cimpress™

2018 Annual Report

Notice of Annual General Meeting of Shareholders | Proxy Statement

August 1, 2018

Dear Investor,

I write you this annual letter to convey how Cimpress thinks about capital allocation, methodologies that we find useful in estimating our intrinsic value per share, and a transparent view into the successes and failures that we have had on our continuing journey to build a transformational and enduring business.

Our strategy remains the same as that which I described in my letter to you last year: Cimpress invests in and builds customer-focused, entrepreneurial, mass customization businesses for the long term, which we manage in a decentralized, autonomous manner. We drive competitive advantage across Cimpress through a select few shared strategic capabilities that have the greatest potential to create Cimpress-wide value. We limit all other central activities to only those which absolutely must be performed centrally. Our uppermost financial objective is to maximize our intrinsic value per share.

Previously, in addition to our uppermost financial objective, we also described an uppermost strategic objective to be the world leader in mass customization. Stan Davis, in his 1987 strategy manifesto "Future Perfect" coined the term mass customization to describe "generating an infinite variety of goods and services, uniquely tailored to customers". In 2001, Tseng & Jiao defined mass customization as "producing goods and services to meet individual customers' needs with near mass production efficiency". Mass customization remains a fundamental element of the business model by which Cimpress delivers better value to customers than traditional competitors. However, we have dropped "world leader in mass customization" from our strategic articulation given that mass customization is not a market per se, but rather a competitive operational strategy which can be applied across many markets.

Over the past year we have successfully implemented three significant changes to how we run Cimpress, plans for which I articulated to you in my last annual investor letter. These were (i) to decentralize, (ii) to align our financial management systems around unlevered free cash flow, and (iii) to narrow the focus of our mass customization platform. Let's review our progress on each of these objectives in turn.

First, Cimpress is now largely decentralized. This is proving to be beneficial in many ways: we are making decisions better and faster, we are more entrepreneurial, and we have clearer lines of accountability for driving both improvements to customer value and investment returns. Financially speaking, relative to costs we would have incurred without the restructuring activities related to or prompted by our decentralization, we increased our unlevered free cash flow by almost $60 million in fiscal year 2018 and we expect this benefit to be about $75 million in fiscal year 2019. Decentralization has also made us less top heavy: we reduced the number of vice presidents, senior vice presidents and executive vice presidents across all Cimpress businesses and central teams from 61 at the end of fiscal year 2016 to 45 as of the end of fiscal year 2018, even as our revenues increased by 45% over those two years.

Second, our financial management systems now align internal management reporting with our decentralized organizational structure, a return-on-invested-capital mindset and our capital allocation process. We have established per-business balance sheet and cash flow statements, and unlevered free cash flow ("UFCF")[1] is now

[1] We define unlevered free cash flow as free cash flow plus cash interest expense related to borrowing.

the primary financial metric by which we set quarterly and annual budgets both for individual businesses and Cimpress-wide. UFCF aligns our management teams with one of the core components in our formula by which we estimate our intrinsic value per share. Please don't misinterpret the fact that UFCF is our primary annual performance metric for our management budgets to mean that we pursue increases to UFCF at the expense of value-creating investments. We actively seek to deploy capital in projects that exceed our hurdle rates, even if doing so reduces our near-term UFCF.

Third, we have narrowed the focus of our mass customization platform ("MCP") so that it consists only of shared standards and technology services. The MCP mandate no longer includes manufacturing operations, product managers, graphic service operations or other resources that have been redeployed into our businesses where they are closer to customers, or whose roles were eliminated because they were no longer necessary after decentralization. In order to ensure that the MCP delivers tangible customer and business value, our businesses are actively involved in defining and evaluating the functionality of new or improved MCP technology services. We make these services available to any Cimpress business, not just the original sponsor.

Thanks to the progress we made in fiscal year 2018, Cimpress now operates as a strategically focused group of more than a dozen businesses, each operating in a largely autonomous manner other than as it relates to the select few shared strategic and corporate activities that we maintain centrally in line with the above-articulated strategy.

Our fiscal year 2018 progress took place in the context of the series of major changes to our company that we began implementing seven years ago, at the start of fiscal year 2012, to improve Vistaprint and to move into new markets. The changes have not always worked, and even those that worked well were typically painful in the short term. But on balance the effort has set up our company for a future in which we continue our history of strong value creation over the long term.

"Long term" is one of the fundamental attributes of how we think about our business, and without a long term perspective we would not have been able to transform ourselves as we have. In service of this objective, Cimpress expects long-term thinking in four ways:

1. **Decision-making:** We describe to all our team members a simple way to think long term, which is to act as if they are the sole owner of Cimpress (or of the Cimpress business where they work) and that they will still be the sole owner twenty years from now. Our share-based compensation program is long term as well: payout dates fall six to ten years after each grant date and are contingent upon achieving certain compounded annual increases to the 3-year moving average of our share price.

2. **Protect against short-termism:** As shareholders ourselves, we protect Cimpress businesses from short-termism that is common with venture capital, private equity and public shareholders. This enables our teams to focus on improving customer satisfaction, building highly competitive value chains, and aligning and engaging our team members.

3. **Investors:** We seek investors who embrace our long-term perspective. We are privileged that many thoughtful investors with multi-year (and sometimes multi-decade) investment horizons have entrusted us with their capital. Over the years I invited two of them to join our supervisory board so over 40% of our equity is represented on our supervisory and management boards.

4. **Capital allocation:** We evaluate multi-year investments in terms of their risk, reward, and the timing of the reward, and analyze them using discounted cash flow analysis and risk-adjusted hurdle rates. When given a choice of either more near-term cash flow or the anticipation of a higher present value of long-term cash flow, we'll take the latter. Much of this letter focuses on our approach to capital allocation.

We work to regularly improve our ability to increase the value of each share of our company at a long-term compounded annual rate that very comfortably exceeds our cost of capital. We are proud of the value we have delivered so far but think we could have done better. That is one reason why I hope that these letters are increasingly clear about where we have created and where we have destroyed value. An unvarnished analysis of the past helps us evaluate future decisions with a sharper mind and, hopefully, a future in which we get better at what we do.

