  
Q110  
Q210  
Q310  
\$9.0  
\$9.1  
\$11.6  
\$8.8  
\$8.2  
\$0  
\$2  
\$4  
\$6  
\$8  
\$10  
\$12  
\$14  
Q309