



Investors Presentation

Fourth Quarter 2016 Results

February 9, 2017



Safe Harbor for Forward-Looking Statements

Certain statements in this presentation are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, particularly those regarding our 2017 Financial Guidance. Such forward-looking statements are subject to numerous assumptions, risks and uncertainties that could cause actual results to differ materially from those described in those statements. Readers should carefully review the Risk Factors slide of this presentation. These forward-looking statements are based on management’s expectations or beliefs as of February 9, 2017 and as well as those set forth in our Annual Report on Form 10-K filed by us on February 29, 2016 with the Securities and Exchange Commission (“SEC”) and the other reports we file from time-to-time with the SEC. We undertake no obligation to revise or publicly release any updates to such statements based on future information or actual results. Such forward-looking statements address the following subjects, among others:

- Future operating results
- Ability to acquire businesses on acceptable terms and integrate and recognize synergies from acquired businesses
- Deployment of cash and investment balances to grow the company
- Subscriber growth, retention, usage levels and average revenue per account
- Cloud service and digital media growth and continued demand for fax services
- International growth
- New products, services, features and technologies
- Corporate spending including stock repurchases
- Intellectual property and related licensing revenues
- Liquidity and ability to repay or refinance indebtedness
- Network capacity, coverage, reliability and security
- Regulatory developments and taxes



All information in this presentation speaks as of February 9, 2017 and any redistribution or rebroadcast 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 or profitability, particularly in light of an uncertain U.S. and worldwide economy and the related impact on customer acquisition, retention and usage levels, advertising spend and credit and debit card payment declines
- Reduced use of fax services due to increased use of email, scanning or widespread adoption of digital signatures or otherwise
- Inability to acquire businesses on acceptable terms or successfully integrate and realize anticipated synergies
- Failure to offer compelling digital media content causing reduced traffic and advertising levels; loss of advertisers or reduction in advertising spend; increased prevalence or effectiveness of advertising blocking technologies; inability to monetize handheld devices and handheld traffic supplanting monetized traffic; and changes by our vendors or partners that impact our traffic or publisher audience acquisition and/or monetization
- New or unanticipated costs or tax liabilities, including those relating to federal and state income tax and indirect taxes, such as sales, value-added and telecommunications taxes
- Inability to manage certain risks inherent to our business, such as fraudulent activity, system failure or a security breach
- Competition from others with regard to price, service, content and functionality
- Inadequate intellectual property (IP) protection, expiration or invalidity of key patents, violations of 3rd party IP rights or inability or significant delay in monetizing IP
- Inability to continue to expand our business and operations internationally
- Inability to maintain required services on acceptable terms with financially stable telecom, co-location and other critical vendors; and inability to obtain telephone numbers in sufficient quantities on acceptable terms and in desired locations
- Level of debt limiting availability of cash flow to reinvest in the business; inability to repay or refinance debt when due; and restrictive covenants relating to debt imposing operating and financial restrictions on business activities or plans
- Inability to maintain and increase our cloud services customer base or average revenue per user
- Enactment of burdensome telecommunications, Internet, advertising, health care or other regulations, or being subject to existing regulations
- Inability to adapt to technological change and diversify services & related revenues at acceptable levels of financial return
- Loss of services of executive officers and other key employees
- Other factors set forth in our Annual Report on Form 10-K filed by us on February 29, 2016 with the Securities and Exchange Commission (“SEC”) and the other reports we file from time-to-time with the SEC

Q4 & FY 2016 Results



2016 Accomplishments

Record Results - full year and Q4 results

- **All Q4 Records: Revenue⁽¹⁾⁽²⁾ \$252M, EBITDA⁽¹⁾⁽²⁾ \$117M, FCF⁽¹⁾⁽²⁾ \$83M, and Adjusted EPS⁽¹⁾⁽²⁾ \$1.49**
- **All FY Records: Revenue⁽¹⁾⁽²⁾ \$874M, EBITDA⁽¹⁾⁽²⁾ \$396M, FCF \$260M⁽¹⁾⁽²⁾, and Adjusted EPS⁽¹⁾⁽²⁾ \$4.99**
- **2016 FY Revenue up \$153M or 21% vs. prior year**
- **M&A strategy continues to drive revenue and margin expansion**
- **22 acquisitions completed in 2016, including our largest acquisition to date with Everyday Health**

Business Cloud Services

- **2016 FY Revenue of \$567M, up \$62M or 12% vs. prior year**
 - **Business Cloud Services (excl. Cloud Connect) Revenue up \$49M or 34% vs. prior year**

Media

- **2016 FY Revenue of \$307M, up over \$91M or +42% vs. prior year**
 - **Acquired Everyday Health in December 2016**
- **EBITDA margin⁽¹⁾⁽²⁾ greater than 37%**

(1) Figures are Adjusted Non-GAAP.

(2) See slides 34 and 28-31 for a GAAP reconciliation of revenue, earnings per diluted share, free cash flow, and EBITDA.

j2 Global Consolidated



Q4 2016 Results vs. Prior Year

(\$ in thousands)

Total Cloud by Unit	Cloud Connect (Fax/Voice)		Cloud Services		IP Licensing		Total Cloud			
	Q4 2015	Q4 2016	Q4 2015	Q4 2016	Q4 2015	Q4 2016	Q4 2015	Q4 2016		
Revenues	\$ 88,906	\$ 92,982	\$ 44,930	\$ 48,858	\$ 1,117	\$ 1,158	\$ 134,953	\$ 142,998		
Adj. Non-GAAP Gross Profit ⁽¹⁾	74,898	76,643	32,527	36,652	1,117	1,157	108,542	114,452		
Adj. Non-GAAP Operating Profit ⁽¹⁾⁽²⁾	\$ 49,384	\$ 49,832	\$ 19,064	\$ 22,774	\$ 655	\$ 326	\$ 69,102	\$ 72,932		
Adjusted EBITDA ⁽¹⁾⁽²⁾	\$ 50,781	\$ 51,055	\$ 20,037	\$ 24,094	\$ 655	\$ 326	\$ 71,473	\$ 75,476		
Adjusted EBITDA %	57%	55%	45%	49%	59%	28%	53%	53%		

By Segment	Total Cloud		Digital Media		j2 Global Inc.		j2 Global ⁽³⁾		QoQ
	Q4 2015	Q4 2016	Q4 2015	Q4 2016	Q4 2015	Q4 2016	Q4 2015	Q4 2016	
Revenues	\$ 134,953	\$ 142,998	\$ 69,870	\$ 108,840	\$ 0	\$ 0	\$ 204,823	\$ 251,837	23%
Adj. Non-GAAP Gross Profit ⁽¹⁾	108,542	114,452	63,414	98,768	0	0	171,956	213,220	24%
Adj. Non-GAAP Operating Profit ⁽¹⁾⁽²⁾	\$ 69,102	\$ 72,932	\$ 29,575	\$ 40,471	(\$ 3,476)	(\$ 3,070)	\$ 95,202	\$ 110,333	16%
Adjusted EBITDA ⁽¹⁾⁽²⁾	\$ 71,473	\$ 75,476	\$ 32,148	\$ 44,053	(\$ 3,476)	(\$ 3,070)	\$ 100,146	\$ 116,459	16%
Adjusted EBITDA %	53%	53%	46%	40%	na	na	49%	46%	
					Adjusted Net Income ⁽¹⁾		\$ 63,097	\$ 72,206	14%
					EPS ⁽¹⁾ :				
					Adj. Non-GAAP		\$ 1.29	\$ 1.49	15%
					GAAP		\$ 0.72	\$ 0.89	23%

(1) See slides 22-26 for a GAAP reconciliation of revenue, earnings per diluted share and adjusted EBITDA for the Company as a whole and by segment.

