

Scorpio Tankers Inc.
Form 424B5
January 30, 2013
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PROSPECTUS SUPPLEMENT

Filed Pursuant to Rule 424(b)(5)

(To Prospectus dated May 10, 2011)

Registration No. 333-173929

30,672,000 Shares

Scorpio Tankers Inc.

Common Stock

We are offering 30,672,000 shares of our common stock. Our common stock is listed on the New York Stock Exchange under the symbol STNG . On January 29, 2013, the last reported sale price of our common stock on the New York Stock Exchange was \$7.91 per share.

Investing in our common stock involves a high degree of risk. Please read Risk Factors beginning on page S-5 of this prospectus supplement, on page 5 of the accompanying prospectus and in the documents incorporated by reference into this prospectus supplement.

Neither the U.S. Securities and Exchange Commission (the Commission) nor any state securities commission has approved or disapproved of these securities, or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	PER SHARE	TOTAL
Public Offering Price	\$ 7.50	\$ 230,040,000
Placement Fees	\$ 0.24	\$ 7,483,200
Proceeds to Company (Before Expenses ⁽¹⁾)	\$ 7.26	\$ 222,556,800

(1) Includes expenses relating to the review and qualification of the offering of the Shares by the Financial Industry Regulatory Authority, Inc. (FINRA) which will be paid by us.

RS Platou Markets, Inc. is acting as sole manager in the offering. In addition, we have retained RS Platou Markets AS, CIS Capital Markets LLC, DNB Markets, Inc. and Evercore Group L.L.C. to act as placement agents for us in connection with the shares offered by this prospectus supplement and the accompanying prospectus, and they will use their best commercially practicable efforts to arrange for the sale of the shares of common stock to certain institutional investors. The placement agents have no commitment to buy any of the shares.

Certain investor funds will be deposited into a non-interest bearing escrow account and held until released by us and RS Platou Markets, Inc. jointly on the date the shares are to be delivered to investors.

Delivery of the shares of common stock is expected to be made on or about February 4, 2013. The delivery of shares to each investor is not conditioned upon the purchase of shares by any other investors. If one or more investors fails to fund the purchase price of their subscribed-for

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shares as required, we intend to proceed with delivery on February 4, 2013 of the aggregate number of shares for which the purchase price has been received.

Sole Manager

RS Platou Markets, Inc.

Placement Agents

RS Platou Markets AS

Clarkson Capital Markets

DNB Markets

Evercore Partners

Prospectus Supplement dated January 30, 2013

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Corporate Information

We are a Marshall Islands corporation with principal executive offices at 9, Boulevard Charles III Monaco 98000. Our telephone number at that address is 377-9898-5716. We also maintain an office at 150 East 58th Street, New York, NY 10155 and our telephone number at this address is (212) 542-1616. We maintain a website on the Internet at <http://www.scorpiotankers.com>. The information on our website is not incorporated by reference into this prospectus supplement and does not constitute a part of this prospectus supplement.

IMPORTANT NOTICE ABOUT INFORMATION IN THIS

PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and also adds to and updates information contained in the accompanying base prospectus and the documents incorporated by reference into this prospectus supplement and the base prospectus. The second part, the base prospectus, gives more general information about securities we may offer from time to time, some of which does not apply to this offering. Generally, when we refer only to the prospectus, we are referring to both parts combined, and when we refer to the accompanying prospectus, we are referring to the base prospectus.

If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement. This prospectus supplement, the accompanying prospectus and the documents incorporated into each by reference include important information about us, the shares of common stock being offered and other information you should know before investing. You should read this prospectus supplement and the accompanying prospectus together with additional information described under the heading, **Where You Can Find More Information** before investing in our common stock.

We prepare our financial statements, including all of the financial statements incorporated by reference in this prospectus supplement, in U.S. dollars, or Dollars, and in conformity with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). We have a fiscal year end of December 31.

We have authorized only the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus prepared by or on behalf of us or to which we have referred you. We have not, and any placement agents have not, authorized anyone to provide you with information that is different. We and the placement agents take no responsibility for, and can provide no assurance as to the reliability of, any information that others may give you. We are offering to sell, and seeking offers to buy, shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in or incorporated by reference in this document is accurate only as of the date such information was issued, regardless of the time of delivery of this prospectus supplement or any sale of our shares of common stock.

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CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Matters discussed in this document may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts.

We desire to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and are including this cautionary statement in connection with this safe harbor legislation. This document and any other written or oral statements made by us or on our behalf may include forward-looking statements, which reflect our current views with respect to future events and financial performance. The words believe, anticipate, intend, estimate, forecast, project, plan, potential, may, should, expect and similar expressions identify forward-looking statements.

The forward-looking statements in this document are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

In addition to these important factors and matters discussed elsewhere in this prospectus, and in the documents incorporated by reference in this prospectus, important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, general market conditions, including fluctuations in charterhire rates and vessel values, changes in demand in the tanker vessel markets, changes in the company's operating expenses, including bunker prices, insurance costs, changes in governmental rules and regulations or actions taken by regulatory authorities including those that may limit the commercial useful lives of tankers, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, and other important factors described from time to time in the reports we file with the Commission and the New York Stock Exchange. We caution readers of this prospectus supplement, the accompanying prospectus and the documents incorporated by reference not to place undue reliance on these forward-looking statements, which speak only as of their dates. We undertake no obligation to update or revise any forward-looking statements. These forward looking statements are not guarantees of our future performance, and actual results and future developments may vary materially from those projected in the forward looking statements.

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This section summarizes some of the key information that is contained or incorporated by reference in this prospectus. It may not contain all of the information that may be important to you. As an investor or prospective investor, you should review carefully the entire prospectus, any free writing prospectus that may be provided to you in connection with the offering of the common shares and the information incorporated by reference in this prospectus, including the sections entitled Risk Factors on page S-4 of this prospectus supplement; on page 5 of the accompanying prospectus in our Registration Statement on Form F-3, effective May 10, 2011; and in our Annual Report on Form 20-F for the fiscal year ended December 31, 2011, filed on March 23, 2012. Unless the context otherwise requires, when used in this prospectus supplement, the terms Scorpio Tankers, the Company, we, our and us refer to Scorpio Tankers Inc. and its subsidiaries. Scorpio Tankers Inc. refers only to Scorpio Tankers Inc. and not its subsidiaries. The financial information included or incorporated by reference into this prospectus represents our financial information and the operations of our subsidiaries. Unless otherwise indicated, all references to currency amounts in this prospectus are in U.S. dollars.

Our Company

We are engaged in seaborne transportation of crude oil and refined petroleum products in the international shipping markets. Our fleet as of the date of this prospectus consists of 13 wholly-owned tankers (four LR1 tankers, one Handymax tanker, six MR tankers, one LR2 tanker and one post-Panamax tanker), 20 time chartered-in tankers (five Handymax tankers, nine MR tankers, three LR1 tankers and three LR2 tankers, including one vessel we expect to be delivered to us in 2013) and we have contracted for twelve newbuilding MR tankers, two of which are expected to be delivered to us by April 2013 and the remaining ten by the end of September 2014.

Below is our current fleet list:

	VESSEL NAME	YEAR BUILT	DWT	ICE CLASS	EMPLOYMENT	VESSEL TYPE
<i>Owned vessels</i>						
1	STI Highlander	2007	37,145	1A	SHTP ⁽¹⁾	Handymax
2	STI Amber	2012	52,000		SMRP ⁽⁴⁾	MR
3	STI Topaz	2012	52,000		SMRP ⁽⁴⁾	MR
4	STI Ruby	2012	52,000		SMRP ⁽⁴⁾	MR
5	STI Garnet	2012	52,000		SMRP ⁽⁴⁾	MR
6	STI Onyx	2012	52,000		SMRP ⁽⁴⁾	MR
7	STI Sapphire	2013	52,000		Spot	MR
8	Noemi	2004	72,515		SPTP ⁽²⁾	LR1
9	Senatore	2004	72,514		SPTP ⁽²⁾	LR1
10	STI Harmony	2007	73,919	1A	SPTP ⁽²⁾	LR1
11	STI Heritage	2008	73,919	1A	SPTP ⁽²⁾	LR1
12	Venice	2001	81,408	1C	SPTP ⁽²⁾	Post-Panamax
13	STI Spirit	2008	113,100		SLR2P ⁽³⁾	LR2
Total owned DWT			836,520			

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VESSEL NAME						TIME CHARTER INFO		
<i>TIME CHARTERED-IN VESSELS</i>	YEAR BUILT	DWT	ICE CLASS	EMPLOYMENT	VESSEL TYPE	DAILY BASE RATE	EXPIRY ⁽⁵⁾	
14	Kraslava	2007	37,258	1B	SHTP ⁽¹⁾	Handymax	\$ 12,070 18-Jul-13 ⁽⁶⁾	
15	Krisjanis Valdemars	2007	37,266	1B	SHTP ⁽¹⁾	Handymax	\$ 12,000 14-Jun-13 ⁽⁷⁾	
16	Histria Azure	2007	40,394		SHTP ⁽¹⁾	Handymax	\$ 12,000 04-Apr-14 ⁽⁸⁾	
17	Histria Coral	2006	40,426		SHTP ⁽¹⁾	Handymax	\$ 13,000 17-Jul-13 ⁽⁹⁾	
18	Histria Perla	2005	40,471		SHTP ⁽¹⁾	Handymax	\$ 13,000 15-Jul-13 ⁽⁹⁾	
19	Endeavour	2004	46,102		SMRP ⁽⁴⁾	MR	\$ 11,525 05-Feb-13 ⁽¹⁰⁾	
20	STX Ace 6	2007	46,161		SMRP ⁽⁴⁾	MR	\$ 14,150 17-May-14 ⁽¹¹⁾	
21	Pacific Duchess	2009	46,697		SMRP ⁽⁴⁾	MR	\$ 13,800 17-Mar-13 ⁽¹²⁾	
22	Targale	2007	49,999		SMRP ⁽⁴⁾	MR	\$ 14,500 17-May-14 ⁽¹³⁾	
23	Ugale	2007	49,999	1B	SMRP ⁽⁴⁾	MR	\$ 14,000 15-Jan-14 ⁽¹⁴⁾	
24	Freja Lupus	2012	50,385		SMRP ⁽⁴⁾	MR	\$ 14,760 26-Apr-14 ⁽¹⁵⁾	
25	Valle Bianca	2007	50,633		SMRP ⁽⁴⁾	MR	\$ 12,000 13-Feb-13 ⁽¹⁶⁾	
26	Gan-Trust	2013	51,561		Spot	MR	\$ 16,250 06-Jan-16 ⁽¹⁷⁾	
27	Usma	2007	52,684	1B	SMRP ⁽⁴⁾	MR	\$ 13,500 03-Jan-14 ⁽¹⁸⁾	
28	SN Federica							

Director Independence

Douglas Y. Bech, Robert J. Cresci, W. Brian Kretzmer, Stephen Ross and Michael P. Schulhof are independent directors, as defined in the Nasdaq listing standards and as determined by j2 Global's Board of Directors.

