



# **Global Communications**

**Investor Presentation**  
*(Based upon Fourth Quarter 2007 results)*  
**February 19, 2008**

## 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 slides entitled “2008 Outlook – Fax Services”, “2008 Outlook – Voice Services”, and “2008 Guidance.” These forward-looking statements are based on management’s current expectations or beliefs as of February 19, 2008 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, retention and usage levels
- Fax and voice service growth
- New products, services and features
- Corporate spending
- Liquidity
- Network capacity, coverage and security
- Regulatory developments
- Taxes













***All information in this presentation speaks as of February 19, 2008 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 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, scanning 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 or general economic downturns
- Loss of services of executive officers and other key employees
- Inability to maintain existing or enter into new supplier and marketing relationships on acceptable terms
- Other factors set forth in our Annual Report on Form 10-K filed on 03/12/2007 and the other reports filed by us from time to time with the Securities and Exchange Commission

## Messaging/Communications as a Service

			
Fax	Voice	Unified Messaging	Email
			electricm@il
			
SEND2FAX			
			

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## **Core j2 Global Assets**

**11.9 million Subscribed Telephone Numbers (DIDs)**

**1,064K Paid DIDs**

**Global Advanced Messaging Network**

- ◆ **Over 3,000 cities in 42 countries on 5 continents**
- ◆ **17.2MM + unique DIDs worldwide in inventory**

**Intellectual Property**

- ◆ **56 issued patents and licensing programs designed to monetize the portfolio**
- ◆ **Protection of brands and marks**
- ◆ **Programs designed to effectively collect evidence to prosecute junk faxers**

**Expertise**

- ◆ **Effective customer acquisition strategies and Web marketing**
- ◆ **Breadth, depth and management of a complex network & architecture**
- ◆ **Successful acquisition and integration of 16 businesses in 7 countries**

**Strong Financial Position**

- ◆ **12 consecutive years of Revenue growth**
- ◆ **6 consecutive years of positive and growing Operating Earnings**
- ◆ **\$84MM of Free Cash Flow (FY 2007)**
- ◆ **\$230MM of cash & investments to fund growth/ no debt (as of 12/31/07)**

# Subscriber Acquisition

## Individuals

- ◆ Targeted marketing (search, online media and radio)
- ◆ Sold through: [eFax.com](http://eFax.com), [eVoice.com](http://eVoice.com), [Onebox.com](http://Onebox.com), [fax.com](http://fax.com), [j2.com](http://j2.com), and other brand websites
- ◆ Use of proprietary Life Cycle Management
- ◆ Advertising, Up-selling, and Calling-Party-Pays revenue supports the Free base

## Small to Mid-Sized Businesses (SMBs)

- ◆ Sold through: [eFaxCorporate.com](http://eFaxCorporate.com) and [Onebox Receptionist](http://OneboxReceptionist.com) and [eVoice Receptionist](http://eVoiceReceptionist.com) websites
- ◆ Supported by Chat and Telesales groups in U.S. and Europe (in multiple languages)
- ◆ Self-service Web-based broadcast fax engine at [jblast.com](http://jblast.com)
- ◆ Outsourced email, spam & virus protection and archiving
- ◆ Use of proprietary Life Cycle Management (i.e. feature up-sell)

## Enterprise (SMEs)/Large Enterprise/Government

- ◆ Direct sales force in U.S. and Europe
- ◆ Marketed through Web and traditional direct selling methods
- ◆ Designed for > 150 DID accounts

## Paid Subscription Drivers

### Seven Drivers for Paid DID Additions

- ◆ **Subscribers coming directly to the Company's Websites/Cross Sell/Telesales**
  - Brand awareness driven by demand-generation programs and "word of mouth"
  - Search engine discovery
  - Accounts for 40% 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 SME/Enterprise/Government**
  - Through the outside Corporate Sales team
- ◆ **Direct domestic marketing spend for paid subscribers**
  - Targeted marketing program across various media
- ◆ **International marketing programs**
- ◆ **Cross-sell**
  - Offer additional services to existing customers