(2) Includes Allocation from Cloud Connect to Cloud Services of \$1.7M in Q4 '16 and \$1.8M in Q4 '15

(3) The Consolidated j2 Global data may not foot as each segment is calculated independently

Business Cloud Services



Cloud Connect

Q4 2016 Highlights

- Q4 '16 Revenue up ~5% vs. Q4 '15 (\$1.2M in foreign currencies headwinds)

2016 Full Year Highlights

- Fax/Voice Revenue grew ~\$15M in 2016 vs. 2015 (+\$18.4M or 5% in constant currencies)
 - Fax represented 42% of total j2 consolidated revenue in 2015, and dropped to 35% in 2016
- 3 acquisitions completed in 2016

2017 Outlook

- Revenue expected to continue to grow to +\$371M (even though \$6.5M in foreign currencies)
- Fax is expected to represent ~27% of total Revenue in 2017, while continuing to grow
- Acquisition pipeline
- Continue to maintain EBITDA⁽¹⁾⁽²⁾ margin of >55%

(1) Figures are Adjusted Non-GAAP.

(2) See slides 26-36 for a GAAP reconciliation of revenue, earnings per diluted share and EBITDA.



Cloud Backup

Q4 2016 Highlights

- Q4 '16 Revenue up ~9% vs Q4 '15 (\$1.4M in currency headwinds)

2016 Full Year Highlights

- Revenue \$115M, up 56% vs. prior year (+\$3.9M or 62% in constant currencies)
- EBITDA⁽¹⁾⁽²⁾ up 92% vs. prior year, EBITDA margin improved to 53%
- Completed 11 acquisitions including VaultLogix® and Frontsafe
- Frontsafe acquisition expanded KeepItSafe® brand into Denmark

2017 Outlook

- Revenue expected to be up in constant currencies, without significant M&A
- Investment in the following to position backup for continued growth:
 - Leadership in key roles (GM, Engineering, Finance, Marketing)
 - Investment in R&D
 - Marketing and Advertising programs
- EBITDA⁽¹⁾ margin expected to be ~50%
- Healthy acquisition pipeline



(1) Figures are Adjusted Non-GAAP.

(2) See slides 26-36 for a GAAP reconciliation of revenue, earnings per diluted share and EBITDA.



Email Security

Q4 2016 Highlights

- Q4 '16 Revenue flat vs. Q3 '16 and down 1% vs. Q4 '15 in constant currencies

2016 Full Year Highlights

- 2016 Revenue of \$46M up 2% vs. prior year (+\$1.0M or 4% in constant currencies)
- FuseMail product grew from 200K legacy users early 2016 to over 1.8M users in Q1 2017
- Completed the migration of Nordics to FuseMail product
- Double digit revenue growth in Nordics
- Further developed FuseMail product as viable alternative for McAfee EOL customers
- Excel Micro grew YoY despite McAfee EOL

2017 Outlook

- Further investment in FuseMail platform based on 2016 growth; enabling enhanced features, pricing upgrades and larger size users, driving margin and retention of user base
- EBITDA margin improvement
- Grow M&A pipeline for roll-up acquisition opportunities
- Consolidation and optimization of global operations to continue

(1) Figures are Adjusted Non-GAAP.

(2) See slides 26-36 for a GAAP reconciliation of revenue, earnings per diluted share and EBITDA.



Email Marketing

4Q 2016 Highlights

- Q4 '16 Revenue up 34% vs. Q4 '15

2016 Full Year Highlights

- 2016 Revenue of ~\$27M up 27% vs. prior year
- Completed 4 acquisitions including MailOut, WhatCounts, SMTP and Unified Email
- Proven ability to efficiently integrate new acquisitions
- ARPU is up to \$261 vs. \$219 in prior year
- Won several gold and bronze Stevie Awards for Sales Achievements and Customer Service Team of the Year



2017 Outlook

- Revenue expected to grow by 20% to be more than \$32M
- EBITDA⁽¹⁾ margin expected to grow to >50%
- Healthy acquisition pipeline



(1) Figures are Adjusted Non-GAAP.

(2) See slides 26-36 for a GAAP reconciliation of revenue, earnings per diluted share and EBITDA.

Digital Media



Q4 2016 Digital Media Highlights

- Digital media business demonstrating strong fundamentals
 - Q4 '16 Revenue of \$109M, +56% vs. Q4 '15
 - Q4 '16 EBITDA⁽¹⁾⁽²⁾ of \$44M, up, +37% vs. Q4 '15
 - Total multi-platform visits were up 18% YoY at 1.3B ⁽³⁾
- Commerce revenue grew 171% YOY vs. Q4 2015
 - Black Friday and Cyber Monday grew significantly YOY, with PCMag.com leading the way at 117% YOY growth for this period
 - Shopping clicks to our merchant partners reached 32.7MM, a 64% increase YOY
 - Launched best.offers.com, a category-centric initiative of over 200 categories ranging from baby monitors to radar detectors, from wireless routers to snow blowers.
- Ookla achieved several key milestones during Q4 2016
 - Total tests across all platforms exceed 600M tests for the first time within a single quarter
 - Speedtest apps were installed 18.2M times during Q4 '16, an increase of 42% YOY
 - Speedtest apps now available on 8 user platforms: Android, iPhone, Windows Phone, Web, Chrome Extension, Apple TV, Windows App and Mac OS App

Offers.com
Your Back to Save Every Day

Best Baby Monitors

Rank	Product Name	Rating	Price	Reviews
#1	Infant Optics DXR-8 Video Baby Monitor with Interchangeable Optical Lens	99/100	\$100	7188 Reviews
#2	Infant Optics DXR-5 Portable Video Baby Monitor	85/100	\$100	6813 Reviews
#3	Summer Infant In View Digital Color Video Baby Monitor	75/100	\$100	624 Reviews
#4	VTech DM221 Safe & Sound Digital Audio Baby Monitor	75/100	\$100	4377 Reviews
#5	Levana Ayden Digital Video Baby Monitor with Night Vision Camera	73/100	\$100	

Shop Related Products

Product Name	Price	Reviews
Cooler Master Hyper 212 EVO - CPU Cooler with 120mm PWM Fan (RR-212)	\$34.99	7809 Reviews
Corsair Hydro Series High-Performance Liquid CPU Cooler with H100	\$100.85	3337 Reviews
Cooler Master V8 GTS - High-Performance CPU Cooler with Horiz...	\$89.99	7809 Reviews
Corsair Hydro Series H100i v2 Extreme Performance Liquid CPU Cooler, Black	\$108.98	3336 Reviews



(1) Figures are Adjusted Non-GAAP

(2) See slides 26-36 for a GAAP reconciliation of revenue, earnings per diluted share and EBITDA.

