



October 5, 2015

## **j2 Global® Raises Guidance**

### **Acquisition activity expands with the completion of nine acquisitions in the third quarter of 2015**

LOS ANGELES--(BUSINESS WIRE)-- j2 Global, Inc. (NASDAQGS: JCOM), the global provider of Internet services, announced today that the Company completed nine acquisitions in the third quarter of 2015. The acquisitions spanned all of the Company's business units and five countries. As a result of the recent success of its acquisition program coupled with continued operational achievements, the Company is increasing its 2015 revenue and Adjusted Non-GAAP earnings per diluted share (EPS) guidance.

#### **Acquisition Activity**

The acquisitions listed below will grow the Company's global customer base, provide access to new markets and expand j2's product lineup. The acquisitions are:

| <u>Cloud Backup</u>       | <u>Cloud Connect</u>    | <u>Digital Media</u> | <u>Intellectual Property</u> |
|---------------------------|-------------------------|----------------------|------------------------------|
| LiveVault (USA)           | Axiatel (France)        | Salesify (USA)       | VDW (Netherlands)            |
| Online Backup Vault (USA) | Popfax (France)         |                      |                              |
| DSA Technologies (USA)    | Network Telsys (Canada) |                      |                              |
| Comtech (Norway)          |                         |                      |                              |

"Over the years, j2 has developed a core competency of identifying, negotiating and integrating acquisitions to enhance our global growth," said j2's CEO, Hemi Zucker. "We are excited to welcome our new customers and our new business colleagues around the world."

"We are very pleased with our success so far this year as well as our operating momentum as we enter the fourth quarter, and as a consequence, we are increasing our full-year 2015 financial guidance," he added.

"Since the beginning of the year, we have completed twenty acquisitions, deploying approximately \$265 million of capital," said Scott Turicchi, j2's President and CFO. "And, despite our recent success, our M&A pipeline remains full as we continue to pursue our long-term acquisition strategy."

## **Business Outlook**

Driven by the recent acquisition activity and better than expected performance in its core operations, the Company is raising the upper end of its fiscal 2015 financial estimates. It now expects to achieve revenues of between \$690 and \$724 million (an increase to the upper end of the range of \$14 million or 1.97%) and Adjusted Non-GAAP earnings per diluted share of between \$3.73 and \$4.13 (an increase in the upper end of the range of \$0.16 or 4.03%). Due to the timing and nature of the recent acquisition activity, most of the financial impact of these acquisitions during 2015 will be realized in the fourth quarter.

As previously noted, Adjusted Non-GAAP earnings per diluted share for 2015 excludes share-based compensation of between \$11 and \$12 million, amortization of acquired intangible assets and the impact of any other currently unanticipated items, in each case net of tax.

It is anticipated that the normalized tax rate for 2015 (excluding certain expenses that may not be indicative of our recurring core business operating results) will be at the higher end of the previously provided range of between 27 and 29%.

## **About j2 Global**

j2 Global, Inc. provides Internet services through two divisions: Business Cloud Services and Digital Media. The Business Cloud Services Division offers Internet fax, virtual phone, hosted email, email marketing, online backup, unified communications and CRM solutions. It markets its services principally under the brand names [eFax®](#), [eVoice®](#), [FuseMail®](#), [Campaigner®](#), [KeepItSafe®](#), [Livedrive®](#) and [Onebox®](#), and operates a messaging network spanning 49 countries on six continents. The Digital Media Division offers technology, gaming and lifestyle content through its digital properties, which include [PCMag.com](#), [IGN.com](#), [AskMen.com](#), [Toolbox.com](#) and others. The Digital Media Division also operates [NetShelter®](#) Powered by [BuyerBase®](#), an advanced digital ad targeting platform, and Ziff Davis B2B, a leading provider of research to enterprise buyers and leads to IT vendors. As of December 31, 2014, j2 had achieved 19 consecutive fiscal years of revenue growth. For more information about j2, please visit [www.j2global.com](http://www.j2global.com).

**"Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995:** Certain statements in this Press Release are "forward-looking statements" within the meaning of The Private Securities Litigation Reform Act of 1995, particularly those contained in Hemi Zucker's and Scott Turicchi's quotes and the "Business Outlook" portion regarding the Company's expected fiscal 2015 financial performance. These forward-looking statements are based on management's current expectations or beliefs 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. These factors and uncertainties include, among other items: the Company's ability to grow fax and non-fax revenues, profitability and cash flows; the Company's ability to identify, close and successfully transition and integrate acquisitions; subscriber growth and retention; variability of the Company's revenue based on changing conditions in particular industries and the economy generally; protection of the Company's proprietary technology or infringement by the Company of intellectual property of others; the risk of adverse changes in the U.S. or international regulatory environments, including but not limited to the imposition or increase of taxes or regulatory-related fees; and the numerous other factors set forth in j2 Global's filings with the Securities and Exchange Commission ("SEC"). For a more detailed description of the risk factors and uncertainties affecting j2 Global, refer to the 2014 Annual Report on Form 10-K filed by j2 Global on March 2, 2015, and the other reports filed by j2 Global from time-to-time with the SEC, each of which is available at [www.sec.gov](http://www.sec.gov). The forward-looking statements provided in this press release and particularly those contained in Hemi Zucker's and Scott Turicchi's quotes and the "Business Outlook" portion regarding the Company's expected fiscal 2015 financial performance are based on limited information available to the Company at this time, which is subject to change. Although management's expectations may change after the date of this press release, the Company undertakes no obligation to revise or update these statements.