Capital Allocation Approach

I spend a major amount of my time on activities related to capital allocation and consider it a critical responsibility. While we expect to continually improve over time, I think that we've built a fairly solid process.

We group our corporate-level capital allocation and our sources of capital into the following broad categories. We can deploy capital via organic investments, share repurchases, acquisitions and equity investments, debt reduction, and the payment of dividends. Please note however, that we do not intend to pay dividends for the foreseeable future. Our sources of capital are the cash we generate from our businesses, the issuance of debt, the issuance of equity, and the divestiture of assets. We consider capital to be fungible across all of these categories. In other words, we do not favor one over the other, but rather seek to grow our intrinsic value per share by allocating across these categories in function of the relative returns of current and expected future opportunities.

We define corporate-level deployment of capital as any investment of money that we expect to require more than twelve months to return 100% or more of the investment. You should assume this definition for all of our references to capital allocation. We delegate to our businesses and central teams (and do not centrally seek to limit or optimize) capital allocation decisions which our operational executives expect to pay back in less than twelve months. We then hold each operating unit accountable for delivering an aggregate level of unlevered free cash flow that (a) takes into account the negative cash flow from corporate-level capital allocation, and (b) is net of any sub-12-month-payback investments they chose to make on a decentralized basis.

We evaluate our intrinsic value per share in U.S. dollars so we hold ourselves responsible for a long-term, consolidated ROIC in U.S. dollars. That being said, we hold our individual businesses accountable to financial results in the currencies that are most relevant to those businesses. We believe that, over the long term, most currencies will fluctuate both up and down relative to the the U.S. dollar and that, on average and over the long term, those fluctuations will neutralize most of the impact of shorter-term currency volatility. We seek to reduce short- and medium-term currency volatility at an aggregate level either naturally or with our hedging program so that we have time to react to significant changes for our debt covenants.

We currently estimate our weighted average cost of capital ("WACC") to be 8.5%. We seek to have a weighted average return on our portfolio of deployed capital, net of failures, that is materially above our WACC. In support of this objective, we vary hurdle rates in function of our judgment of the risks to various types of investment. For example, we require only 10% for highly predictable organic investments located in Europe, North America or Australia such as the replacement or expansion of capital equipment for profitable and growing businesses, 15% for M&A of established, growing, profitable companies, and 25% for risky investments such as our investments in our portfolio of nascent businesses which constitute our "All Other Businesses" reporting segment. At the time that we make any given investment we expect to deliver a return that is above its relevant hurdle rate, preferably well above.

As much as we would like to operate in a hypothetical world in which we didn't make capital allocation errors, we believe that innovation and risk taking are critical to value creation so we do not seek to avoid investment risk nor are we able to prevent failure at the level of individual investment projects. We report to you our failures as well as our successes so that you can evaluate our performance in light of our overall weighted average portfolio of investments.

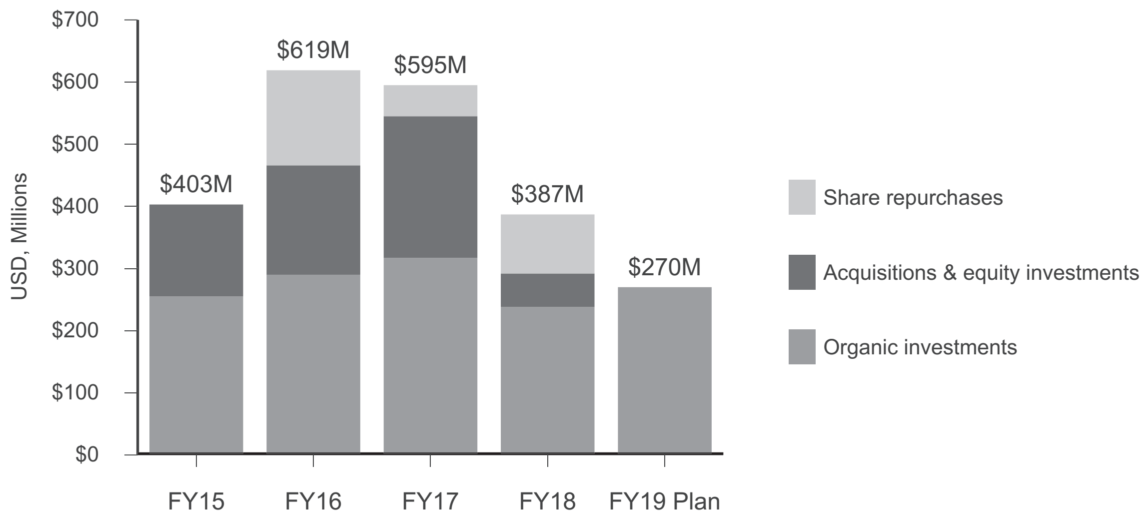
We recognize that a portfolio of investments that exceeds WACC does not necessarily mean, by itself, that we have made good capital allocation decisions. We need to compare our returns against the opportunity cost of potentially higher returns that might have come from deploying the same capital into even higher-returning opportunities of a similar risk level. This more stringent measure of performance clarifies the cost of mistakes. An example we've used in the past that painfully demonstrates this point is that, for much of fiscal year 2012 and fiscal year 2013, our share price was trading under $40 per share. With the benefit of hindsight we recognize that, for the capital we used for our Namex, Webs and Albumprinter acquisitions, we could have generated vastly better returns if we had instead repurchased our own shares. Also as we have noted in the past, we can make mistakes when we raise capital. For instance, in 2005 we issued 5.5 million shares for just $11 per share as part of our initial public offering even though we did not need the money at the time and, even if we had, could have raised the same amount of capital via debt instruments. Our improved understanding of the true cost of equity issuance is a central reason why the performance mechanisms of our share-based compensation vehicles now directly link potential payout and its associated dilution to the equity returns that Cimpress delivers to long-term shareholders after such dilution.

