



Global Communications

www.j2global.com

**Needham & Co. First Annual Internet and
Digital Media Conference**

(Based upon First Quarter 2006 results)

May 11, 2006

Safe Harbor for Forward-Looking Statements

Certain statements in this presentation constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, particularly those contained in the slide entitled “Financial Guidance”. These forward-looking statements are based on management’s current expectations or beliefs as of May 11, 2006 and are subject to numerous assumptions, risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements. Readers should carefully review the risk factors described in this presentation. Such statements address the following subjects:










- Future operating results
- Subscriber growth and retention
- Earnings growth and expectations
- New products, services and features
- Corporate spending
- Liquidity
- Network capacity and coverage
- Regulatory developments
- Taxes

All information in this presentation speaks as of May 11, 2006 and any distribution of this presentation after that date is not intended and will not be construed as updating or confirming such information.

Risk Factors

The following factors, among others, could cause our business, prospects, financial condition, operating results and cash flows to be materially adversely affected:

- Inability to sustain growth in our customer base, revenue or profitability
- Competition in price, quality, features and geographic coverage
- Higher than expected tax rates or exposure to additional income or other tax liability
- Inability to obtain telephone numbers in sufficient quantities on acceptable terms in desired locations
- Enactment of burdensome telecommunications or Internet regulations including increased taxes or fees
- Reduced use of fax services due to increased use of email or widespread adoption of digital signatures
- Inadequate intellectual property protection or violations of third party intellectual property rights
- System failures or breach of system or network security and resulting harm to our reputation
- Inability to adapt to technological change, or third party development of new technologies superior to ours
- Economic downturns in industries which rely heavily on fax transmissions
- Loss of services of executive officers and other key employees
- Loss of third party suppliers and marketing relationships, and inability to enter into new such relationships on acceptable terms
- Other factors set forth in our Annual Report on Form 10-K filed on 3/27/06 and the other reports filed by us from time to time with the Securities and Exchange Commission

			
Fax	Voice	Unified Messaging	Email
			electricm@il
			

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Core j2 Global Assets

11.0 million subscribed telephone numbers (DIDs)

Global advanced messaging network

- ◆ ~2000 cities in 29 countries on 5 continents
- ◆ 15.2 MM+ unique DIDs worldwide in inventory

Patented technology

- ◆ A portfolio of 29 issued U.S. patents, and numerous pending U.S. patent applications, issued foreign patents and pending foreign applications
- ◆ Licensing programs designed to monetize the portfolio

Expertise

- ◆ Effective customer acquisition strategies and Web marketing
- ◆ Breadth, depth and management of a complex network & architecture

Strong financial position

- ◆ 36 consecutive quarters of Revenue growth
- ◆ 17 consecutive quarters of positive and growing Operating Earnings
- ◆ 30% year-over-year Revenue growth
- ◆ \$162.3 MM of cash & investments to fund growth (as of 03/31/06)
- ◆ Nominal amount of debt

Subscriber Acquisition

Individuals

- ◆ Targeted Web marketing (e.g. AOL, MSN, Yahoo!, Google, CareerBuilder, Earthlink)
- ◆ Sold primarily through: www.eFax.com, www.j2.com, www.onebox.com and www.evoice.com
- ◆ Use of proprietary Life Cycle Management
- ◆ Advertising & Calling-Party-Pays revenue supports the Free base

Small to Mid-Sized Businesses (SMBs)

- ◆ Sold through: www.eFaxCorporate.com, supported by Telesales
- ◆ Self-service Web-based broadcast fax engine at www.jblast.com
- ◆ Outsourced email, spam & virus protection through Electric Mail
- ◆ Use of proprietary Life Cycle Management (i.e. usage stimulation)

Small to Mid-Sized Enterprises (SMEs)

- ◆ Launched in late Q4 '05 with initial direct sales force of 4
- ◆ Designed for 150 - 750 DID accounts

Large Enterprise/Government

- ◆ Direct sales force
- ◆ Marketed through Web and traditional direct selling methods
- ◆ Designed for > 750 DID accounts