(3) Google Analytics (GA), Omniture and /or Partner Platforms



Q4 2016 Digital Media Highlights

- **Social platform distribution significantly increases**

- Total social followers are up 47% YOY to 28.4M
 - AskMen Facebook followers up 117% YOY to 1.2M
 - PCMag/Geek.com/ExtremeTech combined Facebook and Twitter followers are up 25% YOY to 1.9M
 - IGN total social followers are up 59% YOY, eclipsing the 20M follower mark
 - IGN had 450M video views on Facebook, 102% YOY

- **Everyday Health closes, bringing new vertical and female-focused demo**

- Acquisition Rationale:

- High-value decision-oriented vertical
- Well positioned to exploit favorable trends in the pharma landscape
- Complementary platforms and skills to engage and monetize audiences
- Combined reach and scale strengthens our appeal to marketers

- Near-term focus:

- “Shrink to grow” by eliminating negative-margin revenues and low-potential/high-distraction business activities
- Reduced combined workforce by 7%, including the merging of corporate functions (finance, HR, legal, corp. IT)
- Terminated or restructured vendor agreements which will add several points of margin in 2017
- Re-organized the DTC pharma sales organization to orient reps by conditions versus parent companies
- What to Expect sold its first, large-scale video deal to a major national retailer, as it ramps up original video production
- Everyday Health Pro launched Medpage Today Education, a continuing medical education offering, representing a new way to engage its physician audience



everydayHEALTHinc™



Digital Media 2016 Results & 2017 Outlook

2016 Results

- 2016 FY Revenue of \$307M, up \$91M or 42% vs. prior year
- Acquired Everyday Health in December 2016
- EBITDA⁽¹⁾⁽²⁾ margin greater than 37%

2017 Outlook

- Revenue⁽¹⁾ growth expected to be >80%
- EBITDA⁽¹⁾ margin ~32%
- Everyday Health EBITDA margin will improve over time

(1) Figures are Adjusted Non-GAAP.

(2) See slides 26-36 for a GAAP reconciliation of revenue, earnings per diluted share and EBITDA

2017 Financial Guidance



2017 Outlook (Non-GAAP)

Cloud Services

- Revenue growth expected to be ~2-3%
 - EBITDA⁽¹⁾ margin ~52%
 - Sustaining EBITDA margin even with investment in Backup
- IP Licensing
 - Revenue expected between \$3.0M - \$4.0M

Media

- Revenue⁽¹⁾ growth expected to be >80%
- EBITDA⁽¹⁾ margin expected to be ~32%
- Distribution of Revenues in 2017
 - Q1 expected to represent ~20% of full year Revenue, versus ~20% in prior year
 - Q4 expected to represent ~32% of full year Revenue, versus ~35% in prior year

Corporate

- Foreign currencies adversely affecting consolidated Revenue by ~\$15M, ~\$0.10 in EPS
- Assumes refinancing of senior notes – higher interest expense impacts EPS by \$0.10
- Tax rate expected to be between 28.5%-30.5%
- Excludes Share-Based Compensation of between \$14-\$16M
- Effective Share Count for EPS 49.0M, assumes no dilution from the convertible note

(1) Figures are Adjusted Non-GAAP. .



Revenues

\$1,130M - \$1,170M

Adjusted Non-GAAP EPS⁽¹⁾⁽²⁾

\$5.60 - \$6.00

(1) Figures are adjusted Non-GAAP.

(2) Adjusted earnings per diluted share excludes share-based compensation, amortization of acquired intangibles and the impact of any currently anticipated items, in each case net of tax. It is anticipated that the effective tax rate for 2017 (excluding certain expenses that may not be indicative of our recurring core business operating results) will be between 28.5% and 30.5%

Supplemental Information



Financial Metrics: Consolidated

		j2 Global Consolidated							
		2015				2016			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue by Segment									
	Cloud Revenues	\$118,061	\$125,188	\$126,436	\$134,953	\$138,139	\$142,460	\$143,342	\$142,998
	Digital Media Revenues	\$43,192	\$50,850	\$52,265	\$69,870	\$62,363	\$69,340	\$66,774	\$108,840
	Total Revenues	\$161,253	\$176,038	\$178,701	\$204,823	\$200,502	\$211,800	\$210,116	\$251,837
Diluted EPS									
	GAAP	\$0.45	\$0.80	\$0.77	\$0.72	\$0.61	\$0.69	\$0.94	\$0.89
	Adjusted Non-GAAP ⁽¹⁾	\$0.85	\$0.99	\$1.04	\$1.29	\$1.05	\$1.21	\$1.25	\$1.49
Cash & Investment									
	Free Cash Flow ⁽²⁾	\$539.5	\$567.3	\$410.7	\$413.7	\$394.5	\$407.2	\$378.9	\$124.0
	Adjusted EBITDA ⁽³⁾	\$43.6	\$54.9	\$49.6	\$75.1	\$60.5	\$63.5	\$53.2	\$82.7
		\$69.3	\$79.6	\$84.3	\$100.1	\$86.7	\$97.5	\$95.4	\$116.5

(1) See slide 27 - 30 for a definition of adjusted Non-GAAP net income and a reconciliation of Non-GAAP earnings and EPS to GAAP net income and diluted GAAP EPS

(2) See slide 26 for a definition of Free Cash Flow and reconciliation to net cash provided by operating activities

(3) See slide 26 for a definition of adjusted EBITDA and reconciliation to Net Income



Financial & Other Metrics Cloud & Media

	Total Cloud							
	2015				2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue by Type								
Fixed Subscriber Revenues	\$96,097	\$102,437	\$103,957	\$112,428	\$115,496	\$117,199	\$117,816	\$117,885
Variable Subscriber Revenues	\$19,687	\$21,368	\$21,364	\$21,384	\$21,453	\$24,156	\$24,396	\$23,944
Subscriber Revenues	\$115,784	\$123,805	\$125,321	\$133,812	\$136,949	\$141,355	\$142,212	\$141,830
Other Licenses Revenues ⁽¹⁾	\$2,277	\$1,383	\$1,115	\$1,141	\$1,191	\$1,105	\$1,130	\$1,168
Total Cloud Revenues	\$118,061	\$125,188	\$126,436	\$134,953	\$138,139	\$142,460	\$143,342	\$142,998
Revenue - DID vs. Non-DID								
DID Based Revenues	\$85,777	\$88,945	\$89,257	\$88,676	\$89,967	\$92,592	\$92,396	\$92,787
Non-DID Based Revenues	\$32,284	\$36,243	\$37,179	\$46,277	\$48,173	\$49,868	\$50,946	\$50,211
Total Cloud Revenues	\$118,061	\$125,188	\$126,436	\$134,953	\$138,139	\$142,460	\$143,342	\$142,998
Cloud Services Customers ⁽²⁾	2,896	2,936	2,994	3,011	3,074	3,081	3,108	3,109
Average Monthly Revenue/Customers ⁽³⁾	\$13.91	\$14.15	\$14.09	\$14.84	\$15.00	\$15.31	\$15.32	\$15.21
Cancel Rate ⁽⁴⁾	2.2%	1.9%	2.0%	2.1%	2.2%	2.2%	2.3%	2.1%
	Media							
	2015				2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Digital Media Traffic ⁽⁵⁾								
Visits	955,687	931,769	1,022,275	1,091,510	1,096,332	1,159,925	1,448,339	1,287,501
Views	2,391,570	2,226,210	2,569,875	3,087,971	3,637,100	4,215,216	5,405,305	4,805,816