# Financial Highlights

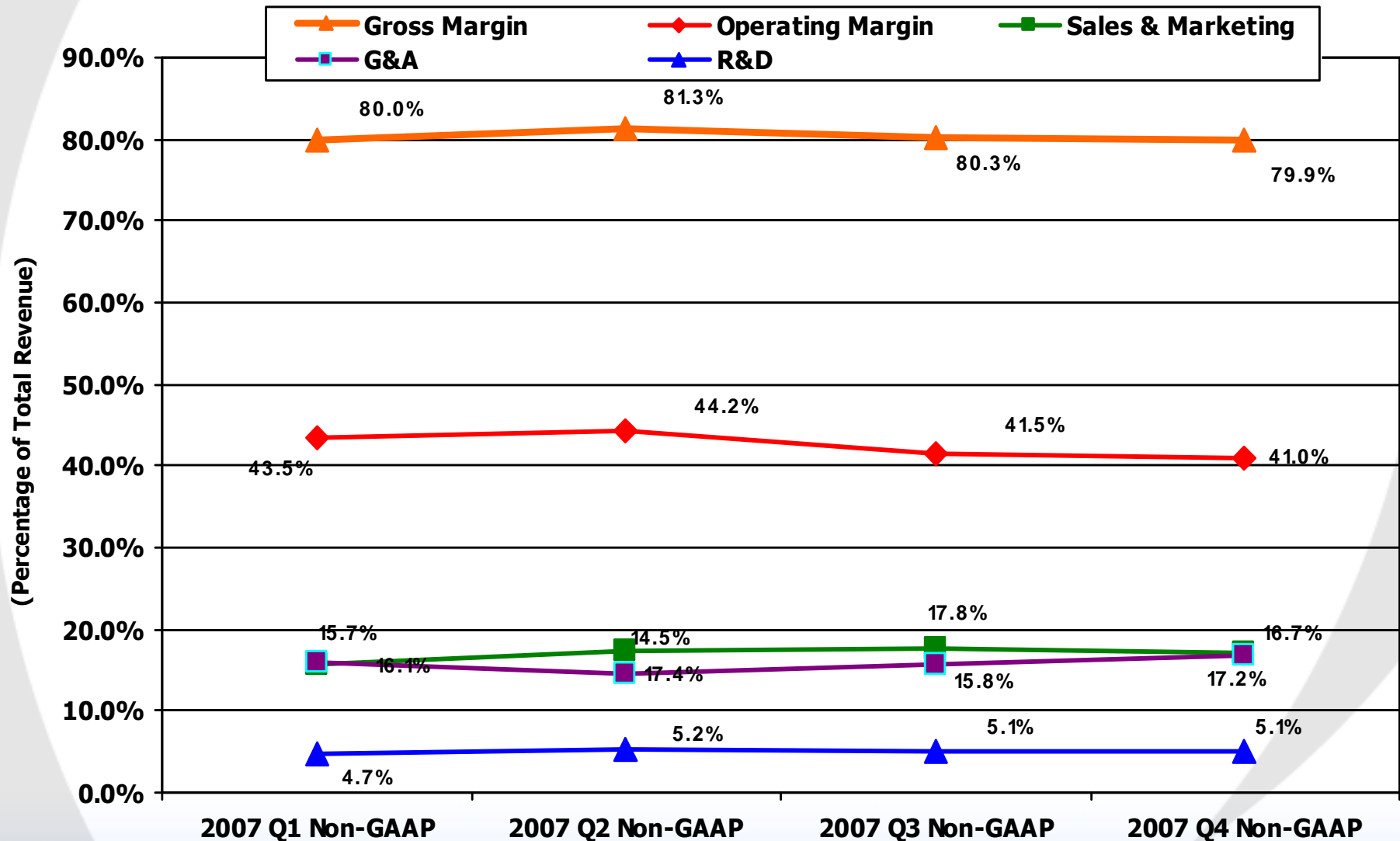


## 2007 Q4 and Annual Non-GAAP Results

	<u>Q4 2007</u>		<u>FY 2007</u>	
	\$	Margin	\$	Margin
<b>GAAP Revenue</b>	<b>\$56.8M</b>		<b>\$220.7M</b>	
<b>Gross Profit/Margin <sup>(1)</sup></b>	<b>\$45.4M</b>	<b>79.9%</b>	<b>\$177.4M</b>	<b>80.4%</b>
<b>Operating Profit/Margin <sup>(1)</sup></b>	<b>\$23.3M</b>	<b>41.0%</b>	<b>\$93.8M</b>	<b>42.5%</b>
<b>Non-GAAP EPS <sup>(2)</sup></b>	<b>\$0.36</b>		<b>\$1.45</b>	
<b>Free Cash Flow <sup>(3)</sup></b>	<b>\$21.4M</b>		<b>\$83.9M</b>	
<b>Cash &amp; Investments</b>	<b>\$229.8M</b>		<b>\$229.8M</b>	