In July 2010, Congress adopted the Dodd Frank Wall Street Reform and Consumer Protection Act. As part of this legislation, Congress has commissioned the Securities and Exchange Commission (“SEC”) to issue rules requiring that members of the Compensation Committees of the Board of Directors of publicly listed companies be independent. The SEC has not yet adopted such rules. Upon their adoption, the Company will review the independence criteria promulgated by the SEC to ensure that the members of its Compensation Committee meet any new independence requirements.

Communications with the Board of Directors and the Audit Committee

The Board of Directors welcomes communications from stockholders and has adopted a procedure for receiving and addressing them. Interested parties may also submit complaints regarding accounting, internal accounting controls or auditing matters to j2 Global’s Audit Committee. Stockholders may send written communications to the entire Board of Directors, to the Audit Committee or to individual members, addressing them to j2 Global Communications, Inc., 6922 Hollywood Boulevard, Suite 500, Los Angeles, California 90028, Attention: Corporate Secretary. Communications by e-mail should be addressed to investor@j2global.com and marked “Attention: Corporate Secretary” in the “Subject” field.

The Board of Directors has instructed the Secretary to review all communications so received (via e-mail or otherwise), and to exercise his discretion not to forward to members of the Board of Directors correspondence that is inappropriate, such as business solicitations, frivolous communications, advertising, routine business matters (i.e., business inquiries, complaints or suggestions) and personal grievances. However, any director may at any time request the Secretary to forward any and all communications received by the Secretary but not forwarded to the Board of Directors.

Risk Management

The Board of Directors plays an active role, as a whole and also at the committee level, in overseeing management of j2 Global’s risks and strategic direction. The Board of Directors regularly reviews information regarding j2 Global’s liquidity and operations, as well as the risks associated with each. j2 Global’s Compensation Committee is responsible for overseeing the management of risks relating to j2 Global’s executive compensation plans and arrangements. The Audit Committee oversees the process by which j2 Global’s senior management and the relevant departments assess and manage j2 Global’s exposure to, and management of, financial risks. The Corporate Governance and Nominating Committee manages risks associated with the independence of the Board of Directors and potential conflicts of interest. The Investor Relations Committee oversees management of risks associated with dissemination of information relating to j2 Global to the public. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board of Directors is regularly informed about such risks.

MEETINGS AND COMMITTEES OF THE BOARD

Board Meetings and Attendance at Annual Meeting

The Board of Directors of j2 Global held a total of ten meetings during 2011 and also conducted business by written consent. During 2011, each director, except Mr. Rieley, attended at least seventy-five percent (75%) of all of the meetings of the Board of Directors and the committees of which he was a member. Mr. Rieley missed several meetings as a result of a prolonged illness. j2 Global encourages, but does not require, members of the Board of Directors to attend annual stockholder meetings. Five of j2 Global’s seven directors attended j2 Global’s 2011 Annual Meeting of Stockholders.

Executive Sessions

In accordance with j2 Global's Corporate Governance Principles, executive sessions of non-management directors are held at least twice a year. The sessions are scheduled and chaired by the Chairman of the Audit Committee. Any non-management director can request that an additional executive session be scheduled.

Board Committees

The Board of Directors has established five standing committees: Audit, Compensation, Corporate Governance and Nominating, Executive and Investor Relations. The Audit, Compensation and Corporate Governance and Nominating Committees are composed solely of independent directors as defined in the Nasdaq listing standards and determined by the Board of Directors. The charters of the Audit, Compensation, Corporate Governance and Nominating, and Investor Relations Committees are each posted on the corporate governance portion of j2 Global's website at <http://investor.j2global.com/documents.cfm>.

Audit Committee

The Audit Committee currently consists of Messrs. Kretzmer, Ross and Cresci, who is the Chairman of the Committee. The Audit Committee is comprised solely of directors who meet all the independence standards for audit committee members as set forth in SOX, the rules of the SEC adopted pursuant to SOX and the Nasdaq listing standards. The Board of Directors has determined that Mr. Cresci is an "audit committee financial expert" as that term is defined in the SEC rules adopted pursuant to SOX and that he has accounting or related financial management expertise, in each case in accordance with the rules of the SEC and the Nasdaq listing standards. The Board of Directors has determined that each member of the Audit Committee is able to read and understand fundamental financial statements. The Audit Committee is responsible for, among other things, retaining and overseeing j2 Global's independent auditors, approving the services performed by them and reviewing j2 Global's financial reports and reporting process, accounting principles and its system of internal accounting controls. The Audit Committee held six meetings in 2011. See the "Audit Committee Report" below.

Compensation Committee

The Compensation Committee currently consists of Messrs. Bech, Cresci and Schulhof, who is the Chairman of the Committee. The Compensation Committee is responsible for, among other things:

- administering j2 Global's compensation programs, including its stock-based compensation plans;
- reviewing the performance of j2 Global's executives and recommending to the Board of Directors, for approval by a majority of independent directors, goals and objectives, as well as compensation (including, salary, bonus and equity grants) for j2 Global's executives;
- periodically evaluating compensation paid to non-management members of the Board of Directors, including monitoring the competitiveness and composition of director compensation;
- recommending to the Board of Directors changes to j2 Global's compensation policies and benefits programs; and
- otherwise seeking to ensure that j2 Global's compensation philosophy is consistent with j2 Global's best interests and is properly implemented.

The Compensation Committee also has the authority to retain and terminate compensation consultants. The Compensation Committee retained Pearl Meyer & Partners, LLC (“Pearl Meyer”) as its compensation consultant for fiscal 2011, to provide information to the Compensation Committee related to compensation of our executive management team and non-employee directors.

The Compensation Committee’s charter does not provide for the delegation of the Compensation Committee’s responsibilities. The Compensation Committee held seven meetings in 2011. See the “Compensation Committee Report” below.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee currently consists of Messrs. Kretzmer, Schulhof and Bech, who is the Chairman of the Committee. The Corporate Governance and Nominating Committee is responsible for, among other things:

- identifying, evaluating and nominating qualified individuals to become director nominees at j2 Global’s annual meetings of stockholders or to fill vacancies occurring between annual meetings of stockholders;
- recommending members of the Board of Directors for nomination to, or to fill vacancies on, the standing committees of the Board of Directors;
 - developing and recommending to the Board of Directors standards for addressing conflicts of interest;
- developing, recommending to the Board of Directors and reviewing j2 Global’s Corporate Governance Principles; and
 - evaluating the performance of the Board of Directors and its committees.

The Corporate Governance and Nominating Committee has not established specific minimum age, education, experience or skill requirements for potential director nominees. In selecting director nominees, the Corporate Governance and Nominating Committee takes into consideration various factors to find candidates that will be able to represent the interests of the stockholders, including judgment, skill, diversity, integrity, educational background, experience with businesses and other organizations of a comparable size, the interplay of the candidate’s experience with that of the other members of the Board of Directors and the extent to which a candidate would be a desirable addition to the Board of Directors and any committees of the Board of Directors. Although the Corporate Governance and Nominating Committee does not have a formal policy with respect to diversity, in accordance with the Company’s Corporate Governance Principles, the Corporate Governance and Nominating Committee endeavors to seek nominees representing diverse experience in policy-making positions in business and technology, and in areas that are relevant to the Company’s global activities. The Corporate Governance and Nominating Committee evaluates the diversity in experience of its directors annually in recommending the slate of nominees to the full Board of Directors, and j2 Global believes that the current Board of Directors reflects the diversity of experience it seeks.

The Corporate Governance and Nominating Committee may consider candidates proposed by management or by stockholders, but is not limited to such candidates. The Corporate Governance and Nominating Committee evaluates director candidates recommended by stockholders in the same way that it evaluates candidates recommended by other sources. j2 Global sets forth its policy with regard to the consideration of any director candidates recommended by stockholders in its Bylaws. See “Deadline for Submitting Stockholder Proposals and Director Nominations for the Next Annual Meeting” for more information regarding the procedures for the consideration of any director candidates recommended by stockholders.

The Corporate Governance and Nominating Committee held four meetings in 2011.

Executive Committee

The Executive Committee currently consists of Messrs. Cresci, Schulhof and Ressler, who is the Chairman of the Committee. The Executive Committee may take certain action permitted by law and j2 Global's Bylaws in the intervals between meetings of the full Board of Directors. Although the Executive Committee held no formal meetings during 2011, the Committee advised the Board of Directors on various issues delegated to it throughout the year.

Investor Relations Committee

The Investor Relations Committee currently consists of Messrs. Ross and Rieley, who is the Chairman of the Committee. The Investor Relations Committee is responsible for, among other things, monitoring and assisting management with the strategic direction and overall status of j2 Global's investor relations and public relations programs and associated activities, including assistance with development of global investor relations and public relations strategies. The Investor Relations Committee held no formal meetings in 2011, but conducted regular informal meetings with senior management regarding material investor and public relations matters.

DIRECTOR COMPENSATION

During fiscal 2011, each director, except Richard S. Ressler, received an annual retainer of \$50,000. In addition to the annual retainer, the Chairman of each of the Audit, Compensation, Corporate Governance and Nominating, and Investor Relations Committees received \$10,000 for fiscal 2011. Mr. Ressler is separately compensated for his services as Chairman of the Board of Directors pursuant to a consulting agreement between j2 Global and Orchard Capital, a company controlled by Mr. Ressler. Under this consulting arrangement, which runs for consecutive six-month terms, Orchard Capital receives compensation of \$23,000 per month. The agreement is terminable by either party by written notice delivered at least 30 days prior to commencement of the next six-month term.

At the first scheduled Compensation Committee and Board of Directors meeting following the 2011 Annual Meeting of stockholders, each director received: (i) options to purchase shares of the Company's common stock with a fair market value under the Black-Scholes model of \$200,000 on the date of grant; and (ii) restricted shares of the Company's common stock with a fair market value under the Black Scholes model of \$200,000 on the date of grant.