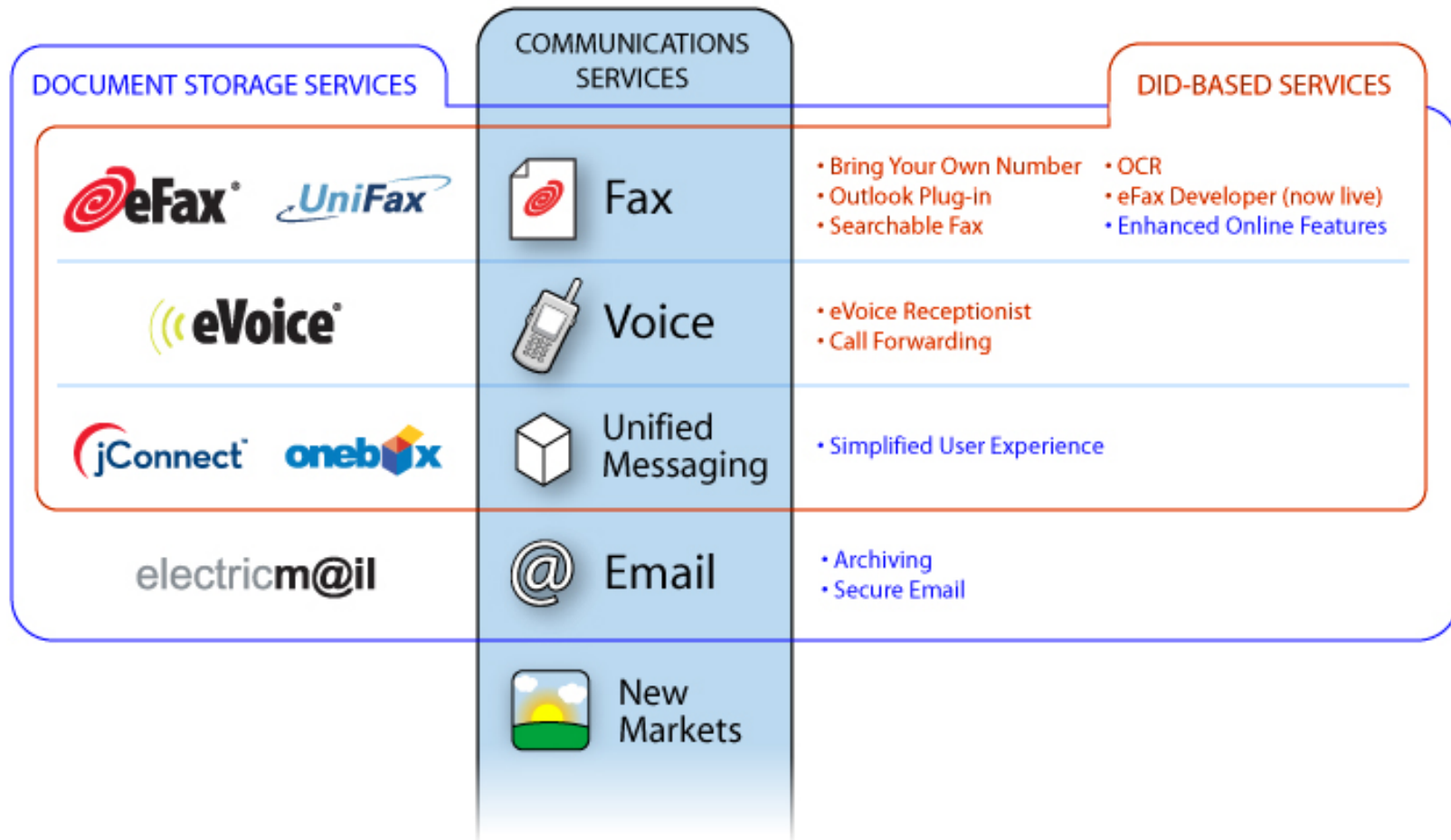
Paid Subscription Drivers

Seven Drivers for Paid DID Additions

- ◆ **Subscribers coming directly to the Company's Websites/Telesales**
 - Brand awareness
 - Search engine discovery
 - Accounts for up to 50% of monthly paid DID signups
- ◆ **Free-to-Paid subscriber upgrades**
 - Life Cycle Management
- ◆ **eFax Corporate SMB sales**
 - Hybrid Website and human interaction (i.e. Telesales)
- ◆ **Direct Enterprise/Government**
 - Through the outside Corporate Sales team
- ◆ **Direct marketing spend for Paid subscribers**
 - Targeted marketing/CPA deals
- ◆ **International marketing programs in Europe**
- ◆ **SME sales**