- <sup>(1)</sup> Excludes SFAS 123(R) non-cash compensation expense. See slide 23 and 24 for a reconciliation to the nearest GAAP financial measure.
- <sup>(2)</sup> Excludes SFAS 123(R) non-cash compensation expense, net of tax benefit. See slide 23 and 24 for a reconciliation to the nearest GAAP financial measure.
- <sup>(3)</sup> See slide 22 for a reconciliation to the nearest GAAP financial measure.

## 2007 Margin Trends by Quarter



2007 excludes SFAS 123(R) non-cash compensation, net of tax benefit. See slides 23 and 24 for reconciliations to the nearest GAAP financial measures.

## Ending Paid DIDs (in 000s)

	2004	2005	2006	2007	'07 vs. '06	
<b>US</b>						
Fax	496	666	794	870	75	9.5%
Voice	10	15	31	77	46	147.0%
<b>Total US</b>	<b>506</b>	<b>681</b>	<b>826</b>	<b>947</b>	<b>121</b>	<b>14.7%</b>
<b>International</b>						
Fax	45	57	76	111	36	47.1%
Voice	3	2	3	5	3	100.6%
<b>Total Int'l</b>	<b>47</b>	<b>59</b>	<b>78</b>	<b>116</b>	<b>38</b>	<b>48.9%</b>
<b>Total Ending DIDs</b>	<b>553</b>	<b>741</b>	<b>904</b>	<b>1,064</b>	<b>160</b>	<b>17.7%</b>

**2007 DIDs Increased 160,000 or 18% over 2006**

**US DIDs Grew by 121,000 or 15% over 2006**

**Strong Growth in Voice services**

**International DIDs Increased by 49% or 38,000**

**Continuing Ramp Up in International Fax Services**

## Annual Revenue Summary (in \$000s)

	2004	2005	2006	2007	'07 vs. '06	
<b>US</b>						
Fax	\$87,723	\$117,576	\$145,936	\$171,241	\$25,305	17.3%
Voice	1,394	2,418	3,266	6,618	3,352	102.6%
<b>Total US Fax &amp; Voice</b>	<b>89,117</b>	<b>119,994</b>	<b>149,202</b>	<b>177,859</b>	<b>28,657</b>	<b>19.2%</b>
<b>International</b>						
Fax	7,808	11,847	17,071	24,392	7,320	42.9%
Voice	-	728	771	1,957	1,185	153.7%
<b>Total Int'l Fax &amp; Voice</b>	<b>7,808</b>	<b>12,575</b>	<b>17,843</b>	<b>26,348</b>	<b>8,506</b>	<b>47.7%</b>
Other <sup>(1)</sup>	9,418	11,372	14,034	16,471	2,437	17.4%
<b>Total Revenue</b>	<b>\$106,343</b>	<b>\$143,941</b>	<b>\$181,079</b>	<b>\$220,678</b>	<b>\$39,600</b>	<b>21.9%</b>

<sup>(1)</sup> Other revenue includes Email, jBlast, Advertising and Patents

**2007 Revenues Increased \$39.6M or 22% over 2006**

**US Revenues Increased \$28.7M or 19.2% over 2006**

**International Revenues Increased 48% or \$8.5M over 2006**

**Double Digit Growth Across All Sectors**

# **Accomplishments & Outlook**

## **2007 Accomplishments – Fax Services**

### **US**

- ◆ **Fax DIDs increased to 870,000 – mostly eFax @ \$16.95**
- ◆ **Successful price increase of ~ 30% for eFax individual customers**
- ◆ **Successfully launched fax.com/Fully integrated Send2Fax**
- ◆ **Completed RapidFAX acquisition in December 2007**
- ◆ **Increased Telesales staff for SMB sales**
- ◆ **eFax Developer growth**
- ◆ **Message center offered to corporate customers in Q4**
- ◆ **Multi-brand approach for Fax services**