In March 2012, the Compensation Committee recommended and the Board of Directors approved revising the annual director compensation package (the "Revised Director Plan"). Under the Revised Director Plan, each director, except Richard S. Ressler, will receive an annual retainer of \$60,000. In addition to the annual retainer, the Chairman of the Audit Committee will receive \$20,000 per annum and the Chairmen of the Compensation Committee and Corporate Governance and Nominating Committee will each receive an additional \$15,000 per annum. The Revised Director Plan also provides for each director to receive, on the date of each annual meeting of stockholders, restricted shares of the Company's common stock with a fair market value under the Black Scholes model of \$180,000 on the date of grant. The foregoing restricted shares would wholly vest on April 30th of the year following the grant.

The following table contains information with respect to the compensation of j2 Global's directors for the fiscal year ended December 31, 2011.

Director Compensation Table

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)(2)(3)	Option Awards (\$)(2)(4)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Incentive Deferred Compensation (\$)	All Other Compensation (\$)	Total (\$)
Richard S. Ressler	\$276,000 (1)	\$199,981	\$199,998	–	–	–	\$675,979
Douglas Y. Bech	\$60,000	\$199,981	\$199,998	–	–	–	\$459,979
Robert J. Cresci	\$60,000	\$199,981	\$199,998	–	–	–	\$459,979
W. Brian Kretzmer	\$50,000	\$199,981	\$199,998	–	–	–	\$449,979
John F. Rieley	\$60,000	\$199,981	\$199,998	–	–	\$60,000 (5)	\$519,979
Stephen Ross	\$50,000	\$199,981	\$199,998	–	–	–	\$449,979
Michael P. Schulhof	\$60,000	\$199,981	\$199,998	–	–	–	\$459,979

- (1) Payments to Mr. Ressler are made pursuant to a consulting agreement between j2 Global and Orchard Capital, a company controlled by Mr. Ressler. See “Certain Transactions – Consulting Agreements” for a more detailed description of this arrangement.
- (2) These amounts represent the grant date fair value under FASB ASC Topic No. 718, Compensation – Stock Compensation (“ASC 718”) for restricted stock awards and stock options granted in 2011, and, for option grants, were also calculated in accordance with FASB ASC Topic No. 505, Equity. The ASC 718 value as of the grant date for stock awards and stock options is spread over the number of months of service required for the grant to become non-forfeitable. There can be no assurance that the ASC 718 amount will ever be realized. Assumptions used in the calculation of these amounts for awards granted in 2011 are included in Note 11, “Stock Options and Employee Stock Purchase Plan” to the audited financial statements for the fiscal year ended December 31, 2011, included in j2 Global’s Annual Report on Form 10-K filed with the SEC on February 28, 2012.
- (3) Messrs. Ressler, Bech, Cresci, Rieley and Schulhof each had restricted stock awards totaling 25,124 shares of j2 Global common stock outstanding at fiscal year end, and Messrs. Kretzmer and Ross had restricted stock awards totaling 27,524 shares of j2 Global common stock outstanding at fiscal year end.

- (4) The directors had the following outstanding stock options at fiscal year end: Mr. Ressler: 291,857; Mr. Bech: 81,857; Mr. Cresci: 291,857; Mr. Kretzmer: 105,857; Mr. Rieley: 57,860; Mr. Ross: 105,857; and Mr. Schulhof: 69,409.
- (5) This amount represents consulting fees earned in 2011 for public relations services. See “Certain Transactions – Consulting Agreements” for a more detailed description of this arrangement.

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EXECUTIVE OFFICERS

The following sets forth certain information regarding j2 Global's executive officers (ages are as of the record date):

Nehemia Zucker, 55, became j2 Global's Chief Executive Officer in May 2008. From August 2005 to May 2008, Mr. Zucker was Co-President and Chief Operating Officer. From April to August 2005, he served as Co-President, and from May 2003 to August 2005, he served as Chief Marketing Officer. From December 2000 to May 2003, Mr. Zucker served as Chief Marketing Officer and Chief Financial Officer, and from 1996 to December 2000, he served as Chief Financial Officer. Prior to joining j2 Global in 1996, Mr. Zucker was Chief Operations Manager of Motorola's EMBARC division, which packaged CNBC and ESPN for distribution to paging and wireless networks. From 1980 to 1996, he held various positions in finance, operations and marketing at Motorola in the United States and abroad.

R. Scott Turicchi, 48, became j2 Global's President in May 2008. From June 2007 until May 2008, Mr. Turicchi was Co-President. From August 2005 until June 2007, he was Co-President and Chief Financial Officer. From May 2003 to August 2005, Mr. Turicchi served as j2 Global's Chief Financial Officer, and from March 2000 through May 2003, he served as j2 Global's Executive Vice President, Corporate Development. Mr. Turicchi served as a member of j2 Global's Board of Directors from 1998 through 2000. From 1990 to 2000, he was with Donaldson, Lufkin & Jenrette Securities Corporation's investment banking department, holding various positions, including Managing Director. Mr. Turicchi is a member of the Board of Directors of Greenhills Software, Inc., a privately held company that develops real-time operating systems. He is also Vice Chairman of the Board of Governors of Thomas Aquinas College, Vice Chairman of the Council for Institutional Advancement for the Pontifical North American College and a Governor of Legatus International.

Jeffrey D. Adelman, 45, has been j2 Global's Vice President, General Counsel and Secretary since September 2000. Prior to joining j2 Global, Mr. Adelman practiced corporate, securities and mergers and acquisition law with the Detroit law firm of Miller, Canfield, Paddock & Stone, PLC. Mr. Adelman is a member of the state bars of California and Michigan. He also serves on the Board of Directors of Presbia Holdings, a developer and marketer of advanced ophthalmologic technology.

Kathleen M. Griggs, 57, was appointed as Chief Financial Officer of j2 Global effective June 1, 2007. From November 2004 until joining j2 Global, she served as a financial consultant to various companies. From July 2003 to November 2004, Ms. Griggs served as Chief Financial Officer of SonicWall, Inc., a publicly held Internet security system manufacturer. From March 2000 until July 2003, she was Executive Vice President and Chief Financial Officer of QAD, Inc., a publicly held provider of enterprise resource planning software. Prior to 2000, Ms. Griggs served as Chief Financial Officer for various companies, including Borland Software Corporation and Softbank Content Services.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information Regarding Beneficial Ownership of Principal Stockholders

The following table contains information regarding the beneficial ownership of j2 Global common stock by the stockholders j2 Global knows to beneficially own more than five percent of j2 Global's outstanding shares of common stock. The percentage of ownership is calculated using the number of outstanding shares on March 20, 2012.

Name	Number of Shares Beneficially Owned(1)	Approximate Percentage
FMR LLC 82 Devonshire Street Boston, Massachusetts 02109	6,256,684(2)	13.49%
Macquarie Group Limited No. 1 Martin Place Sydney, New South Wales, Australia	5,029,765(3)	10.85%
BlackRock Inc. 40 East 52nd Street New York, NY 10022	3,916,147(4)	8.45%
The Vanguard Group, Inc. 100 Vanguard Blvd. Malvern, PA 19355	2,525,841(5)	5.45%

(1) As of March 20, 2012, 46,366,531 shares of j2 Global common stock were outstanding.

- (2) Based solely on information set forth in the stockholder's Schedule 13G/A filed with the SEC on February 14, 2012. According to the Schedule 13G/A, FMR LLC has sole voting power over 268,677 shares and sole dispositive power over 6,256,684 shares of j2 Global common stock. Fidelity Management & Research Company, a wholly-owned subsidiary of FMR LLC and an investment adviser, is the beneficial owner of 5,988,410 shares of j2 Global common stock. The ownership of Fidelity Low-Priced Stock Fund, an investment company, amounted to 3,780,000 shares of j2 Global common stock. Edward C. Johnson 3rd and FMR LLC, through its control of Fidelity Management & Research Company and the funds, each has sole power to dispose of the 5,988,410 shares owned by the funds. Pyramis Global Advisors Trust Company, an indirect wholly-owned subsidiary of FMR LLC and a bank, is the beneficial owner of 268,274 shares of j2 Global common stock. Edward C. Johnson 3rd and FMR LLC, through its control of Pyramis Global Advisors Trust Company, each has sole dispositive power over 268,274 shares and sole voting power over 268,274 shares of j2 Global common stock owned by institutional accounts managed by Pyramis Global Advisors Trust Company.
- (3) Based solely on information set forth in the stockholder's Schedule 13G/A filed with the SEC on February 10, 2012. According to the Schedule 13G/A, Macquarie Group Limited has sole voting and sole dispositive power over 5,029,765 shares of j2 Global common stock. Macquarie Bank Limited, which is owned by Macquarie Group Limited, has sole voting and sole dispositive power over 13,500 shares of j2 Global common stock. Delaware Management Holdings Inc. and Delaware Management Business Trust, which are both owned by Macquarie Group Limited, each have sole voting and sole dispositive power over 5,016,265 shares of j2 Global common stock.
- (4) Based solely on information set forth in the stockholder's Schedule 13G/A filed with the SEC on February 10, 2012. BlackRock made this filing on behalf of itself and various BlackRock-related entities. According to the Schedule 13G/A, Blackrock has sole voting and sole dispositive power over all 3,916,147 shares of j2 Global common stock.

(5)

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Based solely on information set forth in the stockholder's Schedule 13G filed with the SEC on February 8, 2012. According to the Schedule 13G, The Vanguard Group, Inc. has sole voting power and shared dispositive power over 63,882 shares of j2 Global Common stock. The Vanguard Group, Inc. has sole dispositive power over 2,461,959 shares of j2 Global common stock. Vanguard Fiduciary Trust Company, a wholly owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 63,882 shares of j2 Global common stock and has sole voting power of these shares.

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Information Regarding Beneficial Ownership of Management

The following table sets forth certain information that has been provided to j2 Global with respect to beneficial ownership of shares of j2 Global common stock as of March 20, 2012 by: (i) each director and nominee for director of j2 Global, (ii) each of the named executive officers of j2 Global and (iii) all directors and executive officers of j2 Global as a group:

Name(1)	Number of Shares Beneficially Owned(2)	Approximate Percentage
Richard S. Ressler	1,925,805 (3)	4.13%
Douglas Y. Bech	220,790 (4)	*
Robert J. Cresci	308,322 (5)	*
W. Brian Kretzmer	69,496 (6)	*
John F. Rieley	72,325 (7)	*
Stephen Ross	105,522 (8)	*
Michael P. Schulhof	54,763 (9)	*
Nehemia Zucker	172,684 (10)	*
R. Scott Turicchi	464,805 (11)	1.00%
Jeffrey D. Adelman	45,832 (12)	*
Kathleen M. Griggs	113,249 (13)	*
All directors and executive officers as a group (11 persons)	3,553,593 (14)	7.52%

* Less than 1%

(1) The address for all executive officers, directors and director nominees is c/o j2 Global, Inc., 6922 Hollywood Blvd., Suite 500, Los Angeles, California 90028.