I believe our recent decentralization has boosted our performance related to all aspects of capital allocation. Decentralization has freed up time for Sean, our CFO, and me to focus on capital allocation, it has created a much stronger ownership mentality among our various businesses for generating returns on the capital we invest, and it makes it easier to track those returns and hold our teams and ourselves accountable.

The chart below and its supporting table summarize the capital allocation, other than debt repayment, that we have made over the past four fiscal years and the approximate total amount we expect to deploy into organic investments in fiscal year 2019. We do not forecast our potential fiscal year 2019 M&A and share repurchases in this letter since those potential decisions would depend on many conditions that are outside of our control and are not predictable. This absence of comment should not be read as an indication of intent in any given direction. For example, we have already made an equity investment in early fiscal year 2019, which you can read about later in this letter. We also include in the supporting table the capital we have raised via divestitures or partial-equity sales of businesses in each year, if any.

With $2 billion of capital deployment over the past four years, and plans for $270 million of organic investment in fiscal year 2019, clearly we are bullish on Cimpress' future and are investing accordingly.

Capital Allocation Summary
Recent History and Near-Term Plans



Allocated Capital ($M)	FY15	FY16	FY17	FY18	4-Year Total	Percent of 4-yr Total	FY19 Plan	5-Year Total
Organic investments (UFCF impact)	$255	$290	$317	$238	$1,100	55%	$270	$1,370
M&A	$148	$176	$228	$54	$606	30%	TBD	TBD
Share repurchases	$—	$153	$50	$95	$298	15%	TBD	TBD
Total capital deployed	**$403**	**$619**	**$595**	**$387**	**$2,004**	**100%**	**TBD**	**TBD**
Capital raised via divestitures or partial-equity sales	**$—**	**$—**	**$—**	**$129**	**$129**	**100%**	**TBD**	**TBD**

How We Think About Value

Before I provide my thoughts on how we have done with our past capital allocation, let me first describe how we think about value, and about how we can create value.

As referenced above, our uppermost financial objective is to maximize our intrinsic value per share, or IVPS. We do not publicly disclose our internal IVPS range estimates because of their judgment-based nature and because we assume that shareholders who take a long-term perspective will each make their own estimates of the value of a share of Cimpress. However, I would like to explain the process by which we internally establish an IVPS range estimate so you understand how we, as the stewards of the capital you entrust to us, think about this very important subject.

We define IVPS as (a) the unlevered free cash flow per diluted share that, in our best judgment, will occur between now and the long-term future, appropriately discounted to reflect our cost of capital, minus (b) net debt per diluted share.

Any estimate of part (a) is inherently subjective and based on forward-looking projections. That is why we say that our definition of IVPS is based on our best judgment. Please note my use of many qualifying terms throughout this letter such as "estimated", "range", "approximate" and "judgment". The future is inherently unknowable so our commentary should be understood in the context of these qualifying terms.

We use two methods to estimate part (a) of our IVPS equation. We establish multiple scenarios, so each of these approaches generates a range based on several present values. We try to be prudent and realistic in our forecasts. We then look at the range of all the outputs across the two methods, discuss and debate the merits and weaknesses of each output, and then make a range-based judgment call.

The first of these two methods is a classic discounted cash flow ("DCF") financial model. We forecast key line items in our income statement and cash flow statements based on past trends, and our beliefs about how those trends will progress in the future. We typically project these ten fiscal years into the future, and in the last year establish a terminal value by dividing that year's projected UFCF by our WACC. We then discount all of this back to today at our WACC, then divide by the number of diluted shares.

The second method is based on steady state unlevered free cash flow ("SSFCF"). We define "steady state" as having a sustainable and defensible business over the long term that is capable of growing after-tax free cash flow at the rate of United States inflation. SSFCF is an estimate that is inherently based on many subjective business judgments and approximations, so you should consider our statements about this concept to be directional range estimates that are definitely not specific or precise. This approach is not traditional but we believe it to be useful and informative. In our experience, we typically find that our estimates of IVPS are lower using the SSFCF method than the DCF method. For the SSFCF method, our process is to establish:

i. An estimated range of what value exists in Cimpress today assuming no more of our past investments turn cash generative (or negative) and assuming we were to stop investing for growth. We establish this estimated range by dividing the upper and lower bounds of our range estimate of SSFCF by our WACC to derive a high and low enterprise value prior to accounting for future returns on capital which we have deployed or will deploy which are not yet contributing to our SSFCF.

ii. An estimated range of future returns from our past and future capital allocation (other than organic investments required to maintain steady state) whose returns do not yet show up in our SSFCF. We discount those to their present value using our WACC. This second component addresses our view that a major portion of our estimate of intrinsic value per share derives from us having a large set of attractive investment opportunities for the foreseeable future and that we can fund such investments thanks to our significant SSFCF combined with our financing capacity.

iii. Add the results from "i." and "ii." together to estimate a range of values, which we divide by the number of diluted shares.

In addition to acting as an input for estimating the intrinsic value of our company, SSFCF also is an input to the way we hold ourselves accountable for value creation. Over long periods of time, if we create value then we should grow the result of the following equation at a compounded annual growth rate that is higher than our cost of capital:

([SSFCF divided by our WACC] - net debt) / diluted shares outstanding

Throughout this letter I will describe the inputs to this equation, and at the end of the letter, I will share our thoughts on our past progress and our thoughts on IVPS. But first, let me turn to a review of our capital allocation: organic investments, acquisitions and early-stage investments, share repurchases, and debt issuance and repayment.

Organic Investment

The organic capital that we have allocated, and which we plan to continue to allocate, directly reduces our unlevered free cash flow. We nonetheless organically deploy significant amounts of capital because we believe that we can deliver weighted average returns on this investment portfolio that are above (preferably well above) our WACC. Doing so would, in turn, increase our IVPS. The tables below convey the components of capital that we allocated to organic investment in the last three fiscal years and the approximate amount we plan to invest during fiscal year 2019.