### **International**

- ◆ **FAX DIDs increased 47% to 111,000**
- ◆ **Established Italian, Polish and Portuguese Web presence**
- ◆ **Increased by 24 people presence in Europe (mostly in Ireland)**
- ◆ **Acquired YAC**
- ◆ **Expanded network to 42 countries**
- ◆ **Completed multi-byte development**

## 2008 Outlook – Fax Services

### Global

- ◆ **Environment conducive to M&A**

  - Strong cash position and cash flows

  - 5 year low multiples for public companies

  - 100+ candidates in fax to email delivery space

### US

- ◆ **Double digit DID growth – Corporate faster than Individual**

- ◆ **Stable price environment targeting multiple segments**

- ◆ **Marketing of primary (eFax) and secondary brands**

- ◆ **Fax indexing to create searchable faxes**

- ◆ **Assumes light usage from credit sensitive customers**

### International

- ◆ **Increase market penetration in top European countries/Canada**

- ◆ **Continued penetration leads to faster organic growth than US**

- ◆ **Increase corporate European presence**

- ◆ **Operational efficiencies due to consolidation of EU staff**

- ◆ **Deploy multi-byte across network**

## **2007 Accomplishments – Voice Services**

### **US**

- ◆ **Voice DIDs grew 147% to 77,000**
- ◆ **New features introduced in Q4 2007 include click-to-call and tested speech-to-text**
- ◆ **Increased Telesales staff and expanded CS support**
- ◆ **Successful cross-selling to Fax customer base**

### **International**

- ◆ **Began focus in late 2007**
- ◆ **Added DIDs in 14 European countries and Hong Kong**
- ◆ **Acquired YAC in Q3**
- ◆ **Simplified voice service proposal in Europe**



## **2008 Outlook – Voice Services**

### **Global**

- ◆ **Early stage and evolving space with multiple competitors worldwide**
- ◆ **Market readiness supports high growth**
- ◆ **Several acquisition opportunities**

### **US**

- ◆ **Expect organic revenue to more than double**
- ◆ **New websites and features for eVoice and Onebox**
- ◆ **Continue cross selling to SMB fax customer base and upsell to eVoice**
- ◆ **Rollout speech-to-text for voicemail and launch live Onebox Receptionist**

### **International**

- ◆ **Expect organic revenue/DID growth > 50%**
- ◆ **Launch new YAC website**
- ◆ **Launch European-centric brand and simplified Receptionist service**
- ◆ **Consolidate and upgrade two voice platforms/facilities**

# Annual Guidance

## 2008 Guidance

	<u>2008</u>
<b>Revenues (MM)</b>	<b>\$240 - \$270</b>
<b>GAAP EPS</b>	<b>\$1.45 - \$1.65</b>

**2008 EPS is based on GAAP which includes SFAS 123(R) non-cash compensation expense.**

# Supplemental Information

Revenues

	2006					2007				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
<b>Fixed Subscriber Revenues</b>	\$28,537	\$29,855	\$32,179	\$36,013	\$126,586	\$37,765	\$39,653	\$41,362	\$43,347	\$162,127
<b>Variable Subscriber Revenues</b>	12,025	12,816	12,312	11,433	48,585	12,528	12,961	12,667	12,046	50,201
<b>Subscriber Revenues</b>	\$40,562	\$42,671	\$44,491	\$47,447	175,171	\$50,293	\$52,613	\$54,029	\$55,394	212,328
<b>Other Revenues</b>	1,456	1,595	1,400	1,457	5,908	3,849	1,367	1,717	1,437	8,369
<b>Total Revenues</b>	\$42,018	\$44,266	\$45,891	\$48,904	181,079	\$54,141	\$53,980	\$55,746	\$56,830	220,697
<b>DID - Based Revenues</b>	\$38,718	\$40,683	\$42,832	\$45,650	\$167,882	\$48,130	\$50,084	\$51,209	\$52,353	\$201,776
<b>Non-DID Revenues</b>	3,300	3,583	3,059	3,254	13,197	6,011	3,895	4,537	4,478	18,921
<b>Total Revenues</b>	\$42,018	\$44,266	\$45,891	\$48,904	181,079	\$54,141	\$53,980	\$55,746	\$56,830	220,697
<b>Subscriber Revenues/Total Revenues</b>	96.5%	96.4%	96.9%	97.0%	96.7%	92.9%	97.5%	96.9%	97.5%	96.2%
<b>DID - Based/Total Revenues</b>	92.1%	91.9%	93.3%	93.3%	92.7%	88.9%	92.8%	91.9%	92.1%	91.4%
<b>% Fixed Subscriber Revenues</b>	70.4%	70.0%	72.3%	75.9%	72.3%	75.1%	75.4%	76.6%	78.3%	76.4%
<b>% Variable Subscriber Revenues</b>	29.6%	30.0%	27.7%	24.1%	27.7%	24.9%	24.6%	23.4%	21.7%	23.6%