(in '000's)

(in '000s)

- (1) Cloud Services revenue includes IP Licensing revenue
- (2) Cloud Services Customers are defined as paying DIDs for Fax & Voice services and direct and resellers' accounts for other services
- (3) Quarterly ARPU is calculated using our standard convention of applying the average of the quarter's beginning and ending customer base to the total revenue of the quarter
- (4) User cancel rate, also called user churn, is defined as cancellation of service by Cloud Business customers with greater than 4 months of continuous service (continuous service includes Cloud Business customers that are administratively cancelled and reactivated within the same calendar month). User cancel rate is calculated monthly and expressed here as an average over the three months of the quarter.
- (5) Digital Media Traffic figures based on Google Analytics & Partner Platforms



FY 2016 Results vs. Prior Year

(\$ in thousands)

Total Cloud by Unit	Cloud Connect (Fax/Voice)		Cloud Services		IP Licensing		Total Cloud			
	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016		
Revenues	\$ 353,893	\$ 368,682	\$ 144,980	\$ 193,711	\$ 5,765	\$ 4,545	\$ 504,638	\$ 566,939		
Adj. Non-GAAP Gross Profit ⁽¹⁾	297,370	305,922	104,370	141,749	5,765	4,537	407,504	452,208		
Adj. Non-GAAP Operating Profit ⁽¹⁾⁽²⁾	\$ 195,125	\$ 196,135	\$ 53,882	\$ 87,585	\$ 3,741	\$ 1,911	\$ 252,747	\$ 285,631		
Adjusted EBITDA ⁽¹⁾⁽²⁾	\$ 200,640	\$ 201,345	\$ 57,159	\$ 92,014	\$ 3,741	\$ 1,911	\$ 261,540	\$ 295,269		
Adjusted EBITDA %	57%	55%	39%	48%	65%	42%	52%	52%		

By Segment	Total Cloud		Digital Media		j2 Global Inc.		j2 Global ⁽³⁾		QoQ	
	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016		
Revenues	\$ 504,638	\$ 566,939	\$ 216,177	\$ 307,317	\$ 0	\$ 0	\$ 720,815	\$ 874,255	21%	
Adj. Non-GAAP Gross Profit ⁽¹⁾	407,504	452,208	194,428	280,764	0	0	601,932	732,972	22%	
Adj. Non-GAAP Operating Profit ⁽¹⁾⁽²⁾	\$ 252,747	\$ 285,631	\$ 77,883	\$ 102,707	(\$ 13,283)	(\$ 13,398)	\$ 317,347	\$ 374,940	18%	
Adjusted EBITDA ⁽¹⁾⁽²⁾	\$ 261,540	\$ 295,269	\$ 85,027	\$ 114,218	(\$ 13,283)	(\$ 13,398)	\$ 333,284	\$ 396,090	19%	
Adjusted EBITDA %	52%	52%	39%	37%	na	na	46%	45%		
							Adjusted Net Income ⁽¹⁾	\$ 203,019	\$ 243,897	20%
							EPS ⁽¹⁾ :			
							Adj. Non-GAAP	\$ 4.17	\$ 4.99	20%
							GAAP	\$ 2.73	\$ 3.13	15%

(1) See slides 26-36 for a GAAP reconciliation of revenue, earnings per diluted share and adjusted EBITDA for the Company as a whole and by segment.

(2) Includes Allocation from Cloud Connect to Cloud Services of \$6.8M in 2016 and \$6.5M in 2015

(3) The Consolidated j2 Global data may not foot as each segment is calculated independently



Non-GAAP Financials Cloud Segment by Service

Cloud Connect (Fax/Voice)	2000-2011	2012	2013	2014	2015	2016
Fax		\$ 282,887	\$ 288,189	\$ 294,412	\$ 302,672	\$ 308,275
Voice		49,608	54,426	55,126	51,221	60,407
Adj. Non-GAAP Revenues⁽¹⁾		\$ 332,495	\$ 342,615	\$ 349,538	\$ 353,893	\$ 368,682
Adj. Non-GAAP Gross Profit ⁽¹⁾		274,276	280,481	286,915	297,370	305,922
Adj. Non-GAAP Operating Profit ⁽¹⁾⁽²⁾⁽³⁾		\$ 181,121	\$ 181,259	\$ 185,207	\$ 195,125	\$ 196,135
EBITDA⁽¹⁾⁽²⁾⁽³⁾		\$ 185,490	\$ 186,190	\$ 190,342	\$ 200,640	\$ 201,345
% of Revenue		56%	54%	54%	57%	55%
Fax Revenue Percent of Cloud Connect		85%	84%	84%	86%	84%
Capital Investment (CapEx, Acquisitions, Intangible Assets)		\$ 25,371	\$ 18,750	\$ 15,770	\$ 35,099	\$ 48,426
Cumulative Investment	\$ 406,376	\$ 431,746	\$ 450,497	\$ 466,267	\$ 501,365	\$ 549,791
EBITDA / Cumulative Investment		43%	42%	42%	41%	38%
Cloud Services	2000-2011	2012	2013	2014	2015	2016
Adj. Non-GAAP Revenues⁽¹⁾		\$ 23,627	\$ 29,090	\$ 78,473	\$ 144,980	\$ 193,711
Adj. Non-GAAP Gross Profit ⁽¹⁾		18,694	22,845	56,998	104,370	141,749
Adj. Non-GAAP Operating Profit ⁽¹⁾⁽²⁾⁽³⁾		\$ 8,599	\$ 9,421	\$ 25,376	\$ 53,882	\$ 87,585
EBITDA⁽¹⁾⁽²⁾⁽³⁾		\$ 9,026	\$ 10,160	\$ 28,443	\$ 57,160	\$ 92,014
% of Revenue		38%	35%	36%	39%	48%
Capital Investment (CapEx, Acquisitions, Intangible Assets)		\$ 5,559	\$ 21,236	\$ 114,196	\$ 161,004	\$ 70,575
Cumulative Investment	\$ 22,772	\$ 28,331	\$ 49,567	\$ 163,764	\$ 324,768	\$ 395,343
EBITDA / Cumulative Investment		33%	26%	27%	23%	26%
Patents	2000-2011	2012	2013	2014	2015	2016
Adj. Non-GAAP Revenues⁽¹⁾		\$ 5,560	\$ 5,832	\$ 5,539	\$ 5,765	\$ 4,545
Adj. Non-GAAP Gross Profit ⁽¹⁾		5,560	5,832	5,539	5,765	4,537
Adj. Non-GAAP Operating Profit ⁽¹⁾⁽²⁾		\$ 5,000	\$ 5,557	\$ 3,581	\$ 3,741	\$ 1,911
EBITDA⁽¹⁾⁽²⁾		\$ 5,000	\$ 5,557	\$ 3,581	\$ 3,741	\$ 1,911
% of Revenue		90%	95%	65%	65%	42%
Capital Investment (CapEx, Acquisitions, Intangible Assets)		\$ 6,295	\$ 14,200	\$ 5,336	\$ 1,455	\$ 4,321
Cumulative Investment	\$ 43,083	\$ 49,378	\$ 63,578	\$ 68,914	\$ 70,369	\$ 74,690
EBITDA / Cumulative Investment⁽⁴⁾		10%	32%	5%	5%	3%