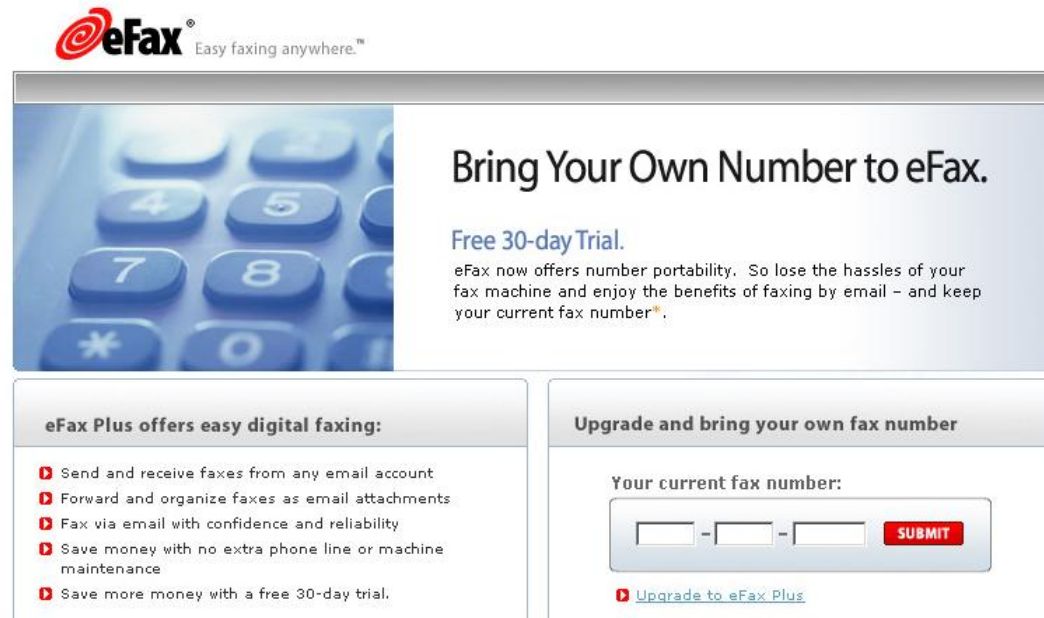
Services Update

Service Roadmap



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Individual/SMB Bring Your Own Number