DIDS

<b>Paid DIDs <sup>(1) (2) (3) (4)</sup></b>	788,130	836,576	887,801	906,652		930,273	972,599	1,017,985	1,063,698	
<b>Average Monthly Revenue/DID</b>	\$16.39	\$16.15	\$15.98	\$16.45		\$16.96	\$16.96	\$16.47	\$16.08	
<b>Cancel Rate <sup>(5)</sup></b>	2.5%	2.6%	2.7%	2.9%		3.0%	2.8%	3.0%	2.7%	
<b>Free DIDs</b>	10,225,974	10,537,817	10,619,571	10,322,922		10,355,815	10,671,519	10,706,503	10,874,104	
<b>Average Monthly Revenue/DID</b>	\$0.04	\$0.04	\$0.05	\$0.04		\$0.05	\$0.05	\$0.06	\$0.07	
<b>Total DID Inventory (MM)</b>	15.2	15.2	16.2	16.4		16.9	17.0	17.1	17.2	
<b>Cities Covered</b>	1,814	1,814	2,330	2,727		2,884	2,933	2,950	3,024	
<b>Countries Covered</b>	29	32	35	37		40	42	42	42	

Financials

<b>Cash &amp; Investment</b>	(millions)	\$162.3	\$174.9	\$171.0	\$191.6		\$210.3	\$233.1	\$239.8	\$229.8	
<b>Free Cash Flow <sup>(6)</sup></b>	(millions)	\$18.5	\$11.0	\$12.4	\$23.9	\$65.8	\$26.1	\$20.6	\$15.7	\$21.4	\$83.9

<sup>(1)</sup> For Q3 2006, DIDs reflect net changes related to anticipated unprovisioned Corporate DIDs.

<sup>(2)</sup> For Q4 2006, DIDs reflect net changes related to anticipated unprovisioned Corporate DIDs and adjustments associated with a database upgrade.

<sup>(3)</sup> For Q3 2006, Q4 2006 and Q1 to Q3 2007, the Send2Fax DIDs reflect a reserve for the net impact of product migration and a price increase.

<sup>(4)</sup> For Q4 2007, the RapidFax DIDs reflect a reserve for the net impact of product migration and a price increase.

<sup>(5)</sup> 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.

<sup>(6)</sup> Free Cash Flow is net cash provided by operating activities, less purchases of property and equipment.

## Computation of Free Cash Flow

(\$ in millions)

	Q1 '06	Q2 '06	Q3 '06	Q4 '06	Q1 '07	Q2 '07	Q3 '07	Q4 '07
Net cash from operating activities	\$19.245	\$14.250	\$13.607	\$25.903	\$26.659	\$23.113	\$18.656	\$25.779
Purch. of property & equipment	(0.757)	(3.288)	(1.181)	(1.973)	(0.529)	(2.506)	(2.940)	(4.340)
<b>Free Cash Flow <sup>(1)</sup></b>	<b>\$18.488</b>	<b>\$10.962</b>	<b>\$12.426</b>	<b>\$23.930</b>	<b>\$26.130</b>	<b>\$20.607</b>	<b>\$15.716</b>	<b>\$21.439</b>