Many of our investments begin to return cash in the same fiscal year as their initial investment so, where practical from a tracking perspective, the investment estimates provided below represent our net investment, not the gross investment. All numbers in the tables below are rounded estimates. Because we cannot precisely estimate the rate of investment or precisely isolate the returning cash flows of most of our investments, and because we may make changes to our plans during the course of the future fiscal year based on new information we may receive, both historical and planned fiscal year 2019 numbers should be considered only as directional and approximate.

To avoid complexity in the presentation and reconciliation of figures which we include in public documents, we describe these investments as a reduction to UFCF before tax effects and prior to working capital changes. However, internally, we endeavor to evaluate investment decisions based on our forecasts of discounted unlevered free cash flow, i.e., after both tax and changes to working capital. To help investors understand our capital allocation in terms that may be important to them, in this letter we also express our investments as reductions to operating income and Adjusted Net Operating Profit ("NOP").

These investments reflect 100% of investments even for businesses in which we have only partial ownership. For example, we own 53.7% of Printi in Brazil, but we reflect 100% of the investments below within the data we present for our All Other Businesses segment. We do this because we reflect the entirety of their cash movements in our results.

Fiscal Year 2018 Organic Investments

Over the past year we continued to invest across a wide spectrum of activities within our existing businesses. In total we allocated approximately $238 million of our capital organically, of which about two-thirds we allocated to Vistaprint. The following tables summarize this investment, grouped by reportable segment.

VISTAPRINT			
Investment Area	**Description**	**FY2018 Unlevered Free Cash Flow Net Investment**	**FY2018 OI/ Adjusted NOP Net Impact**
LTV-based Advertising & Marketing Infrastructure	Based on analysis of the cash flow characteristics of prior cohorts of acquired customers, we regularly invest in customer acquisition costs that require more than twelve months to pay back. Note that this net investment reflects mix shifts in our product and service offering to ensure we appropriately capture in-period returns that net against advertising costs in this calculation. We also include a portion of our internal marketing costs that support LTV-based advertising activities, as well as investments in customer service and design services.	$70M	$78M
Technology	Vistaprint differentiates itself in the market by an extensive set of technologies, such as but not limited to browser-based design, cross-selling, customer service systems, design-assistance, merchandising and analytics. We regularly upgrade that technology.	$47M	$42M
Shipping Price Reductions	The net impact of reducing the prices we charge our customers for shipping and processing. Our goal is to get to and stay at pricing that is in line with e-commerce norms. We have presented this as an investment in each year (net of small but increasing benefits) to reflect the ongoing foregone profits of this decision. However, for fiscal year 2019 and beyond, we will no longer include this in the list of investments in this letter. This will have no impact on the analysis of our steady state free cash flow, since we view this as a maintenance investment that reduces our steady state free cash flow.	$18M	$18M
Expansion of Production & IT Capacity	Capital expenditures and similar upfront investments to expand or improve our capacity for established products with relatively knowable demand patterns. Starting in fiscal year 2018, it also includes the capital expenditures related to the introduction of new products and expansion of our selection of product attributes, such as formats, substrates, finishing options, delivery speeds, available quantities, etc.	$8M	—
Other	Headcount and related costs to enable scalability and to improve performance, as well as miscellaneous small investments. This category also included, for fiscal year 2015 only, replacement capital expenditures, which we subsequently determined were investments that generally pay back in less than 12 months, so were excluded from fiscal year 2016 forward.	$15M	$16M
TOTAL		**$158M**	**$154M**

OTHER ORGANIC INVESTMENTS			
Investment Area	**Description**	**FY2018 Unlevered Free Cash Flow Net Investment**	**FY2018 OI/ Adjusted NOP Net Impact**
Upload and Print	A wide array of technology, advertising, product selection and production capacity investments. We are making technology investments, both business-specific and shared, to modernize and modularize our software systems. Anticipated benefits include enabling more rapid new product introduction and connecting to and leveraging the mass customization platform. This also includes our investment in a team of professionals to find and manage shared opportunities across our Upload and Print businesses.	$20M	$11M
National Pen	A wide array of investments, including investments in e-commerce technology, capital equipment and other investments.	$4M	—
All Other Businesses	The total negative impact from our "All Other Businesses" reporting segment, all of which we consider to be discretionary growth investment. Although these businesses vary considerably from each other in many ways they are all, to varying degrees, early stage, high-growth businesses with a higher degree of risk than our more established businesses. The businesses in this reporting segment include: – Vistaprint Corporate Solutions ("VCS") – Miscellaneous businesses managed by our VCS team, including the Cimpress Open initiative which we started in March 2016 and ended in September 2017 – YSD.com, based in China – Printi.com, based in Brazil, but also expanding to the U.S. – Vistaprint India – Vistaprint Japan – Starting in July 2018, VIDA & Co., a business in which we recently took a majority ownership position. In order to limit the disclosure to competitors, and in light of the relatively small size of each component relative to our overall capital allocation, we do not provide details of our financial investments in the sub-components of the All Other Businesses reportable segment.	$29M	$36M
Mass Customization Platform ("MCP")	This category represents the software engineering and related costs to expand the functionality of our Mass Customization Platform, a growing set of software services and standards that deliver business and customer functionality to our businesses. Unlike many of the other investments in this letter that are presented net of their related returns, we present the MCP investment as the gross cost because the cash flow generated by MCP appears in the accounts of our decentralized businesses. Note that when viewing the longer-term trend in this investment, many costs that had been part of this category in fiscal years 2015 and 2016 have been allocated to the Vistaprint business starting in fiscal year 2017.	$22M	$24M
Other Centrally Managed Investments	Includes headcount and operating expense for certain corporate and administrative functions, compliance, and centrally funded environmental, corporate social responsibility, and governance programs. Starting in fiscal year 2018, this also includes expense related to supplemental performance share units (SPSUs), which require mark-to-market accounting treatment and are by definition a long-term investment.	$5M	$19M
TOTAL		**$80M**	**$90M**