(2) As of March 20, 2012, 46,366,531 shares of j2 Global common stock were outstanding.

(3) Consists of 1,670,036 shares of j2 Global common stock, including 25,124 shares of unvested restricted stock and options to acquire 255,769 shares of j2 Global common stock that are exercisable within 60 days of the record date for the Annual Meeting.

(4) Consists of 175,021 shares of j2 Global common stock, including 25,124 shares of unvested restricted stock owned by Douglas Y. Bech, 5,026 shares of j2 Global common stock owned by the AYBech Trust of 1984 and 5,026 shares of j2 Global common stock owned by the KEBech Trust of 1984, and options to acquire 45,769 shares of j2 Global common stock that are exercisable within 60 days of the record date for the Annual Meeting. Mr. Bech is the trustee of the AYBech Trust of 1984 and of the KEBech Trust of 1984 but has disclaimed beneficial ownership of any shares of j2 Global common stock in which he has no pecuniary interest.

(5) Consists of 52,553 shares of j2 Global common stock, including 25,124 shares of unvested restricted stock, and options to acquire 255,769 shares of j2 Global common stock that are exercisable within 60 days of the record date for the Annual Meeting.

(6) Consists of 28,524 shares of j2 Global common stock, including 27,524 shares of unvested restricted stock, and options to acquire 40,972 shares of j2 Global common stock that are exercisable within 60 days of the record date for the Annual Meeting.

- (7) Consists of 50,553 shares of j2 Global common stock, including 25,124 shares of unvested restricted stock, and options to acquire 21,772 shares of j2 Global common stock that are exercisable within 60 days of the record date for the Annual Meeting.
- (8) Consists of 40,553 shares of j2 Global common stock, including 27,524 shares of unvested restricted stock, and options to acquire 64,969 shares of j2 Global common stock that are exercisable within 60 days of the record date for the Annual Meeting.
- (9) Consists of 32,991 shares of j2 Global common stock, including 25,124 shares of unvested restricted stock, and options to acquire 21,772 shares of j2 Global common stock that are exercisable within 60 days of the record date for the Annual Meeting.
- (10) Consists of 129,684 shares of j2 Global common stock, including 86,750 shares of unvested restricted stock, and options to acquire 43,000 shares of j2 Global common stock that are exercisable within 60 days of the record date for the Annual Meeting.
- (11) Consists of 435,205 shares of j2 Global common stock, including 56,200 shares of unvested restricted stock, and options to acquire 29,600 shares of j2 Global common stock that are exercisable within 60 days of the record date for the Annual Meeting.
- (12) Consists of 30,032 shares of j2 Global common stock, including 24,550 shares of unvested restricted stock, and options to acquire 15,800 shares of j2 Global common stock that are exercisable within 60 days of the record date for the Annual Meeting.
- (13) Consists of 32,649 shares of j2 Global common stock, including 32,650 shares of unvested restricted stock, and options to acquire 80,600 shares of j2 Global common stock that are exercisable within 60 days of the record date for the Annual Meeting.
- (14) Consists of 2,677,801 shares of j2 Global common stock, including 380,818 shares of unvested restricted stock, and options to acquire 875,792 shares of j2 Global common stock that are exercisable within 60 days of the record date for the Annual Meeting.

j2 Global is not aware of any arrangements, including any pledge by any person of j2 Global's securities, the operation of which may at a subsequent date result in a change in control of j2 Global. j2 Global is not aware of any material proceedings to which any director, officer or affiliate of j2 Global, any owner of record or beneficially of more than five percent of j2 Global's common stock or any associate to any such director, officer, affiliate or stockholder is a party adverse to j2 Global or any of its subsidiaries or has a material interest adverse to j2 Global or any of its subsidiaries.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires j2 Global's officers (as defined in Rule 16a-1(f)), directors and persons who own more than 10% of a registered class of j2 Global's equity securities to file reports of ownership and changes in ownership with the SEC. Such persons are required by SEC regulations to furnish j2 Global with copies of all Section 16(a) forms they file. Based solely on j2 Global's review of the copies of such forms received by j2 Global and written representations from certain reporting persons that they have complied with the relevant filing requirements, j2 Global believes that all filing requirements applicable to j2 Global's officers, directors and 10% stockholders were complied with during the fiscal year ended December 31, 2011.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

General

The Compensation Committee of j2 Global's Board of Directors:

- administers j2 Global's compensation programs, including its stock-based compensation plans;
- recommends to the Board of Directors the compensation to be paid to j2 Global's executives;
- recommends to the Board of Directors changes to j2 Global's compensation policies and benefit programs; and
- otherwise seeks to ensure that j2 Global's compensation philosophy is consistent with j2 Global's best interests and is properly implemented.

The Compensation Committee currently is comprised of three non-employee directors whom the Board of Directors has determined are independent for purposes of Nasdaq Marketplace Rule 5605.

Compensation Philosophy and Objectives

j2 Global's executive compensation program is designed to attract, retain and motivate j2 Global's executive officers in a manner that is tied directly to achievement of j2 Global's overall operating and financial goals, and thereby increase j2 Global's overall equity value. The Compensation Committee reviews j2 Global's compensation strategy annually. As part of this process, the Compensation Committee considers whether j2 Global's current compensation programs should be modified and whether new programs or elements of compensation should be introduced in order to better meet j2 Global's overall compensation objectives.

At j2 Global's 2011 annual meeting of stockholders held on May 12, 2011, the Company held a stockholder advisory vote on the compensation of the named executive officers, commonly referred to as a "say-on-pay" vote. j2 Global's stockholders overwhelmingly approved the compensation of the named executive officers, with over 99% of stockholder votes cast in favor of the Company's say-on-pay proposal. The Compensation Committee believes this affirms stockholders' support of the Company's approach to executive compensation and, as a result, the Compensation Committee decided to retain its general approach to executive compensation. The Compensation Committee will continue to consider the outcome of the Company's say-on-pay votes when making future compensation decisions for the named executive officers.

Compensation for j2 Global's executives consists of salary, an executive bonus program, a supplemental bonus program for the Chief Executive Officer and President beginning in 2010, stock option grants and restricted stock awards. j2 Global's Compensation Committee has not adopted any formal policy for allocating compensation between long-term and short-term, between cash and non-cash or among different forms of non-cash compensation. Rather, the Compensation Committee assesses past performance and anticipated future contribution of each executive officer and recommends to the Board of Directors the total amount and mix of each element of compensation.

The Compensation Committee also considers the market compensation of similarly-situated executives at other companies and periodically purchases third-party compensation surveys or engages third-party compensation consultants to assist in providing comparative compensation data. In fiscal

2011, j2 Global engaged Pearl Meyer as its compensation consultant to review the Company’s executive compensation program. Among other things, Pearl Meyer prepared a report (the “Compensation Report”) that included compensation data by job function for the following 14 companies of roughly similar size and industry to j2 Global: Cbeyond, Inc., Constant Contact Inc, Digital River, Inc., Earthlink Inc., IntraLinks Holdings Inc, LogMeIn Inc, Neustar, Inc., NIC Inc, Premiere Global Services, Inc., Rackspace Hosting Inc, RightNow Technologies, Inc., United Online Inc, ValueClick, Inc. and Websense, Inc.

In setting compensation for any given year, the Compensation Committee generally does not consider the amount of compensation from prior periods or amounts realizable from prior compensation.

j2 Global’s compensation objective is to link compensation to improvements in corporate performance and increase in stockholder value. j2 Global’s executive compensation program goals include the following:

- to establish pay levels that attract, retain and motivate highly qualified executive officers, while considering the overall market competitiveness for such executive talent and balancing the relationship between total stockholder return and direct compensation;
 - to align executive officer remuneration with the interests of the stockholders;
 - to recognize superior individual performance;
- to balance base and incentive compensation to complement j2 Global’s annual and longer-term business objectives and strategies and encourage the fulfillment of those objectives and strategies through executive officer performance; and
 - to provide compensation opportunities based on j2 Global’s performance.

Compensation Components

Executive compensation consists of the following elements:

Salary. Base salary is the fixed portion of executive pay and is set to reward individuals’ current contributions to j2 Global and compensate them for their expected day-to-day performance. Base salaries are evaluated annually for all executive officers. In determining appropriate salary levels for the executive officers, the Compensation Committee considers, among other factors, the officer’s scope of responsibility, prior experience and past performance, and data on prevailing compensation levels in relevant markets for executive talent. The Compensation Committee generally targets executive salaries near the median percentile for comparable positions at comparable companies based upon third-party compensation survey information, including the Compensation Report. The Compensation Committee also considers various other factors, including Company performance and general economic conditions, among others.

Based on the factors described above, in July 2011 the Compensation Committee recommended, and the Board of Directors approved, the following increases to the base salaries of the named executive officers:

Name	Previous Base Salary	New Base Salary
Nehemia Zucker	\$459,000	\$559,000
R. Scott Turicchi	\$375,000	\$390,000
Kathleen Griggs	\$280,000	\$287,000

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Jeffrey D. Adelman

\$270,000

\$280,000

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Bonus. j2 Global has established an executive bonus program (the “Senior Management Bonus Program”) for awarding cash bonuses to j2 Global’s senior executives, including the named executive officers. Bonus guidelines under the Senior Management Bonus Program are established each year and are designed to encourage and reward senior management for (a) attaining company-wide financial goals, (b) improving the financial and operational health of j2 Global, and (c) meeting or exceeding individually defined goals and objectives for each executive. The Senior Management Bonus Program provides guidelines only as to payment of bonuses to executive program participants, is non-binding, and does not create any contract right between j2 Global and the participants.