<sup>(1)</sup> 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 DECEMBER 31, 2007			THREE MONTHS ENDED SEPTEMBER 30, 2007			THREE MONTHS ENDED JUNE 30, 2007			THREE MONTHS ENDED MARCH 31, 2007		
	Reported	Non-GAAP Entries	Non-GAAP	Reported	Non-GAAP Entries	Non-GAAP	Reported	Non-GAAP Entries	Non-GAAP	Reported	Non-GAAP Entries	Non-GAAP
<b>Revenues</b>												
Subscriber	\$ 55,394	\$ -	\$ 55,394	\$ 54,029	\$ -	\$ 54,029	\$ 52,613	\$ -	\$ 52,613	\$ 50,293	\$ -	\$ 50,293
Other	1,436	0	1,436	1,717	-	1,717	1,367	-	1,367	3,848	-	3,848
<b>Total revenues</b>	<b>56,830</b>	<b>0</b>	<b>56,830</b>	<b>55,746</b>	<b>-</b>	<b>55,746</b>	<b>53,980</b>	<b>-</b>	<b>53,980</b>	<b>54,141</b>	<b>-</b>	<b>54,141</b>
<b>Cost of revenues <sup>(1)</sup></b>	<b>11,597</b>	<b>(177)</b>	<b>11,420</b>	<b>11,168</b>	<b>(169)</b>	<b>10,999</b>	<b>10,232</b>	<b>(140)</b>	<b>10,092</b>	<b>10,990</b>	<b>(182)</b>	<b>10,808</b>
<b>Gross profit</b>	<b>45,233</b>	<b>177</b>	<b>45,410</b>	<b>44,578</b>	<b>169</b>	<b>44,747</b>	<b>43,748</b>	<b>140</b>	<b>43,888</b>	<b>43,151</b>	<b>182</b>	<b>43,333</b>
<b>Operating expenses:</b>												
Sales and marketing <sup>(1)</sup>	10,098	(342)	9,756	10,218	(304)	9,914	9,672	(264)	9,408	8,780	(278)	8,502
Research, development and engineering <sup>(1)</sup>	3,099	(228)	2,871	3,045	(186)	2,859	2,976	(184)	2,792	2,713	(173)	2,540
General and administrative <sup>(1)</sup>	10,866	(1,368)	9,498	10,042	(1,209)	8,833	8,950	(1,114)	7,836	9,825	(1,097)	8,728
<b>Total operating expenses</b>	<b>24,063</b>	<b>(1,938)</b>	<b>22,125</b>	<b>23,305</b>	<b>(1,699)</b>	<b>21,606</b>	<b>21,598</b>	<b>(1,562)</b>	<b>20,036</b>	<b>21,318</b>	<b>(1,548)</b>	<b>19,770</b>
<b>Operating earnings</b>	<b>21,170</b>	<b>2,115</b>	<b>23,285</b>	<b>21,273</b>	<b>1,868</b>	<b>23,141</b>	<b>22,150</b>	<b>1,702</b>	<b>23,852</b>	<b>21,833</b>	<b>1,730</b>	<b>23,563</b>
<b>Other income and expenses:</b>												
Interest and other income, net	2,314	126	2,440	2,598	-	2,598	2,398	-	2,398	1,725	-	1,725
<b>Total other income and expenses:</b>	<b>2,314</b>	<b>126</b>	<b>2,440</b>	<b>2,598</b>	<b>-</b>	<b>2,598</b>	<b>2,398</b>	<b>-</b>	<b>2,398</b>	<b>1,725</b>	<b>-</b>	<b>1,725</b>
<b>Earnings before income taxes</b>	<b>23,484</b>	<b>2,241</b>	<b>25,725</b>	<b>23,871</b>	<b>1,868</b>	<b>25,739</b>	<b>24,548</b>	<b>1,702</b>	<b>26,250</b>	<b>23,558</b>	<b>1,730</b>	<b>25,288</b>
Income tax expense <sup>(2)</sup>	6,628	664	7,292	5,783	584	6,367	7,470	518	7,988	7,119	464	7,583
<b>Net earnings</b>	<b>\$ 16,856</b>	<b>\$ 1,577</b>	<b>\$ 18,433</b>	<b>\$ 18,088</b>	<b>\$ 1,284</b>	<b>\$ 19,372</b>	<b>\$ 17,078</b>	<b>\$ 1,184</b>	<b>\$ 18,262</b>	<b>\$ 16,439</b>	<b>\$ 1,266</b>	<b>\$ 17,705</b>
<b>Diluted net earnings per share</b>	<b>\$ 0.34</b>		<b>\$ 0.36</b>	<b>\$ 0.35</b>		<b>\$ 0.38</b>	<b>\$ 0.33</b>		<b>\$ 0.36</b>	<b>\$ 0.32</b>		<b>\$ 0.35</b>
<b>Diluted weighted average shares outstanding</b>	<b>50,268,781</b>		<b>50,517,395</b>	<b>51,075,957</b>		<b>51,372,910</b>	<b>51,007,561</b>		<b>51,225,457</b>	<b>50,680,093</b>		<b>50,905,135</b>