(1) Figures are Adjusted Non-GAAP.

(2) See slides 35-36 for a GAAP reconciliation of Revenue, Operating Profit and EBITDA.

(3) Includes Allocation from Cloud Connect to Cloud Services of \$0.8M, \$2.4M, \$4.1M, \$6.5M and \$6.8M in 2012-2016, respectively

(4) Calculation includes \$12.6M of Patent Revenue as reported on a GAAP basis



Non-GAAP Financials Digital Media, Corporate and Consolidated

Cloud	2000-2011	2012	2013	2014	2015	2016
Adj. Non-GAAP Revenues ⁽¹⁾		\$ 361,683	\$ 377,537	\$ 433,549	\$ 504,638	\$ 566,939
Adj. Non-GAAP Gross Profit ⁽¹⁾		298,530	309,158	349,452	407,505	452,208
Adj. Non-GAAP Operating Profit ⁽¹⁾⁽²⁾		\$ 194,720	\$ 196,237	\$ 214,164	\$ 252,748	\$ 285,631
EBITDA⁽¹⁾⁽²⁾		\$ 199,516	\$ 201,907	\$ 222,366	\$ 261,541	\$ 295,269
% of Revenue		55%	53%	51%	52%	52%
Capital Investment (CapEx, Acquisitions, Intangible Assets)		\$ 37,225	\$ 54,187	\$ 135,302	\$ 197,558	\$ 123,321
Cumulative Investment	\$ 472,231	\$ 509,455	\$ 563,642	\$ 698,944	\$ 896,502	\$ 1,019,823
EBITDA / Cumulative Investment		39%	38%	35%	33%	31%
Digital Media	2000-2011	2012	2013	2014	2015	2016
Adj. Non-GAAP Revenues ⁽¹⁾		\$ 9,711	\$ 128,931	\$ 167,814	\$ 216,177	\$ 307,317
Adj. Non-GAAP Gross Profit ⁽¹⁾		7,803	112,990	148,787	194,428	280,764
Adj. Non-GAAP Operating Profit ⁽¹⁾⁽²⁾		\$ 3,913	\$ 27,605	\$ 48,264	\$ 77,883	\$ 102,707
EBITDA⁽¹⁾⁽²⁾		\$ 4,056	\$ 29,913	\$ 53,306	\$ 85,027	\$ 114,218
% of Revenue		42%	23%	32%	39%	37%
Capital Investment (CapEx, Acquisitions, Intangible Assets)		\$ 172,032	\$ 103,968	\$ 126,871	\$ 123,641	\$ 486,437
Cumulative Investment	\$ 0	\$ 172,032	\$ 276,000	\$ 402,871	\$ 526,512	\$ 1,012,950
EBITDA / Cumulative Investment		na	13%	16%	18%	15%
j2 Global Corporate	2000-2010	2012	2013	2014	2015	2016
Adj. Non-GAAP Operating Profit ⁽¹⁾⁽²⁾		(\$ 9,295)	(\$ 11,786)	(\$ 13,023)	(\$ 13,283)	(\$ 13,398)
EBITDA⁽¹⁾⁽²⁾		(\$ 9,295)	(\$ 11,786)	(\$ 13,023)	(\$ 13,283)	(\$ 13,398)
j2 Global Consolidated	2000-2010	2012	2013	2014	2015	2016
Adj. Non-GAAP Revenues ⁽¹⁾		\$ 371,394	\$ 506,020	\$ 601,105	\$ 720,815	\$ 874,255
Adj. Non-GAAP Gross Profit ⁽¹⁾		306,333	421,699	497,980	601,933	732,972
Adj. Non-GAAP Operating Profit ⁽¹⁾⁽²⁾		\$ 189,337	\$ 212,467	\$ 249,405	\$ 317,348	\$ 374,940
EBITDA⁽¹⁾⁽²⁾		\$ 194,276	\$ 220,444	\$ 262,649	\$ 333,284	\$ 396,090
% of Revenue		52%	44%	44%	46%	45%
Fax Revenue Percent of Consolidated		76%	57%	49%	42%	35%
Capital Investment (CapEx, Acquisitions, Intangible Assets)		\$ 209,256	\$ 158,155	\$ 262,174	\$ 321,199	\$ 609,759
Cumulative Investment	\$ 472,231	\$ 681,487	\$ 839,642	\$ 1,101,815	\$ 1,423,014	\$ 2,032,773
EBITDA / Cumulative Investment ⁽³⁾		33%	31%	27%	26%	23%

(1) Figures are Adjusted Non-GAAP.

(2) See slides 35-36 for a GAAP reconciliation of Revenue, Operating Profit and EBITDA

(3) Calculation includes \$12.6M of Patent Revenue as reported on a GAAP basis



GAAP Reconciliation Free Cash Flow & Adjusted EBITDA

(\$ in millions)

Free Cash Flow ⁽¹⁾								
	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16
Net cash provided by operating activities	\$45.716	\$51.894	\$50.963	\$80.488	\$64.524	\$67.528	\$60.488	\$89.847
Less: Purchases of property and equipment	(\$2.401)	(\$4.554)	(\$4.972)	(\$5.370)	(\$4.321)	(\$4.865)	(\$8.261)	(\$7.299)
Add: Excess tax benefit (deficit) from share-based compensation	\$0.334	\$1.770	\$2.437	(\$0.055)	\$0.264	\$0.833	\$0.974	\$0.200
Add: IRS Settlement	\$0.000	\$5.753	\$1.164	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Free cash flow	\$43.649	\$54.863	\$49.592	\$75.063	\$60.467	\$63.496	\$53.201	\$82.748