The process for determining bonuses under the Senior Management Bonus Program begins with development of corporate financial targets. In addition, individual goals and objectives are set for each program participant except the Chief Executive Officer and the President, who bear ultimate responsibility for achievement of the corporate financial targets and the budget. Mr. Adelman’s individual goals and objectives included the following: effective oversight of mergers and acquisitions transactions, regulatory matters, litigation and intellectual property matters, and legal cost containment. Ms. Griggs’ individual goals and objectives for fiscal 2011 included the following: evaluate and implement process automations, reduce costs, expand billing and collections capabilities, evaluate investment alternatives and expand and streamline domestic and international finance capabilities. The financial objectives are generally in alignment with j2 Global’s budget for the year, which budget is used as a basis for j2 Global’s public disclosures regarding its expected annual financial performance. The individual goals and objectives are designed to help j2 Global achieve its financial goals. The corporate financial objectives and all individual goals and objectives are recommended by the Compensation Committee for approval by the Board of Directors.

Under the Senior Management Bonus Program established for fiscal 2011 (the “2011 Senior Management Bonus Plan”), j2 Global established a “bonus pool” based upon an aggregate of specified percentages of base salary of all eligible executives, ranging from 25% to 75%. For the Chief Executive Officer, the “target” bonus percentage was 75% of his base salary. For the President, the “target” bonus percentage was 50% of his base salary. For the Vice President, General Counsel and Secretary and for the Chief Financial Officer, the “target” bonus percentage was 35% of each of their respective base salaries. These percentages were determined based on the named executive officers’ relative level of responsibility, size and complexity of the job, past contributions to j2 Global’s performance and expected contributions to j2 Global’s future success, based on the executive’s articulated goals and objectives, as well as the market compensation of similarly-situated executives at other companies, as reflected in third-party compensation surveys including the Compensation Report. However, the Compensation Committee retained the discretion to award bonus percentages higher or lower than these targets based on the overall plan funding level and the Committee’s subjective assessment of each individual’s achievement of his or her individual goals and objectives, as applicable.

The 2011 Senior Management Bonus Plan provided that the bonus pool would be “funded” only if j2 Global achieved at least 95% of the budgeted fiscal 2011 operating income, net income and earnings per fully diluted share (\$152.6 million, \$108.9 million and \$2.34 per share, respectively), exclusive of any benefit to earnings from prior periods (the “Threshold Earnings Targets”). Even if the Threshold Earnings Targets were achieved, the pool would be funded only if they were achieved in a manner consistent with j2 Global achieving other specified financial targets; specifically, revenue of \$332.9 million, assuming ASC 718 expense of approximately \$0.13 to \$0.17 per diluted share and a tax rate of approximately 29% (the “Other Corporate Objectives”). Notwithstanding the achievement of the 2011 Senior Management Bonus Plan criteria, the Compensation Committee retained discretion to increase or decrease the funding of the bonus pool based on factors it deemed appropriate.

Under the 2011 Senior Management Bonus Plan, if the Threshold Earnings Targets were achieved in a manner consistent with the Other Corporate Objectives, the bonus pool would be funded based upon the operating income portion of the Threshold Earnings Targets (the “Operating Income Targets”). If the Operating Income Targets were achieved in a manner consistent with the Other Corporate Objectives, the bonus pool would be funded at 100%. If less than 95% of the Operating Income Targets were achieved, the bonus pool would not be funded at all. If 95% or more of the Operating Income Targets were achieved in a manner consistent with the Other Corporate Objectives, the bonus pool could be funded at between 50% and 150% of the target pool amount, or between \$618,803 and \$1,856,408, depending on the actual percentage of the Operating Income Targets achieved. The bonus pool was capped at 150% if more than 105% of the Operating Income Targets were achieved in a manner consistent with the Other Corporate Objectives.

Once the bonus pool was funded, individual bonuses were to be established by evaluating each executive’s relative contribution to the success of j2 Global as a whole, as well as his or her success in meeting his or her individual objectives. Individual bonus amounts were to be recommended by the Compensation Committee for approval by the Board of Directors.

On January 30, 2012, the Compensation Committee recommended for approval by the Board of Directors, and the Board of Directors approved, funding the pool established under the 2011 Senior Management Bonus Plan at the 130% level based upon the program formula. On March 2, 2012, the Compensation Committee recommended for approval by the Board of Directors, and the Board of Directors approved, awarding the following bonuses from such pool to the named executive officers: Nehemia Zucker – \$540,000; R. Scott Turicchi – \$271,000; Jeffrey D. Adelman – \$126,000; Kathleen M. Griggs – \$65,000. The bonus levels for Messrs. Zucker and Turicchi were based on the overall financial performance of j2 Global for 2011. The bonus levels for Mr. Adelman and Ms. Griggs were based on an assessment of their satisfaction of their individual goals and objectives.

In addition to the Senior Management Bonus Program described above, the Chief Executive Officer and President also participate in a Supplemental Deferred Compensation Bonus Program (the “Supplemental Plan”). The Supplemental Plan is designed to further incentivize the most senior executives, who are ultimately responsible for j2 Global’s performance, to achieve j2 Global’s financial goals and improve its financial and operational health. The Supplemental Plan was adopted in recognition of the increased level of responsibility that the participants have assumed in light of the continued growth of j2 Global, and the increased expectations of these executives to continue to innovate and grow and promote j2 Global’s vision. Under the Supplemental Plan the Chief Executive Officer and President are eligible to receive an additional 37.5% and 25% of their base salary, respectively, in any year in which the Senior Management Bonus Plan is funded at the 90% or better threshold.

Awards under the Supplemental Plan are determined on the date on which the level of funding of the Senior Management Bonus Plan is determined (the “Determination Date”), and are paid out in three equal annual installments on the first, second and third anniversary of the applicable Determination Date. Payments are made only if the recipients are active employees of the Company on the date of distribution. Notwithstanding the achievement of the funding criteria under the Supplemental Plan, the Compensation Committee and Board of Directors reserve the right to increase or decrease the amount payable under the Supplemental Plan as they deem appropriate under the circumstances.

On February 20, 2012, Nehemia Zucker and R. Scott Turicchi were each paid the first of three equal annual installments of \$57,375 and \$31,250, respectively, in connection with the 2010 Senior Management Bonus Plan being funded at the 100% level on January 31, 2011. Upon approval by the Board of Directors to fund the 2011 Senior Management Bonus Plan at the 130% level, the Supplemental Plan was also automatically funded in accordance with its terms, and the participants received the following supplemental bonuses, to be paid in three equal annual installments commencing on January 30, 2013: Nehemia Zucker – \$209,625 and R. Scott Turicchi – \$97,500.

j2 Global does not currently have any policy regarding the adjustment or recovery of awards under the bonus program in the event that the Company's financial statements are later restated or adjusted. In July 2010, Congress adopted the Dodd Frank Wall Street Reform and Consumer Protection Act. As part of this legislation, Congress has commissioned the SEC to issue rules requiring that all public companies adopt a policy whereby, in the event of a restatement, the company will recover from current and former executives, for the three years preceding the restatement, any incentive-based compensation that would not have been awarded under the restated financial statements. The SEC has not yet adopted such rules. Upon their adoption, j2 Global will consider and adopt a policy that complies with the new requirements and, as necessary, enter into appropriate agreements with the employees covered by any such policy.

Stock-Based Compensation. Stock-based compensation awards, including stock options, restricted stock, stock appreciation rights, restricted stock units and performance shares, are designed to align the interests of executives and employees with the long-term interests of the stockholders. j2 Global approves stock-based compensation awards subject to vesting periods to retain executives and employees and encourage sustained contributions. To date, j2 Global has only awarded stock-based compensation in the form of stock options, restricted stock and restricted stock units because it believes that these forms of compensation are most likely to retain and incentivize the employees to improve stockholder value. j2 Global does not follow a practice of making annual stock-based compensation awards. Rather, it has historically made these awards every three to five years based upon individual performance and the amount of previously approved awards that have not yet vested.

In general, the Compensation Committee determines the appropriate size of stock-based compensation awards by evaluating the relative importance of the contributions of each executive and the expected future value of each award over the vesting period. The Compensation Committee also takes into account from time to time information provided by third-party compensation surveys that provide market compensation data of similarly-situated executives at similar companies. This process is designed to achieve the proper balance between incentivizing and retaining the services of our executive officers and other key employees, while continuing to preserve stockholder value. In striking this balance, the Compensation Committee has determined to issue stock options with a vesting period of five years, with a pro rata portion vesting on each anniversary of the grant date. The exercise price of options is the closing market price on the date of grant. The Compensation Committee has determined to set the typical vesting period of restricted stock and restricted stock unit awards at five years, vesting on the following graduated schedule on each anniversary of the date of award: 10% on the first anniversary, 15% on the second anniversary, 20% on the third anniversary, 25% on the fourth anniversary and 30% on the fifth anniversary.

The Compensation Committee did not make any stock-based compensation awards to its named executive officers in fiscal 2011, in accordance with its compensation practices.

Employee Stock Purchase Plan. j2 Global offers all of its employees, including j2 Global's executive officers, the opportunity to purchase j2 Global's common stock through a tax-qualified employee stock purchase plan ("ESPP"). Under the ESPP, eligible employees can withhold up to 15% of their earnings, up to certain maximums, to be used to purchase shares of j2 Global's common stock at certain plan-defined dates. The price of j2 Global common stock purchased under the ESPP for the offering periods is equal to 95% of its fair value at the end of the offering period.

Other Compensation. j2 Global's executive officers are entitled to participate in j2 Global's health, vision, dental, life and disability insurance plans, and j2 Global's tax-qualified 401(k) plan, to the same extent as j2 Global's other employees. Participants in the 401(k) plan are eligible to receive an annual company match up to \$500, which vests over a three-year period. In addition, j2 Global pays a higher portion of employer contributions toward premiums for executives who participate in the health, vision and dental plans.

Change in Control and Severance Arrangements. j2 Global has not provided change of control or severance arrangements to any of its executive officers, except Mr. Zucker. Mr. Zucker has an employment agreement which has no specified term and is terminable at will by either party, but provides for severance payments equal to six months' salary in the event of a termination by j2 Global without cause. Under Mr. Zucker's employment agreement, "cause" means (i) any act or failure to act, done or omitted in bad faith, (ii) persistent unavailability for service, habitual neglect, material misconduct (after notice and a reasonable opportunity to cure) or dishonesty, or (iii) conviction of a felony (other than ordinary traffic violations or similar minor offenses). If Mr. Zucker had been terminated without cause on December 31, 2011, he would have been entitled to receive \$279,500.