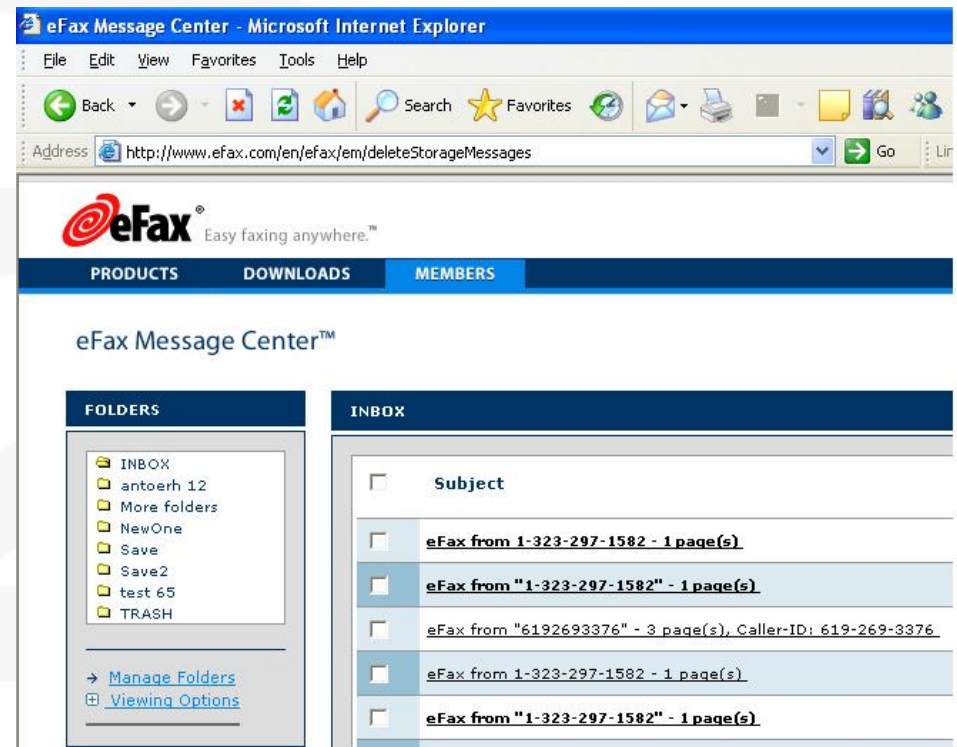


The screenshot shows the eFax website interface. At the top left is the eFax logo with the tagline "Easy faxing anywhere.™". Below the logo is a large image of a blue telephone keypad. To the right of the keypad, the text reads "Bring Your Own Number to eFax." followed by "Free 30-day Trial." and a paragraph: "eFax now offers number portability. So lose the hassles of your fax machine and enjoy the benefits of faxing by email – and keep your current fax number*." Below this are two columns of information. The left column is titled "eFax Plus offers easy digital faxing:" and lists five bullet points: "Send and receive faxes from any email account", "Forward and organize faxes as email attachments", "Fax via email with confidence and reliability", "Save money with no extra phone line or machine maintenance", and "Save more money with a free 30-day trial." The right column is titled "Upgrade and bring your own fax number" and contains a form labeled "Your current fax number:" with three input boxes separated by dashes and a red "SUBMIT" button. Below the form is a link: "Upgrade to eFax Plus".

- Eliminate largest barrier to entry - no need to replace existing fax number
- Automated way for customers to port their fax numbers to j2
- Significant enhancement of targeted customer base
- Replace traditional fax machine solution with eFax Service
- Reduces customer's switching costs

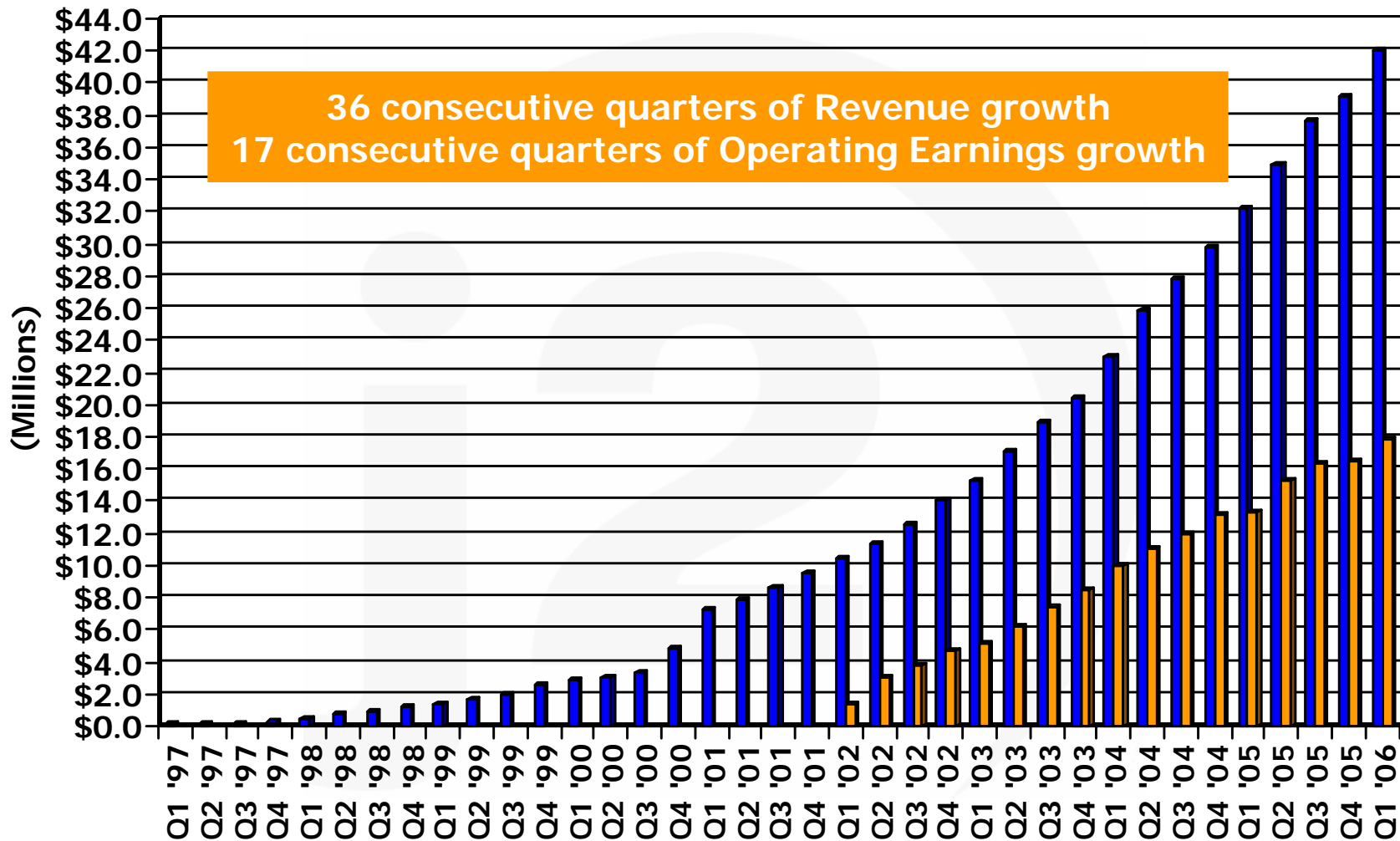
Enhanced Online Features & Functionality

