

Edgar Filing: ARBINET Corp - Form 425

ARBINET Corp
Form 425
December 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

1
Investor Presentation
December 2010

2
Safe Harbor
Important Information and Where to Find It
In
connection
with
the
proposed
merger,

Primus
Telecommunications
Group,
Incorporated
(Primus)
will
file
with
the
Securities
and
Exchange
Commission
(SEC)
a
Registration
Statement
on
Form
S-4
that
will
include
a
preliminary
proxy
statement
of
Primus
and
Arbinet
Corporation
(Arbinet)
that
also
constitutes
a
preliminary
prospectus
of
Primus.
A
definitive
joint
proxy
statement/prospectus
will
be
sent
to

security
holders
of
both
Arbinet
and
Primus
seeking
their
approval
with
respect
to
the
proposed
merger.
Primus
and
Arbinet
also
plan
to
file
other
documents
with
the
SEC
regarding
the
proposed
transaction.

INVESTORS
AND
SECURITY
HOLDERS
ARE
URGED
TO
CAREFULLY
READ
THE
JOINT
PROXY
STATEMENT/PROSPECTUS
AND
OTHER
DOCUMENTS
FILED
WITH

THE
SEC
WHEN
THEY
BECOME
AVAILABLE,
BECAUSE
THEY
WILL
CONTAIN
IMPORTANT
INFORMATION.

Investors
and
security
holders
may
obtain
a
free
copy
of
the
joint
proxy
statement/prospectus
(when
it
becomes
available)
and
other
documents
filed
by
Primus
and
Arbinet
with
the
SEC,
without
charge,
at
the
SEC's
web
site
at
www.sec.gov.

Copies
of
the
joint
proxy
statement/prospectus,
once
available,
and
each
company's
SEC
filings
that
will
be
incorporated
by
reference
in
the
joint
proxy
statement/prospectus
may
also
be
obtained
for
free
by
directing
a
request
to:
(i)
Primus
703-748-8050,
or
(ii)
Arbinet
(Andrea
Rose/Jed
Repko
Joele
Frank,
Wilkinson
Brimmer
Katcher
(212) 355-4449).

Participants in the Solicitation

Arbinet,
Primus,
and
their
respective
directors,
executive
officers
and
other
members
of
their
management
and
employees
may
be
deemed
to
be
participants
in
the
solicitation
of
proxies
from
their
respective
security
holders
in
connection
with
the
proposed
merger.
Investors
and
security
holders
may
obtain
information
regarding
the
names,
affiliations

and
interests
of
Primus s
directors,
executive
officers
and
other
members
of
its
management
and
employees
in
in
Primus s
Annual
Report
on
Form
10-K
for
the
year
ended
December
31,
2009,
which
was
filed
with
the
SEC
on
April
5,
2010,
and
amended
in
a
Form
10-K/A
filed
with
the
SEC
on

April
28,
2010,
Primus s
proxy
statement
for
its
2010
annual
meeting,
which
was
filed
with
the
SEC
on
June
14,
2010,
and
any
subsequent
statements
of
changes
in
beneficial
ownership
on
file
with
the
SEC.
Investors
and
security
holders
may
obtain
information
regarding
the
names,
affiliations
and
interests
of
Arbinet s

directors,
executive
officers
and
other
members
of
their
management
and
employees
in
Arbinet 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,
which
was
filed
with
the
SEC
on

April
30,
2010,
and
any
subsequent
statements
of
changes
in
beneficial
ownership
on
file
with
the
SEC.
These
documents
can
be
obtained
free
of
charge
from
the
sources
listed
above.
Additional
information
regarding
the
interests
of
these
individuals
will
also
be
included
in
the
joint
proxy
statement/prospectus
regarding
the
proposed

transaction
when
it
becomes
available.

Forward-Looking Statements

This
document
and
related
verbal
statements
include
forward-looking
statements
as
defined
by
the
Securities
and
Exchange
Commission.

All
statements,
other
than
statements
of
historical
fact,
included
herein
that
address
activities,
events
or
developments
that
Arbinet
or
Primus
expects,
believes
or
anticipates
will
or
may

occur
in
the
future,
including
anticipated
benefits
and
other
aspects
of
the
proposed
merger,
are
forward-looking
statements.
These
forward-looking
statements
are
subject
to
risks
and
uncertainties
that
may
cause
actual
results
to
differ
materially.
Risks
and
uncertainties
that
could
affect
forward-looking
statements
include,
but
are
not
limited
to,
the
following:

the
risk
that
the
acquisition
of
Arbinet
may
not
be
consummated
for
reasons
including
that
the
conditions
precedent
to
the
completion
of
the
acquisition
may
not
be
satisfied;
the
possibility
that
the
expected
synergies
from
the
proposed
merger
will
not
be
realized,
or
will
not
be
realized
within
the
anticipated

