

J2 GLOBAL COMMUNICATIONS INC
Form 10-Q
August 05, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the quarterly period ended June 30, 2009

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 0-25965

j2 GLOBAL COMMUNICATIONS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

51-0371142
(I.R.S. Employer
Identification No.)

6922 Hollywood Boulevard, Suite 500
Los Angeles, California 90028
(Address of principal executive offices)

(323) 860-9200
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if

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any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No (Not Applicable)

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See definitions of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-Accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

As of July 31, 2009, the registrant had 45,062,060 shares of common stock outstanding.

j2 GLOBAL COMMUNICATIONS, INC.

FOR THE QUARTER ENDED JUNE 30, 2009

INDEX

	PAGE
PART I.	FINANCIAL INFORMATION
Item 1.	Financial Statements
	Condensed Consolidated Balance Sheets (unaudited) 3
	Condensed Consolidated Statements of Operations (unaudited) 4
	Condensed Consolidated Statements of Cash Flows (unaudited) 5
	Notes to Condensed Consolidated Financial Statements (unaudited) 6
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations 21
Item 3.	Quantitative and Qualitative Disclosures About Market Risk 28
Item 4.	Controls and Procedures 30
PART II.	OTHER INFORMATION
Item 1.	Legal Proceedings 31
Item 1A.	Risk Factors 32
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds 33
Item 3.	Defaults Upon Senior Securities 33
Item 4.	Submission of Matters to a Vote of Security Holders 33
Item 5.	Other Information 33
Item 6.	Exhibits 34
	Signature 35
	Index to Exhibits 36
	Exhibit 31.1
	Exhibit 31.2
	Exhibit 32.1
	Exhibit 32.2

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

j2 Global Communications, Inc.
Condensed Consolidated Balance Sheets
(Unaudited, in thousands)

	June 30, 2009	December 31, 2008
ASSETS		
Cash and cash equivalents	\$ 192,576	\$ 150,780
Short-term investments	21	14
Accounts receivable, net of allowances of \$3,104 and \$2,896 respectively	13,905	14,083
Prepaid expenses and other current assets	8,497	6,683
Deferred income taxes	2,958	2,958
Total current assets	217,957	174,518
Long-term investments	2,207	11,081
Property and equipment, net	16,551	18,938
Goodwill	81,151	72,783
Other purchased intangibles, net	38,526	36,791
Deferred income taxes	9,008	7,787
Other assets	109	142
Total assets	\$365,509	\$ 322,040
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable and accrued expenses	\$ 17,675	\$ 16,915
Income taxes payable	1,451	1,800
Deferred revenue	13,168	13,680
Total current liabilities	32,294	32,395
Accrued income tax liability	41,996	38,643
Other long-term liabilities	881	1,022
Total liabilities	75,171	72,060
Commitments and contingencies	—	—
Preferred stock, \$0.01 par value. Authorized 1,000,000 and none issued	—	—
Common stock, \$0.01 par value. Authorized 95,000,000 at June 30, 2009 and December 31, 2008; total issued 52,698,217 and 52,305,293 shares at June 30, 2009 and December 31, 2008, respectively, and total outstanding 44,017,649 and 43,624,725 shares at June 30, 2009 and December 31, 2008, respectively	527	523
Additional paid-in capital	139,876	131,185
Treasury stock, at cost (8,680,568 shares at June 30, 2009 and December 31, 2008)	(112,671)	(112,671)
Retained earnings	264,632	234,843
Accumulated other comprehensive loss	(2,026)	(3,900)
Total stockholders' equity	290,338	249,980
Total liabilities and stockholders' equity	\$365,509	\$ 322,040

See Notes to Condensed Consolidated Financial Statements

j2 Global Communications, Inc.
 Condensed Consolidated Statements of Operations

(Unaudited, in thousands except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Revenues:				
Subscriber	\$61,049	\$59,537	\$120,689	\$116,752
Other	1,415	1,140	2,166	2,573
	62,464	60,677	122,855	119,325
Cost of revenues (including share-based compensation of \$331 and \$612 for the three and six months of 2009, respectively, and \$212 and \$387 for the three and six months of 2008, respectively)	11,600	11,725	22,992	23,356
Gross profit	50,864			