- Increased storage size, capabilities and functionality
- Storage for all customers with longer archiving time
- Larger storage space addresses:
 - *Compliance*
 - *Disaster Recovery*
 - *Security*
- New capabilities
 - *Searchable Fax*
 - *OCR*
 - *Various file formats*
 - *All file types allowed, not just fax*
- Expands the relationship with our customers
- New revenue streams



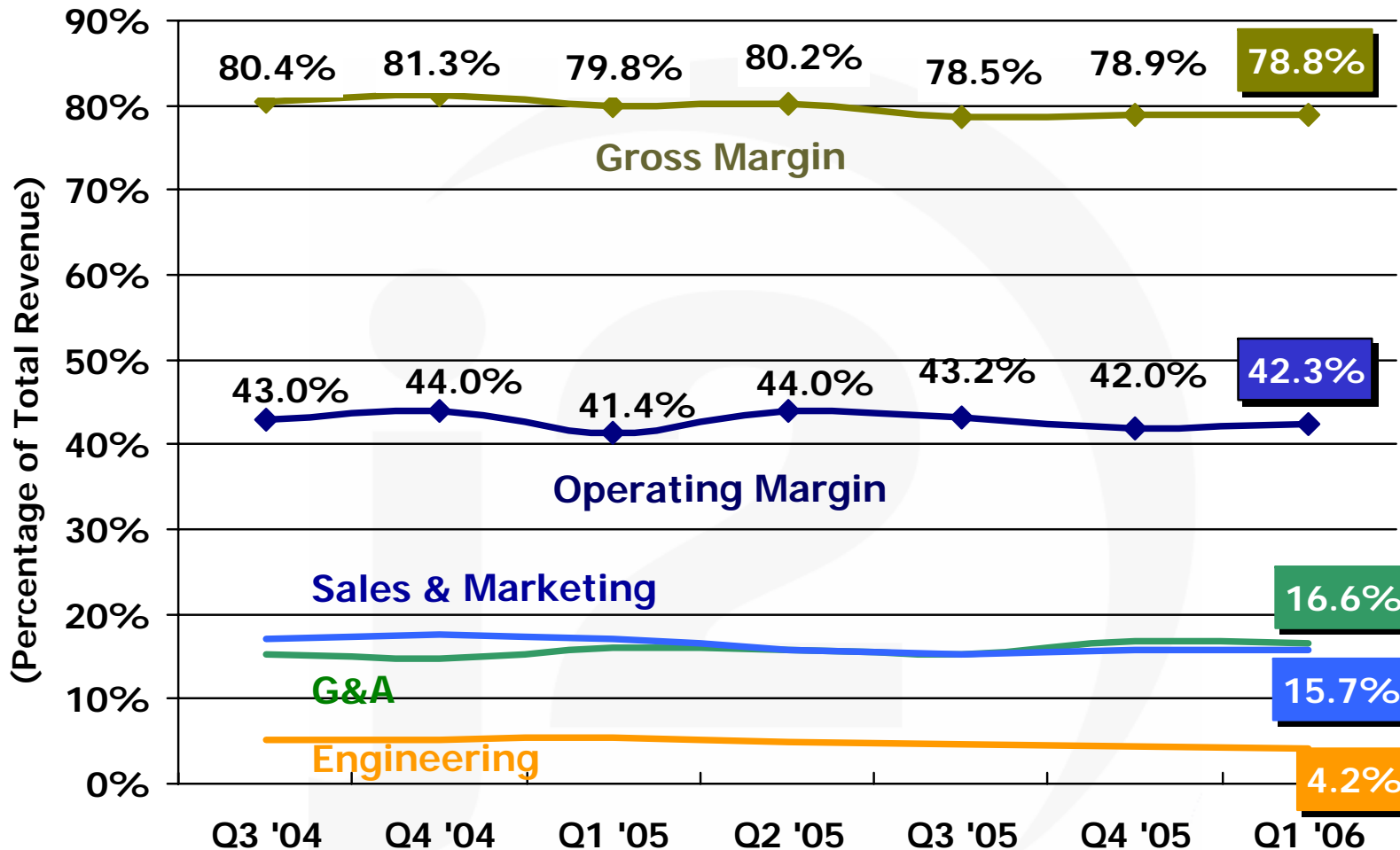
Financial Highlights

Historical Revenue & Operating Earnings Growth



Operating earnings for Q1 2006 is based on Non-GAAP earnings. See Slide 19 for a reconciliation to GAAP.

Cost Trends



All margin data for Q1 2006 are based on Non-GAAP earnings.
See Slide 19 for a reconciliation to GAAP.

Financial Guidance

(Reaffirmed 5/11/06)

	<u>Q2</u> <u>2006</u>	<u>Fiscal Year</u> <u>2006</u>
Revenues (millions)	\$43.6 – \$44.6	\$181 - \$191
Non-GAAP EPS ⁽¹⁾	\$0.55 – \$0.57	\$2.24 - \$2.36

⁽¹⁾ Excludes non-cash compensation expense for SFAS 123(R). Assumes an effective annual tax rate of approximately 30% and 25.7 million fully diluted shares outstanding

Supplemental Information

Metrics

	2004					2005					2006	
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	
Revenues	Fixed Subscriber Revenues	\$16,021	\$17,750	\$19,122	\$20,823	\$73,716	\$22,773	\$23,756	\$25,229	\$26,963	\$98,721	\$28,537
	Variable Subscriber Revenues	6,041	7,314	7,863	8,226	29,444	8,502	10,323	11,258	10,901	40,984	12,025
	Subscriber Revenues	\$22,062	\$25,063	\$26,985	\$29,050	\$103,160	\$31,275	\$34,079	\$36,487	\$37,864	139,705	\$40,562
	Other Revenues	880	768	786	749	3,183	949	806	1,202	1,279	4,236	1,456
	Total Revenues	\$22,942	\$25,831	\$27,771	\$29,799	\$106,343	\$32,224	\$34,885	\$37,689	\$39,143	143,941	\$42,018