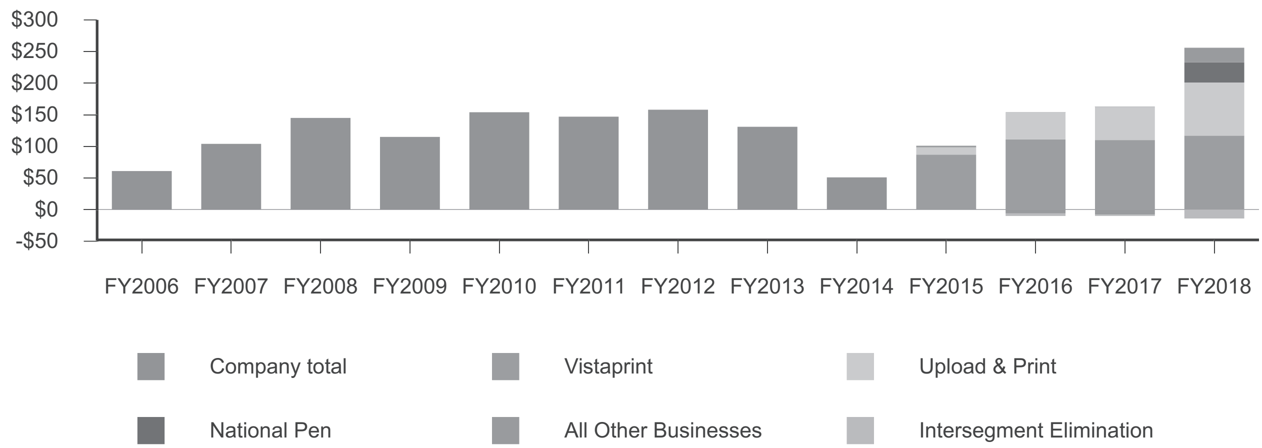
Overall Organic Growth

We believe we can make attractive returns on organic growth investments because we perceive a large opportunity for markets to continue to shift to a mass customization paradigm and to be attractive to us given our strong experience and differentiated competitive capabilities. In light of this we have made, and we plan to continue to make, the significant organic growth investments described in this letter. We believe organic revenue growth is an important indicator of our performance relative to this organically deployed capital. We do not pursue organic growth for its own sake; growth from investments that return below our cost of capital destroy value.

The graph below illustrates our incremental organic revenue growth across a multi-year time period. A few notes about the graph:

- In order to remove the impact of volatility in currency markets, we present each fiscal year 2015 through 2018 using currency exchange rates as of June 30, 2018, which we provide for your reference in the 'Non-GAAP Reconciliations' section of this letter.
- We also exclude from this graph the growth impact of acquisitions that we have held for less than four full quarters in each fiscal year presented in the graph.
- The graph excludes (for all years) Albumprinter, which we divested in the first quarter of fiscal year 2018.

Incremental Organic Revenue (Annual, USD millions)
FY2015 - FY2018 results stated at currency exchange rates from June 30, 2018;
Prior results at reported currency rates



The graph illustrates that our growth slowed considerably in fiscal years 2013 and 2014. We believe this was a result of underinvestment during the previous five or so years combined with significant growth "headwinds" as we moved Vistaprint away from a customer value proposition which was largely characterized by free offers that we combined with aggressive up-selling and cross-selling. More recently, as the benefits of its repositioning started to take hold, Vistaprint has begun a slow-but-steady, multi-year return to stronger year-over-year increases of incremental revenue. In addition, the newer parts of Cimpress, especially our Upload and Print reportable segment, have contributed materially to our consolidated organic growth in the past several fiscal years.

In fiscal year 2018 our total annual incremental organic constant-currency growth across all segments (excluding Albumprinter and including inter-segment elimination) was approximately $243 million.[3] In terms of percentage growth rate, Cimpress posted an 11% organic constant-currency growth rate for fiscal year 2018, versus 8% for fiscal year 2017.[4]

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[3] Fiscal year 2018 reported incremental revenue in USD was $457 million, including acquisitions as of their respective acquisition dates and including Albumprinter until its divestiture in August 2017.
[4] Cimpress reported revenue in USD grew 21% in fiscal year 2018 and 19% in fiscal year 2017. Please see reconciliation of non-GAAP measures at the end of this letter.

In terms of geographic markets, annual organic constant-currency revenue growth in fiscal year 2018 was 11% in North America and 10% in Europe, versus 9% and 7% respectively in fiscal year 2017. For the total of other geographies (primarily Brazil, India, Japan, Australia and New Zealand) this metric was 16% in 2018 versus 19% in 2017.[5] The charts below illustrate our year-over-year annual organic constant currency growth in Europe and North America.

Organic Constant-Currency Revenue Growth Rate

Each data point excludes acquisitions in the first year of Cimpress ownership or divestiture in the last year of ownership.

In the 'Non-GAAP Reconciliations' section of this letter you will find similar charts in U.S. dollars, inclusive of the acquisitions and joint ventures as of each transaction's closing date (i.e., reported revenue growth).

Vistaprint Investments

Vistaprint is a great business. Organic growth over the past two decades has led to fiscal year 2018 revenues just under $1.5 billion, more than 15 times the revenues in the fiscal year just prior to our September 2005 IPO[6] and 79% larger than the $817 million of revenues in fiscal year 2011. The unlevered free cash flow from Vistaprint was approximately $242 million in fiscal year 2018, which compares to $8 million in fiscal year 2006 and $121 million in fiscal year 2011.[7] The UFCF in fiscal year 2018 was net of growth investments that reduced UFCF by a range of $20 million to $55 million, so steady state free cash flow was higher.

Given that we deploy lots of capital to Vistaprint (about $766 million in the four years from fiscal years 2015 to 2018) it is not surprising we frequently receive questions about how to think about Vistaprint's investment returns on this very large amount of capital.

