

Revenues

		2008			2009				2010
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Fixed Subscriber Revenues	(in Thousands)	\$46,593	\$47,481	\$48,125	\$48,799	\$49,726	\$49,782	\$49,612	\$48,869
Variable Subscriber Revenues		12,943	12,985	11,503	10,842	11,322	11,264	10,576	10,678
Subscriber Revenues		\$59,536	\$60,466	\$59,628	\$59,640	\$61,049	\$61,046	\$60,188	\$59,547
Other Revenues		1,140	1,086	1,014	751	1,415	756	727	733
Total Revenues		\$60,676	\$61,552	\$60,642	\$60,391	\$62,464	\$61,801	\$60,915	\$60,280
DID - Based Revenues		\$57,551	\$58,440	\$57,698	\$57,449	\$58,904	\$58,969	\$58,122	\$57,435
Non-DID Revenues		3,125	3,112	2,944	2,942	3,560	2,832	2,793	2,845
Total Revenues		\$60,676	\$61,552	\$60,642	\$60,391	\$62,464	\$61,801	\$60,915	\$60,280
Subscriber Revenues/Total Revenues		98.1%	98.2%	98.3%	98.8%	97.7%	98.8%	98.8%	98.8%
DID - Based/Total Revenues		94.8%	94.9%	95.1%	95.1%	94.3%	95.4%	95.4%	95.3%
% Fixed Subscriber Revenues	78.3%	78.5%	80.7%	81.8%	81.5%	81.5%	82.4%	82.1%	
% Variable Subscriber Revenues	21.7%	21.5%	19.3%	18.2%	18.5%	18.5%	17.6%	17.9%	
Paid DIDs ⁽¹⁾		1,162,872	1,198,950	1,236,079	1,273,876	1,274,145	1,274,240	1,275,486	1,314,857
Average Monthly Revenue/DID		\$16.29	\$15.87	\$15.29	\$14.85	\$14.96	\$15.03	\$14.85	\$14.40
Cancel Rate ⁽²⁾		2.9%	3.0%	3.1%	3.5%	3.3%	3.1%	3.0%	2.8%
Free DIDs (MM)		10.2	10.4	10.4	10.1	10.1	10.0	9.9	10.3
Average Monthly Revenue/DID		\$0.07	\$0.07	\$0.06	\$0.05	\$0.06	\$0.05	\$0.04	\$0.05
Cities Covered		3,126	3,137	3,135	3,207	3,327	3,500	3,539	3,665
Countries Covered		45	46	46	46	46	46	46	48
Cash & Investment	(millions)	\$149.9	\$151.8	\$161.9	\$179.3	\$194.8	\$222.5	\$243.7	\$264.4
Free Cash Flow ⁽³⁾	(millions)	\$23.2	\$15.0	\$24.4	\$30.4	\$22.9	\$26.1	\$22.2	\$34.2

DIDs

Financials

⁽¹⁾ Paid DIDs reflect reserves for: anticipated product migration and/or price increase and a non-recurring adjustment for data clean up.

⁽²⁾ Cancel Rate is defined as individual customer DIDs with greater than 4 months of continuous service (continuous service includes customer DIDs which are administratively cancelled and reactivated within calendar month), and DIDs related to enterprise customers beginning with their first day of service. Calculated monthly and expressed here as an average over the three months of the quarter.

⁽³⁾ Free cash flow is net cash provided by operating activities, plus excess tax benefits/(deficiency) from share based compensation, less purchases of property and equipment. See slide 13 for computation of free cash flow.

Computation of Free Cash Flow

(\$ in millions)

	Q2 '08	Q3 '08	Q4 '08	Q1 '09	Q2 '09	Q3 '09	Q4 '09	Q1 '10
Net cash provided by operating activities	\$23.840	\$15.676	\$23.789	\$31.152	\$20.362	\$26.469	\$23.850	\$34.688
Purch. of property & equipment	(\$0.796)	(\$0.937)	(\$0.305)	(\$0.721)	(\$0.217)	(\$0.767)	(\$1.546)	(\$0.086)
Excess tax benefit/(deficiency) from share based compensation	\$0.204	\$0.212	\$0.910	\$0.005	\$2.718	\$0.403	(\$0.063)	(\$0.406)
Free Cash Flow ⁽¹⁾	\$23.248	\$14.951	\$24.394	\$30.436	\$22.863	\$26.105	\$22.241	\$34.196

- (1) Free cash flow is defined as net cash provided by operating activities, less purchases of property, plant and equipment, plus excess tax benefit (deficiency) from share based compensation. Free cash flow amounts are not meant as a substitute for GAAP, but are solely for informational purposes.

Non-GAAP Results & Reconciliation to GAAP

j2 GLOBAL COMMUNICATIONS, INC.
 UNAUDITED RECONCILIATION OF MODIFIED NET EARNINGS
 THREE MONTHS ENDED MARCH 31, 2010
 (UNAUDITED, IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	THREE MONTHS ENDED MARCH 31, 2010		
	Reported	Non-GAAP Entries	Non-GAAP
Revenues			
Subscriber	\$ 59,547	\$ -	\$ 59,547
Other	733	-	733
Total revenue	60,280	-	60,280
Cost of revenues ⁽¹⁾	10,266	(329) ⁽¹⁾	9,937
Gross profit	50,014	329	50,343
Operating expenses:			
Sales and marketing ⁽¹⁾	11,152	(491) ⁽¹⁾	10,661
Research, development and engineering ⁽¹⁾	2,909	(220) ⁽¹⁾	2,689
General and administrative ^{(1) (2)}	11,494	(2,031) ^{(1) (2)}	9,463
Total operating expenses	25,555	(2,742)	22,813
Operating earnings	24,459	3,071	27,530
Interest and other income, net	192	-	192
Earnings before income taxes	24,651	3,071	27,722
Income tax expense ⁽³⁾	7,015	944 ⁽³⁾	7,959
Net earnings	\$ 17,636	\$ 2,127	\$ 19,763
Diluted net earnings per share	\$ 0.39		\$ 0.44
Diluted weighted average shares outstanding	45,421,180		45,421,180

⁽¹⁾ Share based compensation is as follows: for Q1, Cost of revenues is \$329K, Sales and Marketing is \$491K, R&D is \$220K, and G&A is \$1,901K.

⁽²⁾ Nonrecurring acquisition costs of \$130K.

⁽³⁾ Income tax expense adjusted for the net impact of items above is \$944K.



**Global
Communications**