	DID Based Revenues	\$21,664	\$24,057	\$25,994	\$27,937	\$99,652	\$30,186	\$33,009	\$34,760	\$36,063	\$134,018	\$38,718
	Non-DID Revenues	1,278	1,774	1,777	1,862	6,691	2,038	1,876	2,929	3,080	9,923	3,300
	Total Revenues	\$22,942	\$25,831	\$27,771	\$29,799	\$106,343	\$32,224	\$34,885	\$37,689	\$39,143	143,941	\$42,018
	Subscriber Revenue/Total Revenues	96.2%	97.0%	97.2%	97.5%	97.0%	97.1%	97.7%	96.8%	96.7%	97.1%	96.5%
	DID Based/Total Revenues	94.4%	93.1%	93.6%	93.8%	93.7%	93.7%	94.6%	92.2%	92.1%	93.1%	92.1%
% Fixed Subscriber Revenues	72.6%	70.8%	70.9%	71.7%	71.5%	72.8%	69.7%	69.1%	71.2%	70.7%	70.4%	
% Variable Subscriber Revenues	27.4%	29.2%	29.1%	28.3%	28.5%	27.2%	30.3%	30.9%	28.8%	29.3%	29.6%	
DIDs	Paid DIDs ⁽¹⁾	434,616	469,328	515,162	553,949	598,490	641,720	691,096	740,120	788,130		
	Average Monthly Revenue/DID	\$16.68	\$17.22	\$16.95	\$16.87	\$16.85	\$17.21	\$16.89	\$16.36	\$16.39		
	Cancel Rate ⁽²⁾	2.9%	2.5%	2.5%	2.7%	2.9%	2.5%	2.6%	2.4%	2.5%		
	Free DIDs	5,843,167	6,873,083	7,106,249	8,180,452	8,448,517	8,653,386	9,549,886	10,423,723	10,225,974		
	Average Monthly Revenue/DID	\$0.05	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.03	\$0.03	\$0.04	
	Total DID Inventory (MM)	8.6	9.5	11.3	11.9	12.7	13.6	14.2	14.6	15.2		
Financials	Countries Covered	20	20	20	22	23	25	26	26	29		
	Gross Margin	79.1%	80.1%	80.4%	81.3%	80.3%	79.8%	80.2%	78.5%	78.9%	79.3%	78.8%
	Operating Margin	43.5%	42.6%	43.0%	44.0%	43.3%	41.4%	44.0%	43.2%	42.0%	42.7%	42.3%
	Cash/Funds Available for Growth (millions)	\$67.4	\$74.2	\$83.9	\$93.8	\$98.2	\$108.6	\$131.6	\$144.5	\$162.3		
	Free Cash Flow ⁽³⁾ (millions)	\$9.9	\$11.6	\$11.9	\$10.9	\$44.3	\$11.3	\$13.8	\$13.5	\$16.8	\$55.5	\$18.5