The largest component is what we consider to be "steady state maintenance" capital allocation: it is an integral part of the unique Vistaprint business model that allows us to serve micro-business owners so well. Maintenance has accounted for about 60% to 70% of our capital deployment to Vistaprint. We need this level of maintenance investment because of the dynamics of the Vistaprint micro business focus: the vast majority of customers have two or fewer employees and more than half have either one employee or their business is a part-time vocation. Many are “casual” businesses that don't endure beyond a certain period, such as college bands or soccer parent/ coaches, and of the bona fide businesses the failure rate is very high. This in turn means that we need to constantly "refill the funnel" by bringing in new customers of which only a minority will become long-term repeat customers. We also need to constantly upgrade our technology and keep things like shipping prices competitive. All just to keep the

[5] Fiscal year 2018 revenue growth in USD in North America, Europe and other markets was 21%, 20%, and 35%, respectively. This includes acquisitions as of their respective acquisition dates.
[6] Vistaprint reported revenue in fiscal year 2018 was $1,463 million. Fiscal year 2005 consolidated revenue was $91 million.
[7] Vistaprint segment profit, our GAAP profit measure for segment reporting, was $241 million in fiscal year 2018. Consolidated operating cash flow was $35 million in fiscal year 2006, and $165 million in fiscal year 2011 (periods in which the entire business was Vistaprint). Please see reconciliation of non-GAAP measures at the end of this letter.

Vistaprint business in steady state. At first blush, this need for large amounts of capital each year may seem to be a weakness, but we think it is a strength for multiple reasons. First, the ROIC on these investments is predictable and comfortably above our cost of capital. Second, these high investment requirements serve as an important part of the moat around the Vistaprint business model. Third, and very importantly, the attractive cash flow Vistaprint generates is *after* making these investments.

The remainder of the capital that we allocate to Vistaprint, which was very roughly 30% of what we invested in fiscal year 2018, is invested to either expand our addressable market (new products, for example) or to create capabilities that improve our value proposition. This is what we consider the "growth investments" - they are what allow us to grow Vistaprint beyond its steady state.

The Columbus project is one example of these growth investments. Between fiscal years 2015 and 2017 we invested nearly $100 million to develop a line of logo apparel, promotional products and corporate gifts. These are all customized marketing products highly relevant to small business marketing, but the core software, SKU-proliferation, supply chain and customization technologies are all very different from what we had ever done before. Today, this is a strongly growing, break-even business that delivered more than $50 million in revenues in fiscal year 2018. We made plenty of mistakes on this project. For example, we started it as a segregated skunk works in order to go fast, but we took too long to integrate it into Vistaprint’s core order flow and when we did do so, it proved very difficult for a whole host of technical and organizational reasons. Columbus is no longer classified as an investment because it has reached break even, but it currently weighs down the returns within Vistaprint, because year over year, there is meaningful incremental revenue with little incremental profit. In order for Columbus to create value, we need to grow this into a $150 million to $250 million, significantly cash-flow positive business over the coming five years. We are trying to do just that, and think we can do so, but it is too early to say for sure if we will succeed.

We have made a lot of other growth investments in Vistaprint over the past seven years, other than the Columbus project. In total, these were hundreds of millions of dollars, consisting of both the development of new capabilities and the cash flows we chose to forego by turning away from past marketing practices that were cash generative but not customer centric. Because of the unknowable nature of the question, "what would have occurred if we didn’t change?" it is not feasible to precisely calculate how much we have invested in these improvements, much less the returns. Estimating the mutually exclusive returns for individual investments of this type within Vistaprint is challenging as well because we often make simultaneous investments, each designed to in some way improve customer satisfaction, conversion rates, customer loyalty, share of wallet, or other drivers of value.

So we instead look to the big picture, asking ourselves about key metrics such as net promoter score or repeat customer value. We have said many times that it took us more money and more time to achieve the results we wanted, but that we are making solid progress and our foundation is stronger than ever. Many key metrics are trending the right way over long periods of time. Trynka Shineman, Vistaprint's CEO, will speak in more detail about this at our investor day, but in summary we continue to see progress in terms of customer loyalty and higher-value customer cohorts. Thanks to these investments, we believe that Vistaprint is positioned for a healthy future of continued growth, customer satisfaction, and strong cash flow generation. We are happy to have made these substantial investments and expect to continue to do so.

Central Investments

Mass Customization Platform: From 2015 until 2018 we invested about $87 million in reduced unlevered free cash flow to build the MCP. As we have discussed extensively in the past, about 18 months ago we radically narrowed the focus of the MCP to consist only of a collection of standards and multi-tenant software micro services. Functions that had previously been in the MCP organization were either moved to Vistaprint or ceased to operate. The "breaking up of the software monolith" work we did early on, prior to this narrowing of the MCP focus, remains a foundation of our ability to deliver value through the MCP today.

Fiscal year 2018 was an important year both organizationally and financially in terms of demonstrating business value via the MCP. For the portion of the MCP that we report quarterly as part of our central operating costs, we are comfortable that we are generating cash savings versus what we would spend if we decentralized these activities, and also that we are providing more robust and scalable capabilities than many of our businesses would achieve on their own. We are also confident that the MCP capabilities that we engineered and deployed in fiscal year 2018, and those which we expect to develop in fiscal year 2019, are yielding increases to our unlevered free cash flow by an an amount that exceeds 20% of the cost of developing those services and which we expect to grow in the future. Although it is not certain, we also believe that as the benefits of the MCP grow over time, in the future we should be able to report that the entire investment we have made in the MCP (i.e., the $87 million dollars to date, plus all future investments) would have created value that comfortably exceeds our hurdle rates.