time
period;
the
risk
that
Primus's
and
Arbinet's
businesses
will
not
be
integrated
successfully;
the
possibility
of
disruption
from
the
merger
making
it
more
difficult
to
maintain
business
and
operational
relationships;
any
actions
taken
by
either
of
the
companies,
including,
but
not
limited
to,
restructuring
or
strategic
initiatives
(including
capital

investments
or
asset
acquisitions
or
dispositions);
the
ability
to
service
substantial
indebtedness;
the
risk
factors
or
uncertainties
described
from
time
to
time
in
Arbinet's
filings
with
the
Securities
and
Exchange
Commission;
and
the
risk
factors
or
uncertainties
described
from
time
to
time
in
Primus's
filings
with
the
Securities
and
Exchange

Commission
(including,
among
others,
those
listed
under
captions
titled

Management's
Discussion
and
Analysis
of
Financial
Condition
and
Results
of
Operations

Liquidity
and
Capital
Resources

Short-
and
Long-Term
Liquidity
Considerations
and
Risks;

Special
Note
Regarding
Forward-Looking
Statements;
and

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:

(a) a continuation or worsening of global recessionary economic conditions, including the effects of such conditions on our customers and our accounts receivables and revenues;

(b) the general fluctuations in the exchange rates of currencies,

particularly
any
strengthening
of
the
United
States
dollar
relative
to
foreign
currencies
of
the
countries
where
we
conduct
our
foreign
operations;
(c)
the
possible
inability
to
raise
additional
capital
or
refinance
indebtedness
when
needed,
or
at
all,
whether
due
to
adverse
credit
market
conditions,
our
credit
profile
or
otherwise;
(d)

a
continuation
or
worsening
of
turbulent
or
weak
financial
and
capital
market
conditions;
(e)
adverse
regulatory
rulings
or
changes
in
the
regulatory
schemes
or
requirements
and
regulatory
enforcement
in
the
markets
in
which
we
operate
and
uncertainty
regarding
the
nature
and
degree
of
regulation
relating
to
certain
services;
and
(f)

successful
implementation
of
cost
reduction
efforts.
Readers
are
cautioned
not
to
place
undue
reliance
on
forward-looking
statements,
which
speak
only
as
of
their
dates.
Except
as
required
by
law,
neither
Arbinet
nor
Primus
intends
to
update
or
revise
its
forward-looking
statements,
whether
as
a
result
of
new
information,
future events or otherwise.

Primus Today

U.S. headquartered international business with operations in Canada, Australia, the U.S., and Brazil

Provider of voice and data communication services to residential, business and carrier customers

Growth services: broadband, IP-based voice, on-net local, data and data center services

Traditional businesses: domestic and international long-distance, off-network local, prepaid cards and dial-up internet services

Wholesale services: Inter-continental IP and TDM wholesale access and transport
Global reach provided by extensive IP-based network assets
Revenue well distributed by geography, product and customer type
Leading global provider of advanced facilities-based communication solutions

Primus Investment Highlights

Drive profitable growth in areas of long-term sustainable advantage

Scale Canada, Australia, and Global Wholesale

Feed growth businesses: IP-

and data-

based services for enterprises, consumers

Harvest cash flows in traditional businesses

Executing asset portfolio strategy through strategic alternatives

Arbinet

doubles wholesale business and creates unique product set, significant synergies

Exiting unproductive, non-scalable businesses

Evaluating other M&A opportunities

Generating free cash flow, growing cash balance

Focused on balanced sheet transformation through cash generation, proceeds of any divestitures

Management team with extensive telco, cable, and data center experience

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%

5

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

6

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

7

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 [thexchange](#)

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

8

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

Q3 and YTD 2010 Highlights

9

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.

Definitions
 and
 reconciliations
 between

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

Financial Summary
Revenue
Adjusted EBITDA
(1) (2)
Capital Expenditures
Free Cash Flow
(1)
(\$ Millions)
10

(1)

A non-GAAP financial measure. Definitions and reconciliations between non-GAAP measures and relevant GAAP measures are available in the Appendix and in the Company's periodic SEC filings.

(2)

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

\$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)%

Note:

All results of operations exclude Discontinued Operations unless otherwise specified.

11
Canada Overview
Net Revenue
Adjusted EBITDA
(1)
\$56.9
\$58.0
\$57.5
\$58.7

\$57.4
 \$0
 \$25
 \$50
 \$75
 Q309
 Q409
 Q110
 Q210
 Q310
 (1)
 A non-GAAP financial measure. Definitions and reconciliations between
 non-GAAP measures and relevant GAAP measures are available in the Appendix and in the Company's periodic SEC filings.
 (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%
 \$11.3
 \$12.0
 \$11.6
 \$11.2
 \$11.6
 \$0
 \$5

\$10

\$15

\$20

Q309

Q409

Q110

Q210

Q310

(\$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

12
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)%

(1) A non-GAAP financial measure. Definitions and reconciliations between non-GAAP measures and relevant GAAP measures are available in the Appendix and in the Company's periodic SEC filings.