In addition, in the event of a change of control of j2 Global, each option granted under the 2007 Stock Plan will become immediately exercisable in full and all outstanding restrictions on each share of restricted stock and each restricted stock unit awarded under the 2007 Stock Plan will immediately be canceled in full, in each case unless the Board of Directors determines that the holder has been offered substantially identical replacement options, shares of restricted stock or restricted stock units, as the case may be, and a comparable position at the acquiring company.

Summary

After its review of all existing programs, consideration of current market and competitive conditions and alignment with j2 Global's overall compensation objectives and philosophy, the Compensation Committee believes that the total compensation program for j2 Global's executive officers is focused on increasing value for stockholders and enhancing j2 Global's performance. The Compensation Committee currently believes that, although it does not target a specific percentage as being incentive compensation, a significant portion of compensation of executive officers is properly tied to stock appreciation or stockholder value through stock-based compensation awards and annual cash incentive bonus measures. j2 Global's Compensation Committee believes that its executive compensation levels are competitive with the compensation programs offered by other corporations with which it competes for executive talent.

Notwithstanding anything to the contrary set forth in any of j2 Global's filings under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, that might incorporate future filings, including this proxy statement, in whole or in part, the following Compensation Committee Report shall not be deemed to be "Soliciting Material," is not deemed "filed" with the SEC and shall not be incorporated by reference into any filings under the Securities Act or Exchange Act whether made before or after the date hereof and irrespective of any general incorporation language in such filings.

COMPENSATION COMMITTEE REPORT

Management of j2 Global has prepared the Compensation Discussion and Analysis as required by Item 402(b) of Regulation S-K, and the Compensation Committee of the Board of Directors has reviewed and discussed it with management. Based on this review and discussion, the Compensation Committee

recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the proxy statement for j2 Global's 2012 Annual Meeting of Stockholders.

Submitted by the Compensation Committee of
the Board of Directors,

Michael P. Schulhof, Chairman

Douglas Y. Bech

Robert J. Cresci

COMPENSATION RISK

The Compensation Committee has reviewed the Company's compensation policies and practices for all employees, including executive and non-executive officers, and determined that j2 Global's compensation programs do not give rise to risks reasonably likely to have a material adverse effect on the Company. The Committee noted several design features of j2 Global's cash and equity incentive programs for all executive officers in particular that reduce the likelihood of excessive risk-taking and instead encourage behaviors that support sustainable value creation:

- The program design provides a balanced mix of cash and equity, annual and longer-term incentives, and performance metrics (revenue, earnings, and total stockholder return).
- There is a significant weighting towards long-term incentive compensation that discourages short-term risk taking.
- Goals are appropriately set to avoid targets that, if not achieved, result in a large percentage loss of compensation.
- Maximum funding level of the Senior Management Bonus Program is capped at 150 percent of target, and the Supplemental Plan is capped at 37.5% of base salary for the Chief Executive Officer and 25% of base salary for the President.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Compensation Committee currently consists of Messrs. Bech, Cresci and Schulhof. j2 Global has no interlocking relationships or other transactions involving any of its Compensation Committee members that are required to be reported pursuant to applicable SEC rules. No member of the Compensation Committee has ever been an officer or employee of j2 Global.

Summary Compensation Table

The table below summarizes the total compensation earned by each of the named executive officers in 2009, 2010 and 2011.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)(1)	Option Awards (\$)(1)	Non-Equity Incentive Plan Compensation (\$)(2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Nehemia Zucker Chief Executive Officer	2009	\$459,000	–	\$2,664,450	\$1,470,950	\$516,375	–	\$272,526	\$5,383,275
	2010	\$459,000	–	–	–	\$541,125	–	\$15,713	\$1,015,838
	2011	\$509,000	–	–	–	\$597,375	–	\$17,674	\$1,124,049
Scott Turicchi President	2009	\$375,000	–	\$1,719,000	\$949,000	\$281,250	–	\$13,728	\$3,336,978
	2010	\$375,000	–	–	–	\$294,750	–	\$15,713	\$685,463
	2011	\$382,500	–	–	–	\$302,250	–	\$17,674	\$702,424
Jeffrey D. Adelman Vice President, General Counsel & Secretary	2009	\$270,000	–	\$739,170	\$408,070	\$128,000	–	\$243,531	\$1,788,771
	2010	\$270,000	–	–	–	\$92,500	–	\$15,713	\$378,213
	2011	\$275,000	–	–	–	\$126,000	–	\$17,674	\$418,674
Kathleen M. Griggs Chief Financial Officer	2009	\$270,000	–	\$739,170	\$408,070	\$145,000	–	\$7,140	\$1,569,380
	2010	\$273,750	–	–	–	\$101,000	–	\$8,096	\$382,846
	2011	\$276,404	–	–	–	\$65,000	–	\$9,074	\$350,478

(1) These amounts represent the grant date fair value under ASC 718 for restricted stock awards and stock options granted in 2009. The ASC 718 value as of the grant date for stock awards and stock options is spread over the number of months of service required for the grant to become non-forfeitable. There can be no assurance that the ASC 718 amount will ever be realized. Assumptions used in the calculation of these amounts for awards granted in 2009 are included in Note 11, “Stock Options and Employee Stock Purchase Plan” to the audited financial statements for the fiscal year ended December 31, 2009, included in j2 Global’s Annual Report on Form 10-K filed with the SEC on February 23, 2010.

(2) Amounts reported in this column represent compensation earned in the year in which they were reported and were paid in the following fiscal year.

All Other Compensation

The following table and related footnotes describe each component of the column entitled “All Other Compensation” in the Summary Compensation Table.

Name	Year	Perquisites and Other Personal Benefits (\$)	Tax Reimbursements (\$)	Insurance Premiums (\$)	Company Contributions to Retirement and 401(k) Plans (\$)	Severance Payments/ Accruals(7) (\$)	Change in Control Payments / Accruals (\$)	Other	Total (\$)
Nehemia Zucker	2009	–	–	\$13,228(1)	\$500	–	–	\$258,798(8)	\$272,526
	2010	–	–	\$15,213(2)	\$500	–	–	–	\$ 15,713
	2011	–	–	\$17,174(3)	\$500	–	–	–	\$ 17,674
R. Scott Turicchi	2009	–	–	\$13,228(1)	\$500	–	–	–	\$ 13,728
	2010	–	–	\$15,213(2)	\$500	–	–	–	\$ 15,713
	2011	–	–	\$17,174(3)	\$500	–	–	–	\$ 17,674
Jeffrey D. Adelman	2009	–	–	\$13,228(1)	\$500	–	–	\$229,803(8)	\$243,531
	2010	–	–	\$15,213(2)	\$500	–	–	–	\$ 15,713
	2011	–	–	\$17,174(3)	\$500	–	–	–	\$ 17,674
Kathleen M. Griggs	2009	–	–	\$ 6,640(4)	\$500	–	–	–	\$ 7,140
	2010	–	–	\$ 7,596(5)	\$500	–	–	–	\$ 8,096
	2011	–	–	\$ 8,574(6)	\$500	–	–	–	\$ 9,074

(1) Consists of \$13,190 in medical, dental and vision insurance premium contributions and \$38 in life insurance premium contributions for \$15,000 in life insurance benefits.

(2) Consists of \$15,175 in medical, dental and vision insurance premium contributions and \$38 in life insurance premium contributions for \$15,000 in life insurance benefits.

(3) Consists of \$17,136 in medical, dental and vision insurance premium contributions and \$38 in life insurance premium contributions for \$15,000 in life insurance benefits.

(4) Consists of \$6,602 in medical, dental and vision insurance premium contributions and \$38 in life insurance premium contributions for \$15,000 in life insurance benefits.

(5) Consists of \$7,558 in medical, dental and vision insurance premium contributions and \$38 in life insurance premium contributions for \$15,000 in life insurance benefits.

(6) Consists of \$8,536 in medical, dental and vision insurance premium contributions and \$38 in life insurance premium contributions for \$15,000 in life insurance benefits.

(7) Mr. Zucker has a severance agreement with j2 Global pursuant to which he is entitled to receive severance payments equal to six months’ salary in the event of a termination by j2 Global without cause.

- (8) Represents reimbursement for taxes owed under Section 409A of the Internal Revenue Code, grossed up for federal and state income taxes. The Company does not anticipate making any additional payments for reimbursement of taxes in the future.

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Grants of Plan-Based Awards Table

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$ / Sh)
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)			
Nehemia Zucker	6/8/2011(1)	209,625(3)	419,250	628,875	-	-	-	-	-	-
	(2)	-	209,625	-						
R. Scott Turicchi	6/8/2011(1)	97,500(3)	195,000	292,500	-	-	-	-	-	-
	(2)	-	97,500	-						
Jeffrey D. Adelman	6/8/2011(1)	49,000(3)	98,000	147,000	-	-	-	-	-	-
Kathleen M. Griggs	6/8/2011(1)	50,225(3)	100,450	150,675	-	-	-	-	-	-

- (1) These amounts were calculated based on each named executive officer's contribution to the bonus pool under the Senior Management Bonus Program. Although these amounts serve as a baseline for individual bonus awards, individual bonuses are granted at the discretion of the Compensation Committee in accordance with the methodology outlined under "Compensation Discussion and Analysis – Bonus" above.
- (2) Represents potential bonuses payable under the Supplemental Plan discussed under "Compensation Discussion and Analysis – Bonus" above.
- (3) The Senior Management Bonus Program is only funded if at least 95% of the Threshold Earnings Targets were achieved in a manner consistent with the Other Corporate Objectives, as more fully described in the "Compensation Discussion and Analysis – Bonus" above. If less than 95% of the Operating Income Targets were achieved, the bonus pool would not be funded at all and the named executive officers would not receive any bonus under the Senior Management Bonus Program.

Outstanding Equity Awards at Fiscal Year-End

The following table provides information on the holdings of stock options and restricted stock by the named executive officers at December 31, 2011.

Name	Option Awards		Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Stock Awards			Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)				Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested(1) (\$)		
Nehemia Zucker	12,000	3,000	–	\$32.45	8/3/2017(2)	117,750(5)	\$3,313,485	–	
	–	93,000	–	\$17.19	3/5/2019(3)	–	–	–	
R. Scott Turicchi	9,600	2,400	–	\$32.45	8/3/2017(2)	76,200(6)	\$2,144,268	–	
	–	60,000	–	\$17.19	3/5/2019(3)	–	–	–	
Jeffrey D. Adelman	7,200	1,800	–	\$32.45	8/3/2017(2)	33,150(7)	\$ 932,841	–	
	–	25,800	–	\$17.19	3/5/2019(3)	–	–	–	
Kathleen M. Griggs	72,000	18,000	–	\$33.51	6/15/2017(4)	41,250(8)	\$1,160,775	–	
	–	25,800	–	\$17.19	3/5/2019(3)	–	–	–	

(1) The market value is determined by multiplying the number of shares by \$28.14, the closing trading price of j2 Global common stock on the Nasdaq Global Select Market on December 30, 2011, the last trading day of the fiscal year.