Adjusted EBITDA ⁽²⁾								
	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16
Net income	\$21.877	\$38.916	\$37.375	\$35.467	\$29.943	\$33.770	\$45.569	\$43.158
Plus:								
Other expense (income), net	(\$0.784)	\$0.088	\$1.086	(\$0.384)	\$0.126	(\$0.213)	(\$9.718)	(\$0.438)
Interest expense (income), net	\$10.313	\$10.881	\$10.259	\$11.005	\$10.233	\$10.301	\$10.436	\$10.400
Income tax expense	\$9.124	\$0.181	\$7.013	\$6.966	\$13.036	\$15.087	\$15.835	\$15.041
Depreciation and amortization	\$21.288	\$21.893	\$20.454	\$29.578	\$27.174	\$31.058	\$30.336	\$33.522
Share-based compensation and associated payroll tax expense	\$3.004	\$3.168	\$2.770	\$2.851	\$2.809	\$3.439	\$3.699	\$3.703
Acquisition-related integration costs	\$3.534	\$1.895	\$5.356	\$14.663	\$2.595	\$3.952	(\$0.736)	\$12.973
Additional indirect tax expense from prior years	\$1.118	\$2.533	\$0.000	\$0.000	\$0.750	\$0.150	\$0.000	(\$1.900)
Fees associated with prior year tax audits	(\$0.204)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Adjusted EBITDA	\$69.270	\$79.555	\$84.313	\$100.146	\$86.666	\$97.544	\$95.421	\$116.459

- (1) Free Cash Flow is defined as net cash provided by operating activities, less purchases of property, plant and equipment, plus excess tax benefits (deficiency) from share based compensation. In addition, the amount shown for Q2 and Q3 2015 excludes the effect of payments associated with taxes for prior periods under audit. Free Cash Flow amounts are not meant as a substitute for GAAP, but are solely for informational purposes
- (2) Adjusted EBITDA is defined as net income plus interest and other expense, net; income tax expense; depreciation and amortization and the items used to reconcile GAAP to Adjusted Non-GAAP EPS. Adjusted EBITDA amounts are not meant as a substitute for GAAP, but are solely for informational purposes



GAAP Reconciliation Q4 Adjusted Non-GAAP Earnings & EPS

(\$ in thousands)

	Three Months Ended December 31,	
	2016	2015
Cost of revenues	\$ 40,229	\$ 34,608
Plus:		
Share based compensation ⁽¹⁾	(123)	(100)
Acquisition related integration costs ⁽²⁾	-	(327)
Amortization ⁽⁴⁾	(1,490)	(1,314)
Adjusted non-GAAP cost of revenues	\$ 38,616	\$ 32,867
Sales and marketing	\$ 63,717	\$ 42,189
Plus:		
Share based compensation ⁽¹⁾	(393)	(624)
Acquisition related integration costs ⁽²⁾	(4,327)	(395)
Adjusted non-GAAP sales and marketing	\$ 58,997	\$ 41,170
Research, Development and Engineering	\$ 10,881	\$ 8,625
Plus:		
Share based compensation ⁽¹⁾	(240)	(229)
Acquisition related integration costs ⁽²⁾	(947)	(1)
Adjusted non-GAAP research, development and engineering	\$ 9,694	\$ 8,395
General and administrative	\$ 68,849	\$ 66,347
Plus:		
Share based compensation ⁽¹⁾	(2,947)	(1,898)
Acquisition related integration costs ⁽²⁾	(7,700)	(13,940)
Amortization ⁽³⁾	(25,906)	(23,322)
Tax benefit from prior years ⁽⁴⁾	1,900	-
Adjusted non-GAAP general and administrative	\$ 34,196	\$ 27,187

Adjusted Non-GAAP net income is not meant as a substitute for GAAP, and is defined as GAAP net income with the following modifications:

- 1) Elimination of shared-based compensation expense and associated payroll taxes
- 2) Elimination of certain acquisition-related integration costs and the impact of fair value adjustments to deferred revenue purchased in Livedrive acquisition
- 3) Elimination of amortization of acquired patents and intangible assets
- 4) Elimination of additional income tax (expense) benefit from prior years



GAAP Reconciliation Q4 Adjusted Non-GAAP Earnings & EPS (continued)

(\$ in thousands)

	Three Months Ended December 31,	
	2016	2015
Interest expense, net	\$ 10,400	\$ 11,005
Plus:		
Acquisition related integration costs ⁽²⁾	\$ (8)	\$ -
Interest costs ⁽³⁾	\$ (1,448)	\$ (2,567)
Tax benefit from prior years ⁽⁵⁾	171	-
Adjusted non-GAAP interest expense, net	\$ 9,115	\$ 8,438
Other expense (income), net	\$ (438)	\$ (384)
Adjusted non-GAAP other expense (income), net	\$ (438)	\$ (384)
Income Tax Provision	\$ 15,041	\$ 6,966
Plus:		
Share based compensation ⁽¹⁾	2,337	1,009
Acquisition related integration costs ⁽²⁾	4,193	5,085
Interest costs ⁽³⁾	2,298	1,168
Amortization ⁽⁴⁾	6,080	6,055
Tax (expense) benefit from prior years ⁽⁵⁾	(497)	3,770
Adjusted non-GAAP income tax provision	\$ 29,452	\$ 24,053
Total adjustments	\$ (29,047)	\$ (27,630)
GAAP earnings per diluted share	\$ 0.89	\$ 0.72
Adjustments *	\$ 0.61	\$ 0.60
Adjusted non-GAAP earnings per diluted share	\$ 1.49	\$ 1.29

Adjusted Non-GAAP net income is not meant as a substitute for GAAP, and is defined as GAAP net income with the following modifications:

- 1) Elimination of shared-based compensation expense and associated payroll taxes
- 2) Elimination of certain acquisition-related integration costs and the impact of fair value adjustments to deferred revenue purchased in Livedrive acquisition
- 3) Elimination of interest costs in excess of the coupon rate associated with the convertible notes
- 4) Elimination of amortization of acquired patents and intangible assets
- 5) Elimination of additional income tax (expense) benefit from prior years

* Reconciliation of Net Income per share from GAAP to Adjusted Non-GAAP Net Income Per Share may not foot because each is calculated independently



GAAP Reconciliation FY 2016 Adjusted Non-GAAP Earnings & EPS

(\$ in thousands)