(1) Stock-based compensation is as follows: for Q4, Cost of revenues is \$177K, Sales and Marketing is \$342K, R&D is \$228K, and G&A is \$1,368K; for Q3, Cost of revenues is \$169K, Sales and Marketing is \$304K, R&D is \$186K, and G&A is \$1,209K; for Q2, Cost of revenues is \$140K, Sales and Marketing is \$264K, R&D is \$184K, and G&A is \$1,114K; and for Q1, Cost of revenues is \$182K, Sales and Marketing is \$278K, R&D is \$173K, and G&A is \$1,097K.

(2) Income tax expense is adjusted for the net impact of item 1 above.

# GAAP Reconciliation

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

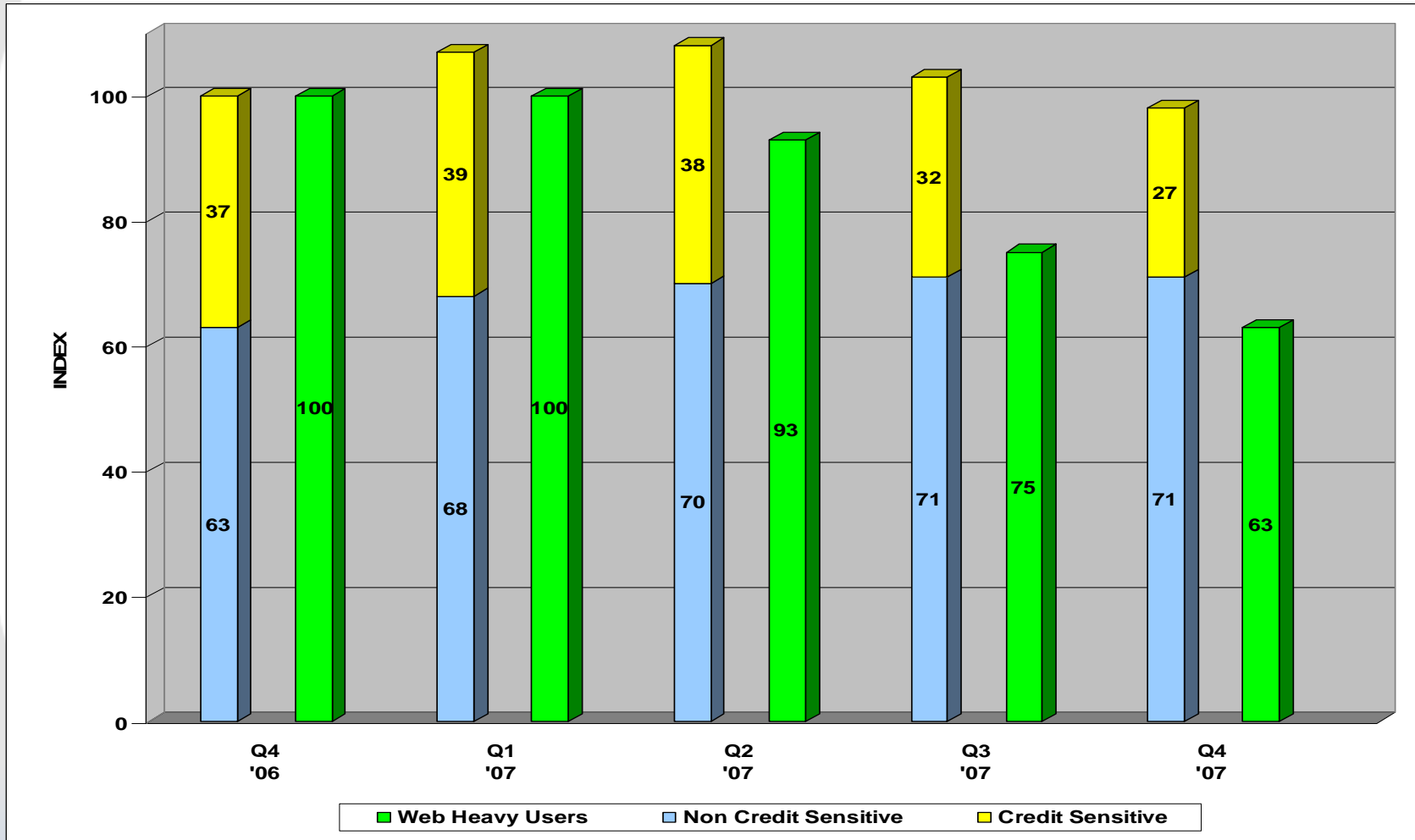
	TWELVE MONTHS ENDED DECEMBER 31, 2007			TWELVE MONTHS ENDED DECEMBER 31, 2006		
	Reported	Non-GAAP Entries	Modified	Reported	Non-GAAP Entries	Modified
<b>Revenues</b>						
Subscriber	\$ 212,329	\$ -	\$ 212,329	\$ 175,171	\$ -	\$ 175,171
Other	8,368	-	8,368	5,908	-	5,908
<b>Total revenues</b>	<u>220,697</u>	<u>-</u>	<u>220,697</u>	<u>181,079</u>	<u>-</u>	<u>181,079</u>
<b>Cost of revenues <sup>(1)</sup></b>	<u>43,987</u>	<u>(668)</u>	<u>43,319</u>	<u>36,723</u>	<u>(316)</u>	<u>36,407</u>
<b>Gross profit</b>	176,710	668	177,378	144,356	316	144,672
<b>Operating expenses:</b>						
Sales and marketing <sup>(1)</sup>	38,768	(1,187)	37,581	30,792	(1,038)	29,754
Research, development and engineering <sup>(1)</sup>	11,833	(771)	11,062	8,773	(556)	8,217