(2) The option was granted on August 3, 2007. The option vests and becomes exercisable in five equal annual installments. The first installment vested on August 3, 2008. The option will become fully vested on August 3, 2012.

(3) The option was granted on March 5, 2009. The option vests and becomes exercisable in five equal annual installments. The first installment vested on March 5, 2010. The option will become fully vested on March 5, 2014.

(4) The option was granted on June 15, 2007. The option vests and becomes exercisable in five equal annual installments. The first installment vested on June 15, 2008. The option will become fully vested on June 15, 2012.

(5)

Consists of the following restricted stock awards: (a) 5,000 restricted shares of j2 Global common stock granted on August 3, 2007, with the following vesting schedule: 10% on August 3, 2008, 15% on August 3, 2009, 20% on August 3, 2010, 25% on August 3, 2011, and 30% on August 3, 2012; and (b) 155,000 restricted shares of j2 Global common stock granted on March 5, 2009, with the following vesting schedule: 10% on March 5, 2010, 15% on March 5, 2011, 20% on March 5, 2012, 25% on March 5, 2013, and 30% on March 5, 2014.

- (6) Consists of the following restricted stock awards: (a) 4,000 restricted shares of j2 Global common stock granted on August 3, 2007, with the following vesting schedule: 10% on August 3, 2008, 15% on August 3, 2009, 20% on August 3, 2010, 25% on August 3, 2011, and 30% on August 3, 2012; and (b) 100,000 restricted shares of j2 Global common stock granted on March 5, 2009, with the following vesting schedule: 10% on March 5, 2010, 15% on March 5, 2011, 20% on March 5, 2012, 25% on March 5, 2013, and 30% on March 5, 2014.

- (7) Consists of the following restricted stock awards: (a) 3,000 restricted shares of j2 Global common stock granted on August 3, 2007, with the following vesting schedule: 10% on August 3, 2008, 15% on August 3, 2009, 20% on August 3, 2010, 25% on August 3, 2011, and 30% on August 3, 2012; and (b) 43,000 restricted shares of j2 Global common stock granted on March 5, 2009, with the following vesting schedule: 10% on March 5, 2010, 15% on March 5, 2011, 20% on March 5, 2012, 25% on March 5, 2013, and 30% on March 5, 2014.
- (8) Consists of the following restricted stock awards: (a) 30,000 restricted shares of j2 Global common stock granted on June 15, 2007, with the following vesting schedule: 10% on June 15, 2008, 15% on June 15, 2009, 20% on June 15, 2010, 25% on June 15, 2011, and 30% on August 3, 2012; and (b) 43,000 restricted shares of j2 Global common stock granted on March 5, 2009, with the following vesting schedule: 10% on March 5, 2010, 15% on March 5, 2011, 20% on March 5, 2012, 25% on March 5, 2013, and 30% on March 5, 2014.

Option Exercises and Stock Vested

The following table sets forth certain information with respect to stock options exercised and vested stock awards by j2 Global's executive officers during the fiscal year ended December 31, 2011.

Name	Option Awards	Value Realized on Exercise (\$)	Stock Awards	Value Realized on Vesting (\$)
	Number of Shares Acquired on Exercise (#)		Number of Shares Acquired on Vesting (#)	
Nehemia Zucker	31,000	\$ 419,354	24,500	\$721,633
R. Scott Turicchi	383,000	\$6,033,063	16,000	\$471,430
Jeffrey D. Adelman	8,600	\$ 110,073	7,200	\$212,405
Kathleen M. Griggs	8,600	\$ 106,572	13,950	\$401,195

Equity Compensation Plan Information

The following table provides information as of December 31, 2011, regarding shares outstanding and available for issuance under j2 Global's existing stock option plans:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
	2,087,695(1)	\$20.99	3,688,488(2)

Equity compensation plans
approved by security holders

Equity compensation plans not
approved by security holders

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- (1) Consists of shares issued upon exercise of stock options under the Second Amended and Restated 1997 Stock Option Plan and the 2007 Stock Plan.
 - (2) Of these, as of December 31, 2011, 2,037,090 shares remained available for grant under the 2007 Stock Plan and 1,651,398 shares remained available for grant under the 2001 Employee Stock Purchase Plan. The Second Amended and Restated 1997 Stock Option Plan terminated on October 24, 2007, and no additional shares were available for grant under that plan after the termination date.

Potential Payments Upon Termination or Change in Control

j2 Global has not provided change of control or severance arrangements to any of its executive officers, except Mr. Zucker. Mr. Zucker has an employment agreement which has no specified term and is terminable at will by either party. The agreement provides for severance payments equal to six months' salary in the event of a termination by j2 Global without cause. Under Mr. Zucker's employment agreement, "cause" means (i) any act or failure to act, done or omitted in bad faith, (ii) persistent unavailability for service, habitual neglect, material misconduct (after notice and a reasonable opportunity to cure) or dishonesty, or (iii) conviction of a felony (other than ordinary traffic violations or similar minor offenses). If Mr. Zucker had been terminated without cause on December 31, 2011, he would have been entitled to receive \$279,500.

In the event of a change of control of j2 Global, each option granted under the Second Amended and Restated 1997 Stock Option Plan or the 2007 Stock Plan will become immediately vested and exercisable in full and all outstanding restrictions on each share of restricted stock and each restricted stock unit shall immediately be canceled in full unless the Board of Directors determines that the holder has been offered substantially identical replacement options, replacement shares of restricted stock or replacement restricted stock units, as the case may be, and a comparable position at the acquiring company.

As of December 31, 2011, the named executive officers would have realized the following gains from the acceleration of unvested stock options, measured by the difference between the closing price of j2 Global common stock on the Nasdaq Global Select Market on December 30, 2011, or \$28.14, and the option grant price, multiplied by the number of options that remain subject to vesting: Nehemia Zucker – \$1,018,350; R. Scott Turicchi – \$657,000; Jeffrey D. Adelman – \$282,510 and Kathleen M. Griggs – \$282,510.

In addition, the named executive officers would have realized the following gains from the acceleration of unvested restricted stock, measured by multiplying the number of unvested restricted shares by the closing price of j2 Global common stock on the Nasdaq Global Select Market on December 30, 2011, or \$28.14: Nehemia Zucker – \$3,313,485; R. Scott Turicchi – \$2,144,268; Jeffrey D. Adelman – \$932,841 and Kathleen M. Griggs – \$1,160,775.

Notwithstanding anything to the contrary set forth in any of j2 Global's filings under the Securities Act or the Exchange Act that might incorporate future filings, including this proxy statement, in whole or in part, the following Audit Committee Report shall not be deemed to be "Soliciting Material," is not deemed "filed" with the SEC and shall not be incorporated by reference into any filings under the Securities Act or Exchange Act whether made before or after the date hereof and irrespective of any general incorporation language in such filings.

AUDIT COMMITTEE REPORT

j2 Global's management has the primary responsibility for establishing and maintaining adequate internal financial controls, for preparing the financial statements and for the public reporting process. SingerLewak LLP, j2 Global's independent auditor for 2011, was responsible for expressing opinions on the conformity of j2 Global's 2011 audited financial statements with generally accepted accounting principles and on the effectiveness of j2 Global's internal control over financial reporting as of December 31, 2011. The Audit Committee reviewed j2 Global's financial reporting process on behalf of the Board of Directors. As part of this review for fiscal 2011, the Audit Committee met privately with SingerLewak and j2 Global's internal auditors to discuss the Company's financial statements and disclosures, accounting policies and their application, internal controls over financial reporting, and other matters of importance to the Audit Committee, SingerLewak or the internal auditors.

In this context, the Audit Committee reviewed and discussed with management and SingerLewak the audited financial statements for the year ended December 31, 2011, j2 Global's internal control over financial reporting and SingerLewak's evaluation of j2 Global's internal control over financial reporting. The Audit Committee discussed with SingerLewak the matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees), as may be modified or supplemented. The Audit Committee has received the written disclosures and the letter from SingerLewak required by applicable requirements of the Public Company Accounting Oversight Board regarding SingerLewak's communications with the Audit Committee concerning independence, and has discussed with SingerLewak that firm's independence. The Audit Committee concluded that SingerLewak's provision of audit and non-audit services to j2 Global and its affiliates through December 31, 2011, was compatible with SingerLewak's independence.

Based on the considerations referred to above, the Audit Committee recommended to j2 Global's Board of Directors that the audited financial statements for the fiscal year ended December 31, 2011, be included in j2 Global's Annual Report on Form 10-K for 2011.

Submitted by the Audit Committee of
j2 Global's Board of Directors,

Robert J. Cresci, Chairman
W. Brian Kretzmer
Stephen Ross

INFORMATION ABOUT j2 GLOBAL'S AUDITORS

Audit Fees

SingerLewak served as j2 Global's independent auditors for fiscal 2011. The fees billed to j2 Global by SingerLewak for services rendered relating to fiscal 2011 and 2010 are set forth below.

	2011		2010	
Audit Fees	\$899,365	(a)	\$819,307	(a)
Audit-Related Fees	12,000	(b)	12,000	(b)
Tax Fees	—	(c)	25,024	(c)
All Other Fees	—		—	
Total	\$911,365		\$856,331	

(a) Includes professional services rendered in connection with the annual audit and quarterly reviews of the financial statements.

(b) Includes fees for services related to the benefit plan audit.

(c) Includes fees for services related to an enterprise zone study and other tax-related discussions.

Availability of Representatives of Independent Accountant at the Annual Meeting

Representatives of SingerLewak are expected to be present at the Annual Meeting, and will have the opportunity to make a statement at the meeting if they desire to do so. In addition, they are expected to be available at the meeting to respond to appropriate questions.

Pre-Approval Procedure for Services

The Audit Committee pre-approves all audit and non-audit services. Requests for the independent auditors to provide any services to j2 Global must be submitted to the Audit Committee by both the independent auditors and the Chief Financial Officer and must be pre-approved. The Audit Committee may delegate pre-approval authority to one or more of its members.