	Twelve Months Ended December 31,	
	2016	2015
Cost of revenues	\$ 147,100	\$ 122,958
Plus:		
Share based compensation ⁽¹⁾	(436)	(373)
Acquisition related integration costs ⁽²⁾	-	(327)
Amortization ⁽³⁾	(5,380)	(3,376)
Adjusted non-GAAP cost of revenues	\$ 141,284	\$ 118,882
Sales and marketing	\$ 206,871	\$ 159,009
Plus:		
Share based compensation ⁽¹⁾	(1,782)	(2,435)
Acquisition related integration costs ⁽²⁾	(5,859)	(1,110)
Adjusted non-GAAP sales and marketing	\$ 199,230	\$ 155,464
Research, Development and Engineering	\$ 38,046	\$ 34,329
Plus:		
Share based compensation ⁽¹⁾	(904)	(863)
Acquisition related integration costs ⁽²⁾	(997)	(81)
Adjusted non-GAAP research, development and engineering	\$ 36,145	\$ 33,385
General and administrative	\$ 239,672	\$ 205,137
Plus:		
Share based compensation ⁽¹⁾	(10,528)	(8,122)
Acquisition related integration costs ⁽²⁾	(11,926)	(23,930)
Amortization ⁽³⁾	(95,561)	(73,902)
Tax benefit (expense) from prior years ⁽⁴⁾	1,000	(3,651)
IRS consulting fee ⁽⁵⁾	-	204
Adjusted non-GAAP general and administrative	\$ 122,657	\$ 95,736

Adjusted Non-GAAP net income is not meant as a substitute for GAAP, and is defined as GAAP net income with the following modifications:

- 1) Elimination of shared-based compensation expense and associated payroll taxes
- 2) Elimination of certain acquisition-related integration costs and the impact of fair value adjustments to deferred revenue purchased in Livedrive acquisition
- 3) Elimination of amortization of acquired patents and intangible assets
- 4) Elimination of additional income tax (expense) benefit from prior years
- 5) Elimination of IRS consulting fees



GAAP Reconciliation FY 2016 Adjusted Non-GAAP Earnings & EPS (continued)

(\$ in thousands)

	Twelve Months Ended December 31,	
	2016	2015
Interest expense, net	\$ 41,370	\$ 42,458
Plus:		
Acquisition related integration costs ⁽²⁾	\$ (8)	\$ -
Interest costs ⁽³⁾	(7,186)	(7,982)
Tax benefit (expense) from prior years ⁽⁵⁾	171	(472)
Adjusted non-GAAP interest expense, net	\$ 34,347	\$ 34,004
Other expense (income), net	\$ (10,243)	\$ 5
Plus:		
Tax benefit from prior years ⁽⁵⁾	811	-
Sale of investments ⁽⁶⁾	7,540	-
Adjusted non-GAAP other expense (income), net	\$ (1,892)	\$ 5
Income Tax Provision	\$ 59,000	\$ 23,283
Plus:		
Share based compensation ⁽¹⁾	5,052	3,380
Acquisition related integration costs ⁽²⁾	6,226	8,880
Interest costs ⁽³⁾	3,719	2,471
Amortization ⁽⁴⁾	27,919	21,672
Tax (expense) benefit from prior years ⁽⁵⁾	(462)	20,681
Sale of investments ⁽⁶⁾	(2,865)	-
IRS consulting fee ⁽⁷⁾	-	(47)
Adjusted non-GAAP income tax provision	\$ 98,589	\$ 80,320
Total adjustments	\$ (91,456)	\$ (69,383)
GAAP earnings per diluted share	\$ 3.13	\$ 2.73
Adjustments *	\$ 1.92	\$ 1.46
Adjusted non-GAAP earnings per diluted share	\$ 4.99	\$ 4.17

Adjusted Non-GAAP net income is not meant as a substitute for GAAP, and is defined as GAAP net income with the following modifications:

- 1) Elimination of shared-based compensation expense and associated payroll taxes
- 2) Elimination of certain acquisition-related integration costs and the impact of fair value adjustments to deferred revenue purchased in Livedrive acquisition
- 3) Elimination of interest costs in excess of the coupon rate associated with the convertible notes
- 4) Elimination of amortization of acquired patents and intangible assets
- 5) Elimination of additional income tax (expense) benefit from prior years
- 6) Sale of Investment
- 7) Elimination of IRS consulting fees

* Reconciliation of Net Income per share from GAAP to Adjusted Non-GAAP Net Income Per Share may not foot because each is calculated independently



GAAP Reconciliation Q4 2016 Adjusted EBITDA

(\$ in thousands)

	Cloud Connect	Cloud Services	IP Licensing	Digital Media	j2 Global, Inc.	Total
Revenues						
GAAP revenues	\$ 92,982	\$ 48,857	\$ 1,158	\$ 108,840	\$ -	\$ 251,837
Gross profit						
GAAP gross profit	\$ 76,452	\$ 35,231	\$ 1,157	\$ 98,768	\$ -	\$ 211,608
Non-GAAP adjustments:						
Share-based compensation	103	20	-	-	-	123
Acquisition Related Integration Costs	-	-	-	-	-	-
Amortization	89	1,401	-	-	-	1,490
Additional Tax Expense (Benefit) from Prior Years	-	-	-	-	-	-
Adjusted non-GAAP Gross Profit	\$ 76,644	\$ 36,652	\$ 1,157	\$ 98,768	\$ -	\$ 213,221
Operating profit						
GAAP operating profit	\$ 45,507	\$ 11,034	\$ (1,243)	\$ 17,460	\$ (4,597)	\$ 68,161
Non-GAAP adjustments:						
Share-based compensation	950	515	-	711	1,527	3,703
Acquisition related integration costs	50	-	-	12,923	-	12,973
Amortization	5,225	11,225	1,569	9,377	-	27,396
Additional Tax Expense (Benefit) from Prior Years	(1,900)	-	-	-	-	(1,900)
Sale of investments	-	-	-	-	-	-
Adjusted non-GAAP Operating Profit	\$ 49,832	\$ 22,774	\$ 326	\$ 40,471	\$ (3,070)	\$ 110,333
Depreciation						
	1,224	1,320	-	3,582	-	6,126
Adjusted EBITDA	\$ 51,056	\$ 24,094	\$ 326	\$ 44,053	\$ (3,070)	\$ 116,459



GAAP Reconciliation Q4 2015 Adjusted EBITDA

(\$ in thousands)

	Cloud Connect	Cloud Services	IP Licensing	Digital Media	j2 Global, Inc.	Total
Revenues						
GAAP revenues	\$ 88,906	\$ 44,930	\$ 1,117	\$ 69,870	\$ -	\$ 204,823
Gross profit						
GAAP gross profit	\$ 74,676	\$ 31,008	\$ 1,117	\$ 63,414	\$ -	\$ 170,215
Non-GAAP adjustments:						
Share-based compensation	100	-	-	-	-	100
Acquisition Related Integration Costs	-	327	-	-	-	327
Amortization	122	1,192	-	-	-	1,314
Adjusted non-GAAP Gross Profit	\$ 74,898	\$ 32,527	\$ 1,117	\$ 63,414	\$ -	\$ 171,956
Operating profit						
GAAP operating profit	\$ 42,961	\$ 6,743	\$ (970)	\$ 8,981	\$ (4,661)	\$ 53,054
Non-GAAP adjustments:						
Share-based compensation	1,219	-	-	447	1,185	2,851
Acquisition related integration costs	-	647	-	14,016	-	14,663
Amortization	5,205	11,673	1,625	6,133	-	24,636
Adjusted non-GAAP Operating Profit	\$ 49,385	\$ 19,063	\$ 655	\$ 29,577	\$ (3,476)	\$ 95,204
Depreciation	1,396	974	-	2,572	-	4,942
Adjusted EBITDA	\$ 50,781	\$ 20,037	\$ 655	\$ 32,149	\$ (3,476)	\$ 100,146