General and administrative <sup>(1)</sup>	39,683	(4,788)	34,895	38,754	(3,782)	34,972
<b>Total operating expenses</b>	<u>90,284</u>	<u>(6,746)</u>	<u>83,538</u>	<u>78,319</u>	<u>(5,376)</u>	<u>72,943</u>
<b>Operating earnings</b>	86,426	7,414	93,840	66,037	5,692	71,729
<b>Other income and expenses:</b>						
Interest and other income, net	9,035	126	9,161	7,195	0	7,195
<b>Total other income and expenses:</b>	<u>9,035</u>	<u>126</u>	<u>9,161</u>	<u>7,195</u>	<u>0</u>	<u>7,195</u>
<b>Earnings before income taxes</b>	95,461	7,540	103,001	73,232	5,692	78,924
<b>Income tax expense <sup>(2)</sup></b>	<u>27,000</u>	<u>2,213</u>	<u>29,213</u>	<u>20,101</u>	<u>1,584</u>	<u>21,685</u>
<b>Net earnings</b>	<u>\$ 68,461</u>	<u>\$ 5,327</u>	<u>\$ 73,788</u>	<u>\$ 53,131</u>	<u>\$ 4,108</u>	<u>\$ 57,239</u>
<b>Diluted net earnings per share</b>	<u>\$ 1.35</u>		<u>\$ 1.45</u>	<u>\$ 1.04</u>		<u>\$ 1.12</u>
<b>Diluted weighted average shares outstanding</b>	50,762,007		51,009,299	51,048,995		51,330,932

<sup>(1)</sup> Stock-based compensation adjustments for 2007 are: Cost of revenue is \$668K, Sales and Marketing is \$1,187K, R&D is \$771K, and G&A is \$4,788K. 2006 adjustments are as follows: Cost of revenues is \$316K, Sales and Marketing is \$1,038K, R&D is \$556K, and G&A is \$3,782K.

<sup>(2)</sup> Income tax expense is adjusted for the net impact of items above.



# Usage Pattern of Corporate and Web High Volume Users





# **Global Communications**