REVIEW AND APPROVAL OF TRANSACTIONS WITH RELATED PERSONS

j2 Global has adopted a written policy requiring disclosure by certain employees, including all executive officers, of all transactions involving j2 Global, if the employee or a family member, significant other, employer or close associate will receive a benefit or gain. All such transactions are reviewed by the Chief Executive Officer and/or President and/or the Board of Directors, as appropriate. The employee with an interest in the transaction may be asked to recuse himself or herself from any discussion and/or final decision relating to the transaction and/or any oversight of any ongoing relationship associated with such transaction.

Any proposed transactions requiring disclosure as discussed above may only proceed or continue if j2 Global determines that it will realize at least the same business advantage from the transaction as it would from operating at arms-length with any third party or, alternatively, that the transaction does not represent an actual conflict of interest.

In addition, j2 Global's Board of Directors has a policy that all transactions between a Board member and j2 Global be approved by a majority of members of the Board of Directors with the interested Board member recusing himself from such vote.

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CERTAIN TRANSACTIONS

Consulting Agreements

j2 Global has entered into the following consulting agreements with directors, officers and beneficial owners of more than five percent (5%) of j2 Global's common stock:

Richard S. Ressler's services as Chairman of the Board are provided pursuant to a consulting arrangement with Orchard Capital, a company controlled by Mr. Ressler. Under this consulting arrangement, which runs for consecutive six-month terms, Orchard Capital receives compensation of \$23,000 per month. The agreement is terminable by either party by written notice delivered at least 30 days prior to commencement of the next six-month term.

Effective October 1, 2008, j2 Global entered into a Consultancy Agreement with Mr. Rieley, pursuant to which Mr. Rieley assists in developing and implementing public relations programs for j2 Global. The Consultancy Agreement has a one-year term and automatically renews for successive one-year terms unless terminated by either party at any time and for any reason. Under the Consultancy Agreement, Mr. Rieley receives annual compensation of \$60,000, payable monthly in advance, and, in the event that j2 Global requests that Mr. Rieley work more than 20 hours in any calendar month, an additional \$500 for each hour that Mr. Rieley works in excess of 20 hours in such month.

Office Lease

Until the fourth quarter of 2011, the Company leased its headquarters office from CIM/Hollywood, LLC ("CIM"), a limited liability company indirectly controlled by j2 Global's Chairman of the Board, Richard S. Ressler. For fiscal years 2011, 2010 and 2009, j2 Global paid \$1.2 million, \$1.2 million and \$1.1 million, respectively, in rent to CIM. CIM sold its interest in the Company's headquarters to a third-party during the fourth quarter 2011.

j2 Global believes that the transactions described above were made on terms no less favorable than could have been obtained from third parties. All transactions were negotiated at arms' length. j2 Global intends to have all future transactions between j2 Global and certain of its employees, its directors and affiliates approved by the Chief Executive Officer, President or a majority of disinterested members of j2 Global's Board of Directors or one of its committees, as appropriate, in each case in accordance with its policies described above and in a manner consistent with Nasdaq listing standards, Delaware law and the fiduciary duties of j2 Global's directors.

DEADLINE FOR SUBMITTING STOCKHOLDER PROPOSALS AND DIRECTOR NOMINATIONS FOR THE NEXT ANNUAL MEETING

Under Rule 14a-8 of the Exchange Act, certain stockholder proposals may be eligible for inclusion in j2 Global's proxy statement and form of proxy. The date by which stockholder proposals must be received by j2 Global so that they may be considered for inclusion in the proxy statement and form of proxy for j2 Global's 2013 Annual Meeting of Stockholders is December 8, 2012 (or if the date of the next j2 Global annual meeting of stockholders is changed by more than 30 days from the date of the Annual Meeting, a reasonable time before j2 Global begins to print and mail its proxy materials). Assuming j2 Global holds the 2013 Annual Meeting of Stockholders on the anniversary of the Annual Meeting, stockholder proposals which a stockholder does not seek to include in the proxy statement and form of proxy pursuant to Rule 14a-8 of the Exchange Act must be received by j2 Global no earlier than February 9, 2013 and no later than March 11, 2013 (unless there are fewer than 70 days between the date the next annual meeting is announced and the date it is held, in which case such advance notice must be given not more than 10 days after the date of the announcement).

Notice of a stockholder's intent to nominate candidates for election as directors must be submitted within the deadline for submission of stockholder proposals. Stockholder proposals or notices of intent to nominate candidates for election as directors should be submitted to j2 Global, Inc. at its principal executive offices at 6922 Hollywood Boulevard, Suite 500, Los Angeles, California 90028.

COST OF ANNUAL MEETING AND PROXY SOLICITATION

j2 Global is paying the expenses of this solicitation. j2 Global also will reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable expenses in sending proxy material to principals and obtaining their instructions. In addition to solicitation by mail, the directors, officers and employees may solicit proxies in person or by telephone, fax, email or similar means.

HOUSEHOLDING

As permitted by the Exchange Act, only one copy of this proxy statement is being delivered to stockholders residing at the same address, unless such stockholders have notified j2 Global of their desire to receive multiple copies of the proxy statement.

j2 Global will promptly deliver, upon oral or written request, a separate copy of the proxy statement, or annual reports and proxy statements in the future, to any stockholder residing at an address to which only one copy was mailed. Additionally, stockholders sharing an address may request delivery of a single copy of annual reports and proxy statements if they are receiving multiple copies of such documents. All such requests should be directed to j2 Global's Secretary, 6922 Hollywood Boulevard, Suite 500, Los Angeles, California 90028, (323) 860-9200.

OTHER MATTERS

The Board of Directors knows of no other business that will be presented at the Annual Meeting. If any other business is properly brought before the Annual Meeting, proxies in the enclosed form will be voted in respect thereof as the proxy holders deem advisable.

It is important that the proxies be returned promptly and that your shares be represented. Stockholders are urged to mark, date, sign and promptly return the accompanying proxy card in the enclosed envelope or, for stockholders who own j2 Global stock through a bank or broker that provides for voting by telephone or over the Internet, submit voting instructions by telephone or the Internet.

The form of proxy and this proxy statement have been approved by the Board of Directors and are being mailed and delivered to stockholders by its authority.

By Order of the Board of Directors,

/s/ Richard S. Ressler

Richard S. Ressler
Chairman of the Board

Los Angeles, California
Dated: April 6, 2012

j2 GLOBAL, INC.

IMPORTANT ANNUAL MEETING
INFORMATION

Using a black ink pen, mark your votes with an X as shown in this example. Please do not write outside the designated areas.

x

Annual Meeting Proxy Card

PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE
ENCLOSED ENVELOPE.

A Proposals — THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL LISTED DIRECTOR
NOMINEES, AND FOR PROPOSALS 2, 3 AND 4

1. To elect six directors to serve the ensuing year and until their successors are elected.

01	Douglas Y. Bech	<input type="radio"/> FOR	<input type="radio"/> WITHHOLD
02	Robert J. Cresci	<input type="radio"/> FOR	<input type="radio"/> WITHHOLD
03	W. Brian Kretzmer	<input type="radio"/> FOR	<input type="radio"/> WITHHOLD
04	Richard S. Ressler	<input type="radio"/> FOR	<input type="radio"/> WITHHOLD
05	Stephen Ross	<input type="radio"/> FOR	<input type="radio"/> WITHHOLD
06	Michael P. Schulhof	<input type="radio"/> FOR	<input type="radio"/> WITHHOLD

2. To ratify the appointment of SingerLewak LLP to serve as the Company's independent auditors for fiscal 2012.

FOR AGAINST ABSTAIN

3. To approve, in an advisory vote, the compensation of the named executive officers.

FOR AGAINST ABSTAIN

4. To transact such other business as may properly come before the meeting or any postponements or adjournments thereof.

FOR AGAINST ABSTAIN

B Authorized Signatures — This section must be completed for your vote to be counted. — Date and Sign Below

Note: This proxy should be marked, dated and signed by the stockholder(s) exactly as his or her name appears hereon and returned promptly in the enclosed envelope. Persons in a fiduciary capacity should so indicate. If shares are held by joint tenants or as community property, each person should sign.

Date (mm/dd/yyyy) — Please print
date below.

Signature 1 — Please keep signature
within the box.

Signature 2 — Please keep signature
within the box.

/ /

IF VOTING BY MAIL, YOU MUST COMPLETE SECTIONS A - C ON BOTH SIDES OF THIS CARD.

PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

Proxy – j2 GLOBAL, INC.

ANNUAL MEETING OF STOCKHOLDERS - MAY 10, 2012
THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned stockholder(s) of j2 Global, Inc., a Delaware corporation, hereby acknowledge(s) receipt of the Proxy Statement dated April 6, 2012, and hereby appoint(s) Nehemia Zucker, R. Scott Turicchi, and Jeffrey D. Adelman, and each of them, proxies and attorneys-in-fact, with full power to each of substitution, on behalf and in the name of the undersigned, to represent the undersigned at the Annual Meeting of Stockholders of j2 Global, Inc., to be held May 10, 2012, at 10:00 a.m., local time, at the Renaissance Hollywood Hotel, 1755 N. Highland Avenue, Los Angeles, California 90028, and at any continuation or adjournment thereof, and to vote all shares of Common Stock which the undersigned would be entitled to vote if then and there personally present, on all matters set forth on the reverse side.

THIS PROXY WILL BE VOTED AS DIRECTED, OR IF NO CONTRARY DIRECTION IS INDICATED, WILL BE VOTED FOR THE APPROVAL OF ALL PROPOSALS SET OUT ON THE REVERSE SIDE, INCLUDING FOR THE ELECTION OF THE NOMINEES TO BE DIRECTORS OF j2 GLOBAL, FOR THE RATIFICATION OF THE APPOINTMENT OF SINGERLEWAK LLP TO SERVE AS THE COMPANY'S INDEPENDENT AUDITORS FOR FISCAL 2012, FOR APPROVAL OF AN ADVISORY RESOLUTION APPROVING THE COMPENSATION PAID TO THE NAMED EXECUTIVE OFFICERS AND AS SAID PROXIES DEEM ADVISABLE ON SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING OR ANY CONTINUATION OR ADJOURNMENT THEREOF.

Please date, sign and mail your proxy card back as soon as possible.

(CONTINUED AND TO BE SIGNED ON THE REVERSE SIDE)

C Non-Voting Items

Change of Address — Please print new address below.

IF VOTING BY MAIL, YOU MUST COMPLETE SECTIONS A - C ON BOTH SIDES OF THIS CARD.