Other Centrally Managed Investments: Prior to our decentralization, we had fairly large central teams that worked on a broad spectrum of activities ranging from strategy, human resources, accounting and corporate development to centrally led research and development for equipment technologies. Most of these activities were eliminated, substantially reduced, and/or moved to Vistaprint. Measuring our precise losses or returns on these past investments is difficult; however, the fact that we have so severely reduced the investment over the past 18 months clearly communicates that we now believe that the now-ended investments were value destructive. In making these reductions, we were very intentional about the areas we should continue to invest in. I am comfortable that we have focused this investment to either activities that add the most value to Cimpress in terms of shared strategic capabilities (specifically our shared talent infrastructure in India and our central procurement team), or are activities which must be done centrally. It is also clear that the additional unlevered free cash flow from the reductions we have made in this area have a meaningful positive impact on our overall returns.

Acquisitions & Early-Stage Investments

Acquisitions of Established Businesses

In our view, acquisitions and equity investments are risky investments that, if successful, can produce attractive returns on large amounts of capital and/or fortify the competitive position of our existing businesses. We also believe that transactions in which we acquire less than 100% of a business can be attractive under the right circumstances since such structures may help us to align, motivate and retain co-owners and/or partners who are important to driving strong performance for Cimpress. For most acquisitions or equity investments of established, profitable businesses, at the time we make that investment we typically apply a 15% hurdle rate.

We may also divest and/or sell all or a portion of the equity of a given business when we believe we could deploy our capital more productively elsewhere, or when we believe that doing so will bring important benefits in terms of our relationship with third parties who are important to the success of that business.

Below are our current views on all acquisitions of established businesses that we have made in the past seven years, organized into the categories of successes, neutral results, and failures.

Success

We include here acquisitions that we feel confident will generate returns that meet or exceed our hurdle rates. We typically base our return estimates on (i) the unlevered free cash flow we have generated since the investment plus (ii) the present value of UFCF we expect over the long term, discounted at our cost of capital.

- National Pen: $211 million, inclusive of costs of transfer of intellectual property, in fiscal year 2017
  The unlevered free cash flow from National Pen was approximately $24 million in fiscal year 2018, an unlevered free cash flow yield of more than 11% of consideration paid.[8] This was after organic investments that reduced UFCF by $4 million, only about half of which we estimate is required for maintaining steady state free cash flow, and does not include synergies that we achieved in other Cimpress businesses because of National Pen. As noted above, we expect National Pen to deliver annual constant-currency revenue growth in the low double digits for the foreseeable future. We also believe that National Pen should, over the coming several years, reach and then grow beyond the point where it is generating annual steady-state free cash flow that comfortably exceeds 15% of the consideration we paid for this business.

- Upload and Print: €472 million between fiscal years 2014 and 2018
  This reportable segment consists of seven different businesses into which we have made equity investments, plus relatively minor equity investments in suppliers to our Upload and Print businesses. The total investment includes payments and equity sales completed to date. During fiscal year 2018, we paid

[8] National Pen Segment Profit, our GAAP profit measure for segment reporting, was $22 million in fiscal year 2018.

incremental consideration in the amount of €42 million related to earn outs and founder incentive programs. Also during fiscal year 2018, in order to solidify and align incentives with an (undisclosed) third party, we sold approximately 12% of the outstanding shares of our WIRmachenDRUCK subsidiary for a total of €30 million.

Upload and Print generated approximately €56 million in unlevered free cash flow in fiscal year 2018 (net of reductions to reflect partial equity ownership of certain businesses in the group, some of which occurred during fiscal year 2018), a yield of approximately 12% of the €472 million of consideration we have paid to date.[9] This was after organic investment that reduced UFCF by approximately €17 million in fiscal year 2018, of which only a minority was required for maintaining steady state free cash flow, so we estimate fiscal year 2018 steady state UFCF returns for our Upload and Print businesses to be, very approximately, around 14% of the consideration paid. We also feel confident that the revenues and steady state free cash flow of this segment will grow at attractive rates for the foreseeable future.

Neutral Results

- Albumprinter and FotoKnudsen (acquired in fiscal years 2012 and 2015, respectively, for a total of €70 million; sold for €78 million in fiscal year 2018, net of transaction costs and cash divested)
  The IRR between our October 2011 purchase and our August 2017 divestiture, net of the purchase of FotoKnudsen and the after-tax cash dividends, was slightly above our WACC if measured in Euros and slightly below our WACC if measured in U.S. dollars. As a result, we did not create any intrinsic value over the course of our ownership. That being said, Cimpress benefited from our investment in Albumprinter in multiple ways that are not accounted for in our ROIC: two of today's Cimpress executives came from Albumprinter, and Albumprinter strengthened the selection of our photo products for Vistaprint's European operations that continue to rely on Albumprinter as a significant supplier.

Failure

- Webs: $141 million, inclusive of costs of transfer of intellectual property, in fiscal year 2012
  The technology and team that we acquired via Webs remains central to and comprises the majority of the technology that drives our Vistaprint Digital product line. This is a highly cash flow generative revenue stream that generated approximately $55 million in revenues in fiscal year 2018. However, from the perspective of capital allocation and with the benefit of years of hindsight, we believe that the acquisition of Webs was a poor financial investment and use of capital in that we overpaid relative to the ROIC of the incremental per-share cash flows that Webs generated in comparison to alternative uses of that capital.

Early-Stage Investments

For investments in nascent businesses, we typically use a 25% ROIC hurdle to reflect the materially higher risk typically associated with that allocation of our capital.

Potentially, we could create great value by entering markets that are several steps away from our current businesses and by then building great customer franchises and fast-growing, profitable businesses in these markets. In the very ancient history of our company we achieved exactly such a feat. Back in 1998, Cimpress was just "Bonne Impression", a small (roughly $3 million in revenue), break even, low-growth, direct-mail-catalog-based supplier of desktop publishing supplies for small businesses in Europe. We aspired to take our knowledge of that market and move into online printing, still serving the same customer for self-service graphic design and short-run printing, but in a very different way than our existing business. To do so we raised significant venture capital money and over the 1998 to 2003 period launched Vistaprint. We had plenty of failures, setbacks, re-launches, pivots and urgent needs for more financing, but by 2003 Vistaprint was profitable, fast growing, and on its way to becoming an incredible business.