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%

\$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

Q409

Q110

Q210

Q310

(\$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

Global Wholesale Overview

Net Revenue

Gross Margin %

(1)

\$53.6

\$54.9

\$46.5

\$49.2

\$41.9

\$0
\$20
\$40
\$60
\$80
Q309
Q409
Q110
Q210
Q310
4.1%
3.9%
3.7%
4.9%
5.2%
0.0%
1.0%
2.0%
3.0%
4.0%
5.0%
6.0%
Q309
Q409
Q110
Q210
Q310

(1) A non-GAAP financial measure. Gross Margin % is defined as Net Revenue less costs of revenue divided by Net Revenue

(14.9)%

Sequential Change

6.5%

2.5%

(15.3)%

5.8%

(\$Millions)

(\$Millions)

Gross margins, as a percentage of net revenue, improved 110 basis points to 5.2% in Q310 versus Q309 as we focused on higher margin US domestic terminations

Summer seasonality in Europe had expected effect on quarterly traffic

Focus on profitability vs. Revenue drove decision to prune less profitable traffic

13

Primus

Other Businesses

United States:

Net Revenue for the quarter decreased \$4.1 million year over year to \$12.1 million

Adjusted EBITDA for the quarter decreased \$1.6 million year over year to

\$0.9 million

Brazil:

Net Revenue for the quarter increased BRR 8.2 million year over year to BRR 15.9 million

Adjusted EBITDA for the quarter remained flat year over year as the significant increase in revenue was derived from low-margin reseller voice services

Europe Retail:

All European retail operations classified as Discontinued Operations in the financial statements

\$6.2 million (non-cash) impairment charge for goodwill and long-lived assets, primarily intangibles established as part of fresh start accounting

Adjusted EBITDA of (2K) and (71K) for the third quarters 2010 and 2009, respectively

15

Foreign Currency Effects

More than 80% of revenue generated outside US

Natural in-country currency hedge

Revenue and costs are largely denominated in each country's local currency

Impact of currency fluctuations driven by US dollar

remittances from foreign units to service debt

.5688

0.9617

0.9023

Q310

0.5536

0.9602

0.9036

Q110

0.5559

0.9731

0.8835

Q210

0.5800

0.9900

0.9900

As of

11/15/10

Q309

Q409

AUD \$

0.8323

0.9087

CAN \$

0.9097

0.9460

BRR

0.5335

0.5728

Average Exchange Rate to US\$

16

Balance Sheet

(\$US Millions)

(1) A non-GAAP financial measure. Definitions and reconciliations between non-GAAP measures and relevant GAAP measures are available in the Appendix and in the Company's periodic SEC filings.

Q309

Q409

Q110

Q210

Q310

Total Debt / LTM Adjusted EBITDA

3.30x

3.15x

2.99x

2.79x

2.81x

Net Debt / LTM Adjusted EBITDA

2.76x

2.63x

2.38x

2.40x

2.24x

Interest Coverage Ratio

2.50x

1.77x

2.45x

2.69x

2.31x

Note:

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

Cash balance of \$49.6 million at September 30, 2010

Principal amount of total debt at 9/30/10 was \$245.9

million compared to \$246.3 million at 6/30/10

Improving leverage ratios

Primus Investment Highlights

Drive profitable growth in areas of long-term sustainable advantage

Scale Canada, Australia, and Global Wholesale

Feed growth businesses: IP-

and data-

based services for enterprises, consumers

Harvest cash flows in traditional businesses

Executing asset portfolio strategy through strategic alternatives

Arbinet

doubles wholesale business and creates unique product set, significant synergies

Exiting unproductive, non-scalable businesses

Evaluating other M&A opportunities

Generating free cash flow, growing cash balance

Focused on balanced sheet transformation through cash generation, proceeds of any divestitures

Competitive Landscape

Alog, Diveo, UOL, Locaweb, Transit,
GVT, Datora

Telstra, Optus, AAPT, iiNet, TPG
Bell Canada, Telus, MTS Allstream,
Rogers, COGECO, Shaw, Globalive,
Videotron