GAAP Reconciliation FY 2016 Adjusted EBITDA

(\$ in thousands)

	<u>Cloud Connect</u>	<u>Cloud Services</u>	<u>IP Licensing</u>	<u>Digital Media</u>	<u>j2 Global, Inc.</u>	<u>Total</u>
Revenues						
GAAP revenues	\$ 368,682	\$ 193,711	\$ 4,545	\$ 307,317	\$ -	\$ 874,255
Gross profit						
GAAP gross profit	\$ 305,061	\$ 136,794	\$ 4,537	\$ 280,763	\$ -	\$ 727,155
Non-GAAP adjustments:						
Share-based compensation	397	39	-	-	-	436
Amortization	464	4,916	-	-	-	5,380
Adjusted non-GAAP Gross Profit	<u>\$ 305,922</u>	<u>\$ 141,749</u>	<u>\$ 4,537</u>	<u>\$ 280,763</u>	<u>\$ -</u>	<u>\$ 732,971</u>
Operating profit						
GAAP operating profit	\$ 172,116	\$ 43,132	\$ (4,207)	\$ 50,539	\$ (19,014)	\$ 242,566
Non-GAAP adjustments:						
Share-based compensation	4,632	1,010	-	2,392	5,616	13,650
Acquisition related integration costs	203	-	-	18,579	-	18,782
Amortization	20,334	43,443	6,118	31,046	-	100,941
Additional Tax Expense (Benefit) from Prior Years	(1,150)	-	-	150	-	(1,000)
Adjusted non-GAAP Operating Profit	<u>\$ 196,135</u>	<u>\$ 87,585</u>	<u>\$ 1,911</u>	<u>\$ 102,706</u>	<u>\$ (13,398)</u>	<u>\$ 374,939</u>
Depreciation	5,209	4,429	-	11,512	-	21,150
Adjusted EBITDA	<u>\$ 201,344</u>	<u>\$ 92,014</u>	<u>\$ 1,911</u>	<u>\$ 114,218</u>	<u>\$ (13,398)</u>	<u>\$ 396,089</u>



GAAP Reconciliation FY 2015 Adjusted EBITDA

(\$ in thousands)

	Cloud Connect	Cloud Services	IP Licensing	Digital Media	j2 Global, Inc.	Total
Revenues						
GAAP revenues	\$ 353,893	\$ 144,980	\$ 5,765	\$ 216,177	\$ -	\$ 720,815
Gross profit						
GAAP gross profit	\$ 296,508	\$ 101,156	\$ 5,765	\$ 194,428	\$ -	\$ 597,857
Non-GAAP adjustments:						
Share-based compensation	373	-	-	-	-	373
Acquisition Related Integration Costs	-	327	-	-	-	327
Amortization	489	2,887	-	-	-	3,376
Adjusted non-GAAP Gross Profit	\$ 297,370	\$ 104,370	\$ 5,765	\$ 194,428	\$ -	\$ 601,933
Operating profit						
GAAP operating profit	\$ 168,855	\$ 23,377	\$ (3,520)	\$ 30,240	\$ (19,570)	\$ 199,382
Non-GAAP adjustments:						
Share-based compensation	4,519	-	-	1,803	5,471	11,793
Acquisition related integration costs	332	1,326	-	22,975	815	25,448
Amortization	17,972	29,179	7,261	22,865	-	77,277
Additional Tax Expense (Benefit) from Prior Years	3,651	-	-	-	-	3,651
IRS consulting fee	(204)	-	-	-	-	(204)
Adjusted non-GAAP Operating Profit	\$ 195,125	\$ 53,882	\$ 3,741	\$ 77,883	\$ (13,284)	\$ 317,347
Depreciation						
	5,515	3,277	-	7,144	-	15,936
Adjusted EBITDA	\$ 200,640	\$ 57,159	\$ 3,741	\$ 85,027	\$ (13,284)	\$ 333,283



GAAP Reconciliation Operating Profit

(\$ in thousands)

CONSOLIDATED					
	2012	2013	2014	2015	2016
GAAP Operating Profit	\$162,162	\$175,423	\$186,206	\$199,382	\$242,566
Patent Settlement	-	(12,572)	-	-	-
Acquisition-related Revenue	-	(4,428)	-	-	-
Deferred Revenue	-	-	-	-	-
Amortization	16,189	19,104	32,268	54,412	100,941
Share-based compensation and the Associated Payroll Tax Expense	2,824	2,601	2,766	3,680	13,650
Acquisition-related integration costs	734	4,488	2,174	1,903	18,782
IRS Consulting Fee	-	-	1,423	-	-
Additional Indirect Tax Expense from Prior Years	-	-	713	3,651	(1,000)
Fees associated with prior year tax audits	-	-	-	(204)	-
Non-GAAP Entries	\$19,747	\$9,193	\$39,344	\$63,442	\$132,373
Adjusted Non-GAAP Operating Profit	\$181,909	\$184,616	\$225,550	\$262,824	\$374,939



GAAP Reconciliation Operating Profit

(\$ in thousands)

CLOUD					
	2012	2013	2014	2015	2016
GAAP Operating Profit	\$174,972	\$187,446	\$174,809	\$189,306	\$211,041
Patent Settlement	-	(12,572)	-	-	-
Acquisition-related Revenue	-	(4,428)	-	-	-
Deferred Revenue	-	-	-	-	-
Amortization	16,189	19,104	32,268	54,412	69,895
Share-based compensation and the Associated Payroll Tax Expense	2,824	2,601	2,766	3,680	5,642
Acquisition-related integration costs	734	4,488	2,174	1,903	203
IRS Consulting Fee	-	-	1,423	-	-
Additional Indirect Tax Expense from Prior Years	-	-	713	3,651	(1,150)
Fees associated with prior year tax audits	-	-	-	(204)	-
Non-GAAP Entries	19,747	9,193	39,344	63,442	74,590
Adjusted Non-GAAP Operating Profit	\$194,719	\$196,639	\$214,153	\$252,748	\$285,631

MEDIA					
	2012	2013	2014	2015	2016
GAAP Operating Profit	\$2,889	\$6,732	\$30,494	\$30,240	\$50,539
Acquisition-related Revenue	-	2,214	-	-	-
Amortization	1,024	12,646	17,441	22,865	31,046
Share-based compensation and the Associated Payroll Tax Expense	-	67	516	1,803	2,392
Acquisition-related integration costs	-	5,947	(187)	22,975	18,579
Additional Indirect Tax Expense from Prior Years	-	-	-	-	150
Non-GAAP Entries	\$1,024	\$20,874	\$17,770	\$47,643	\$52,167
Adjusted Non-GAAP Operating Profit	\$3,913	\$27,606	\$48,264	\$77,883	\$102,706