⁽¹⁾ For Q1 2005, reduced by 6,625 DIDs due to the discontinuance of a marketing trial.

⁽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 a 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, less purchases of property and equipment.

Computation of Free Cash Flow

(\$ in millions)

	Q1 '04	Q2 '04	Q3 '04	Q4 '04	Q1 '05	Q2 '05	Q3 '05	Q4 '05	Q1 '06
Net cash provided by operating activities	\$10.252	\$13.044	\$13.240	\$14.785	\$13.762	\$15.227	\$15.951	\$19.723	\$19.245
Purchases of property & equipment	(0.319)	(1.442)	(1.337)	(3.883)	(2.473)	(1.420)	(2.433)	(2.884)	(0.757)
Free Cash Flow ⁽¹⁾	\$9.933	\$11.602	\$11.903	\$10.902	\$11.289	\$13.807	\$13.518	\$16.839	\$18.488

⁽¹⁾ Net cash provided by operating activities, less purchases of property & equipment. Free Cash Flow amounts are not meant as a substitute for GAAP, but are solely for informational purposes.

GAAP Reconciliation

j2 GLOBAL COMMUNICATIONS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	THREE MONTHS ENDED MARCH 31, 2006		
	Reported	Non-GAAP Entry	Non-GAAP
Revenues			
Subscriber	\$ 40,562	\$ -	\$ 40,562
Other	1,456	-	1,456
Total revenue	42,018	-	42,018
Cost of revenues ⁽¹⁾	9,010	(109) ⁽¹⁾	8,901
Gross profit	33,008	109	33,117
Operating expenses:			
Sales and marketing ⁽¹⁾	6,864	(265) ⁽¹⁾	6,599
Research, development and engineering ⁽¹⁾	1,892	(110) ⁽¹⁾	1,782
General and administrative ⁽¹⁾	7,900	(940) ⁽¹⁾	6,960
Total operating expenses	16,656	(1,315)	15,341
Operating earnings	16,352	1,424	17,776
Other income and expenses:			
Interest and other income, net	1,256	-	1,256
Total other income and expenses:	1,256	-	1,256
Earnings before income taxes	17,608	1,424	19,032
Income tax expense ⁽²⁾	5,297	345 ⁽²⁾	5,642
Net earnings	\$ 12,311	\$ 1,079	\$ 13,390
Basic net earnings per share	\$ 0.50		\$ 0.54
Diluted net earnings per share	\$ 0.48		\$ 0.52
Basic weighted average shares outstanding	24,624,889		24,624,889
Diluted weighted average shares outstanding	25,518,689		25,687,915

⁽¹⁾ Stock-based compensation as follows due to the adoption of SFAS 123(R)

Cost of revenues	\$ 109
Sales and marketing	265
Research, development and engineering	110
General and administrative	940
Total stock-based compensation	\$ 1,424

⁽²⁾ Income tax benefit associated with stock-based compensation due to the adoption of SFAS 123(R)

Income tax expense	\$ 345
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