Wholesale units of major carriers

Pure plays: Arbinet, Phonetime,

Vonage, Cbeyond, XO, Paetec, Verizon,
AT&T
Quality
Value
Strong brand identity
Extensive sales staff
Quality of service
Value
Customer care
Strong brand identity
Value
Quality of service
Strong managed services team
Largest geographical internet data
center coverage
Depth of network facilities
Inter-connections
Pricing
Quality of service
Quality of IP-PBX Platform
Value
Geography
Primary Services
Primary Competitors
PRIMUS
Advantages
Data-hosting
VoIP services
Broadband access
Tier 1 international carriers, emerging multi
national carriers, cable companies and Global
ISPs
Residential
Voice, VOIP
Business
Voice, IP-PBX services
Brazil
Australia
Canada
Wholesale
U.S.
Residential
Value Provider
Voice, Broadband, IP, wireless, local
Business
Full Solution Provider
Voice, broadband, IP, hosting, data, wireless
MVNO
Residential
Value Provider

Voice, broadband, local, wireless MVNO

Business

Full Solution Provider with

SME Focus

Voice, broadband, IP, local, wireless,
hosting services

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Adjusted EBITDA

Adjusted EBITDA, as defined by us, consists of net income (loss) before reorganization items, net, share-based compensation expense, depreciation and amortization, asset impairment expense, gain (loss) on sale or disposal of assets, interest expense, amortization or accretion on debt discount or premium, gain (loss) on early extinguishment or restructuring of debt, interest income and other income (expense), gain (loss) from contingent value rights valuation, foreign currency transaction gain (loss), income tax benefit (expense), income (expense) attributable to

the non-controlling interest, income (loss) from discontinued operations, net of tax, and income (loss) from sale of discontinued operations, net of tax. Our definition of Adjusted EBITDA may not be similar to Adjusted EBITDA measures presented by other companies, is not a measurement under generally accepted accounting principles in the United States, and should be considered in addition to, but not as a substitute for, the information contained in our statements of operations.

We believe Adjusted EBITDA is an important performance measurement for our investors because it gives them a metric to analyze our results exclusive of certain non-cash items and items which do not directly correlate to our business of selling and provisioning telecommunications services. We believe Adjusted EBITDA provides further insight into our current performance and period to period performance on a qualitative basis and is a measure that we use to evaluate our results and performance of our management team.

Free Cash Flow

Free Cash Flow, as defined by us, consists of net cash provided by (used in) operating activities before reorganization items less net cash used in the purchase of property and equipment. Free Cash Flow, as defined above, may not be similar to Free Cash Flow measures presented by other companies, is not a measurement under generally accepted accounting principles in the United States, and should be considered in addition to, but not as a substitute for, the information contained in our consolidated statements of cash flows.

We believe Free Cash Flow provides a measure of our ability, after purchases of capital and other investments in our infrastructure, to meet scheduled debt principal payments. We use Free Cash Flow to monitor the impact of our operations on our cash reserves and our ability to generate sufficient cash flow to fund our scheduled debt maturities and other financing activities, including discretionary refinancings and retirements of debt. Because Free Cash Flow represents the amount of cash generated or used in operating activities less amounts used in the purchase of property and equipment before deductions for scheduled debt maturities and other fixed obligations (such as capital leases, vendor financing and other long-term obligations), you should not use it as a measure of the amount of cash available for discretionary expenditures.

Non-GAAP Measures

Note:

All results of operations excluded Discontinued Operations unless otherwise specified.

Three Months

Three Months

Three Months

Ended

Ended

Ended

September 30,

June 30,

September 30,

2010

2010

2009

NET INCOME (LOSS) ATTRIBUTABLE TO

PRIMUS TELECOMMUNICATIONS GROUP, INCORPORATED

5,080

\$

(13,038)
 \$
 2,165
 \$
 Reorganization items, net
 -
 -
 307
 Share-based compensation expense
 (12)
 117
 307
 Depreciation and amortization
 13,641
 18,194
 18,740
 (Gain) loss on sale or disposal of assets
 -
 (189)
 36
 Interest expense
 8,602
 8,733
 8,747
 Accretion (amortization) on debt premium/discount, net
 46
 45
 -
 (Gain) loss on early extinguishment of debt
 -
 (164)
 -
 Interest and other (income) expense
 (254)
 (153)
 (160)
 (Gain) loss from Contingent Value Rights valuation
 (33)
 382
 4,229
 Foreign currency transaction (gain) loss
 (14,006)
 9,623
 (13,448)
 Income tax (benefit) expense
 (3,238)
 (1,883)
 (2,121)
 Income (expense) attributable to the non-controlling interest
 74

(106)
210
(Income) loss from discontinued operations,
net of tax
5,464
1,528
2,110
(Gain) loss from sale of discontinued operations,
net of tax
389
(193)
110
ADJUSTED EBITDA
15,753
\$
22,896
\$
21,232
\$
NET CASH PROVIDED BY (USED IN)
OPERATING ACTIVITIES BEFORE REORGANIZATION ITEMS
20,865
\$
(1,140)
\$
12,992
\$
Net cash used in purchase of property
and equipment
(6,410)
(5,824)
(3,886)
FREE CASH FLOW
14,455
\$
(6,964)
\$
9,106
\$