### **About Non-GAAP Financial Measures**

As used in this Press Release, Adjusted Non-GAAP earnings per diluted share for 2015 excludes share-based compensation of between \$11 and \$12 million, amortization of acquired patents and other intangibles, acquisition-related integration costs, interests costs in excess of the coupon rate associated with convertible notes of the company, and the impact of any other currently unanticipated items, in each case net of tax.

We use Adjusted Non-GAAP financial measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons. Our management believes that these Adjusted Non-GAAP financial measures provide meaningful supplemental information regarding our

performance and liquidity by excluding certain expenses and expenditures that may not be indicative of our recurring core business operating results. We believe that both management and investors benefit from referring to these Adjusted Non-GAAP financial measures in assessing our performance and when planning, forecasting, and analyzing future periods. These Adjusted Non-GAAP financial measures also facilitate management's internal comparisons to our historical performance and liquidity. We believe these Adjusted Non-GAAP financial measures are useful to investors both because (1) they allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making and (2) they are used by our institutional investors and the analyst community to help them analyze the health of our business. However, the presentation of Non-GAAP financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

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j2 Global, Inc.

Laura Hinson

[Laura.Hinson@j2.com](mailto:Laura.Hinson@j2.com)

eVoice®: 800-577-1790

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## Modernizing Backup without Losing Data Along the Way

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*Guest blog post by David Jones, SVP and GM, HP Big Data Solutions*

IT administrators are challenged with seeking the right solutions to map to a more modern infrastructure. And as an industry leader in data protection, HP is committed to pursuing a new and divergent path to bring the backup industry into the modern era.

### **The rise of opportunity**

We are seeing new, innovative players replace the old guard in server backup, and HP isn't sitting on the sidelines. We are investing in technology to create a new class of adaptive and intelligent backup solutions and focusing our portfolio to best address our customers' needs in this environment. To this end, we have divested LiveVault, one of HP's cloud server backup software solutions, to j2 Global, a global provider of cloud and internet services.

j2 Global is actively investing in the server backup market and is committed to investing in the LiveVault solution to enhance its offering and bolster account management and marketing. While it's difficult to part ways with this tremendous team, I'm confident that j2 is well positioned to optimize LiveVault's business and that LiveVault's customers will receive the same level of service and support.

HP will continue to partner with LiveVault and will remain a significant customer, but as our focus has shifted to adaptive and intelligent backup that leverages our capabilities across our big data portfolio, LiveVault is no longer a strategic fit. In our view, this is an opportunity for LiveVault to grow its business and for HP to refine its Software portfolio to better align with our strategic priorities.

### **HP, a leader in automated cloud backup, archiving and security**

HP remains committed to the server backup market and to our mid-market and enterprise customers which we serve today with Data Protector. HP's backup business has seen double digit increases in year-over-year revenue in constant currency for the last four quarters—well above the industry average—and we're focused on taking market share. We're doubling down on investment in big data, analytics, Adaptive Backup and Recovery (ABR), and mobility, which we view as tremendous opportunity for the broader Hewlett Packard Enterprise on go forward basis.

Recent investments in bringing Connected MX to market have enabled us to extend our portfolio's strength around endpoint data protection, shifting the discussion from just backup to Mobile Information Management. The series of ABR features we have released with Data Protector provide a level of intelligence that enables our customers to handle complex deployments efficiently and robustly. The recently announced Storage Optimizer initiative improves the backup and recovery experience for our customers. We've received positive feedback from our customers and continue to challenge ourselves to raise the bar.

We understand that IT managers are under a tremendous amount of pressure to create an effective backup system that keeps pace with their organizations' surging data volumes and the transition to virtualization and the cloud. As a leader in automated cloud backup, archiving and security, our long-term objective to help our customers overcome complexity with simple, real-time data protection. We remain committed to advancing our technology and developing solutions that empower our customers to turn ideas into value with piece of mind.

### **Forward-Looking Statements**

This document contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks, uncertainties and assumptions. If such risks or uncertainties materialize or such assumptions prove incorrect, the results of HP and its consolidated subsidiaries could differ materially from those expressed or implied by such forward-looking statements and assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including the expected benefits of the transaction; HP's expected future relationship with LiveVault; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. Risks, uncertainties and assumptions include the possibility that expected benefits may not materialize as expected; that, after the completion of the transaction, either LiveVault or HP's remaining backup businesses may not perform as expected due to transaction-related uncertainty or other factors; that the parties are unable to successfully implement integration strategies; and other risks that are described in HP's and Hewlett Packard Enterprise Company's Securities and Exchange Commission reports, including but not limited to the risks described in HP's Annual Report on Form 10-K for its fiscal year ended October 31, 2014, HP's Quarterly Report on Form 10-Q for its fiscal quarter ended July 31, 2015 and the "Risk Factors" section of the preliminary information statement included in Hewlett-Packard Enterprise Company's Registration Statement on Form 10 (File No. 001-37483) (as amended). HP assumes no obligation and does not intend to update these forward-looking statements.