Now, as much as we would love it, we don't expect to organically create another Vistaprint. To expect to do so would require ignoring the reality that, besides hard work, a huge factor in our success came from the good luck of

[9] Upload and Print Segment Profit, our GAAP measure for segment reporting, was $79 million USD in fiscal year 2018. This includes 100% of the results of Exagroup and WIRmachenDRUCK.

being in the right place at the right time. But we do believe that it might be possible for us to build a portfolio of fast-growth, profitable businesses that, a decade into the future, contribute a significant portion of Cimpress' overall growth and which, at the portfolio level, net of inevitable failures, would have generated attractive ROIC on a magnitude that could "move the needle" of value creation at the Cimpress-wide level. At the highest level, that aspiration is why we invest in early stage investments.

Sadly, our history to date is far less glorious than our aspiration. Over the past seven years (via equity investment, organic investment, or a combination of the two) we have allocated large amounts of capital to build businesses that that we have now shuttered. Examples include Namex, Tasteful Menus, Cimpress Open, and significant-sized supporting central teams that were managing these businesses. Not all our efforts have failed: today our All Other Businesses reportable segment consists of our stand-alone early-stage investments that remain active today. As I will discuss below, we have some great, promising businesses.

But if we are to improve our performance in the future, we need to start by being honest about that fact that despite some successes, at the portfolio level our early-stage investments to date have destroyed significant value. The numbers are not pretty: since fiscal year 2012 we have allocated $55 million to equity ownership positions of early-stage investments and we have incurred an additional $163 million of consolidated operating losses. When we lay out approximate values of the cash we invested (be it via equity or operations) since fiscal year 2011 and adjust downward for portions of the businesses we don't own, the value of our all other business portfolio would need to be approximately $350 million to $400 million if we were to have generated 15% or better return on those investments. Unfortunately, as of today, its value is far less.

Some of our investments were clear failures, such as the $18 million investment in Namex in China that we wrote off for a total loss in fiscal year 2014. But even the businesses in which today we see value have taken longer, and more money, than we expected to get to their current state. Other investments have been great successes: we purchased Softsight, a small technology firm with no material revenues, for $6 million in fiscal year 2010 and used their software and knowhow to enter the market for embroidered products, a business that today is large, profitable and growing. We are also very happy with our investment in Printi, in which we have invested $19 million.

Over the years, we have learned some hard lessons about early-stage investments. Many of the lessons could be categorized as variants on "don't try to be a startup when you are structured and staffed like an established business". We centralized our decision making, we paid team members attractive salaries rather than compensating them with equity (or equity-like instruments) in the startup, we had fancy offices and facilities, we applied rules about "how we do things" that are reflective of big-company thinking rather than entrepreneurial vigor, we required the fledgling businesses to use company-wide resources (HR, finance, legal, manufacturing, engineering, marketing, etc.) even though those resources were expensive, inflexible and far removed from the reality of the new markets we were trying to serve, and we built for scalability before we had figured out core elements of the fledgling business models. Today, we have generally corrected these errors and are running these businesses in a manner that is largely entrepreneurial and autonomous. Our early-stage leaders tell us that they value things like Cimpress' talent infrastructure in India, the MCP, our peer-to-peer knowledge sharing and our procurement synergies, and they get to leverage these shared strategic capabilities if they want to. But we don't force such choices on them, and we act instead as a supplier of perpetual capital partnering as owners, and increasingly often as co-owners, with these leadership teams.

Below is a list of the businesses that constitute our All Other Businesses segment, including a new investment that we made at the beginning of fiscal year 2019:

- Printi:
  This business, the leading upload and print business in Brazil, is also investing in nascent operations in the U.S., continues to develop strongly. During fiscal year 2018, we acquired an additional 3.7% ownership position in the business, bringing our ownership to approximately 53.7%. Cimpress and the remaining equity holders in Printi have put-call arrangements for Cimpress to acquire the remaining equity in the business between calendar years 2021 and 2023.

- Vistaprint Japan:
  We are pleased with the progress of this business and its trajectory toward becoming a growing and profitable business. Note that this investment does not include the National Pen business in Japan. Also please note that, in late fiscal year 2018, we focused this team solely on Vistaprint, which has a clearly

differentiated position relative to competitors who tend to focus on upload and print, not the self-service, micro-business customer which Vistaprint Japan serves.

- Vistaprint India:
  This is a rapidly growing business that is on a relatively near-term path toward positive cash flow generation.

- Vistaprint Corporate Solutions:
  This is a rapidly growing business that serves mid- and large-businesses under the Vistaprint brand name, but with a significantly different user experience and service offering so as to meet the needs of larger customers.

- VIDA & Co.:
  We invested $29 million on July 2, 2018 via a combination of the buyout of early-stage investors and the issuance of new equity. Cimpress is now the majority owner via preferred shares; the remainder of equity consists of management-owned common shares and a stock option pool. With this investment we are investing into trends we see in the market to bring mass customization (i.e., to generate an infinite variety of goods and services uniquely tailored to customers) to retail-grade products. VIDA is a rapidly growing startup that brings manufacturing access and an e-commerce marketplace to artists, thereby enabling artists to convert ideas into beautiful, original products for customers, ranging from custom fashion, jewelry and accessories to home accent pieces. VIDA algorithmically pairs trending professional artwork from a curated collection of over 125,000 artists with fashion-driven products from a variety of manufacturers and brand partnerships.

One of our Frameworks for Thinking About Acquisitions & Early-Stage Investments

I often get questions from shareholders about what types of acquisitions and equity investments we are interested in making given that there are many different types of acquisition and equity investment opportunities.

First, we only want to invest in businesses where mass customization enables the delivery of superior customer value versus traditional business models, and where we believe that the select few shared strategic capabilities which Cimpress manages centrally can enable those businesses to drive incremental customer and long-term shareholder value.

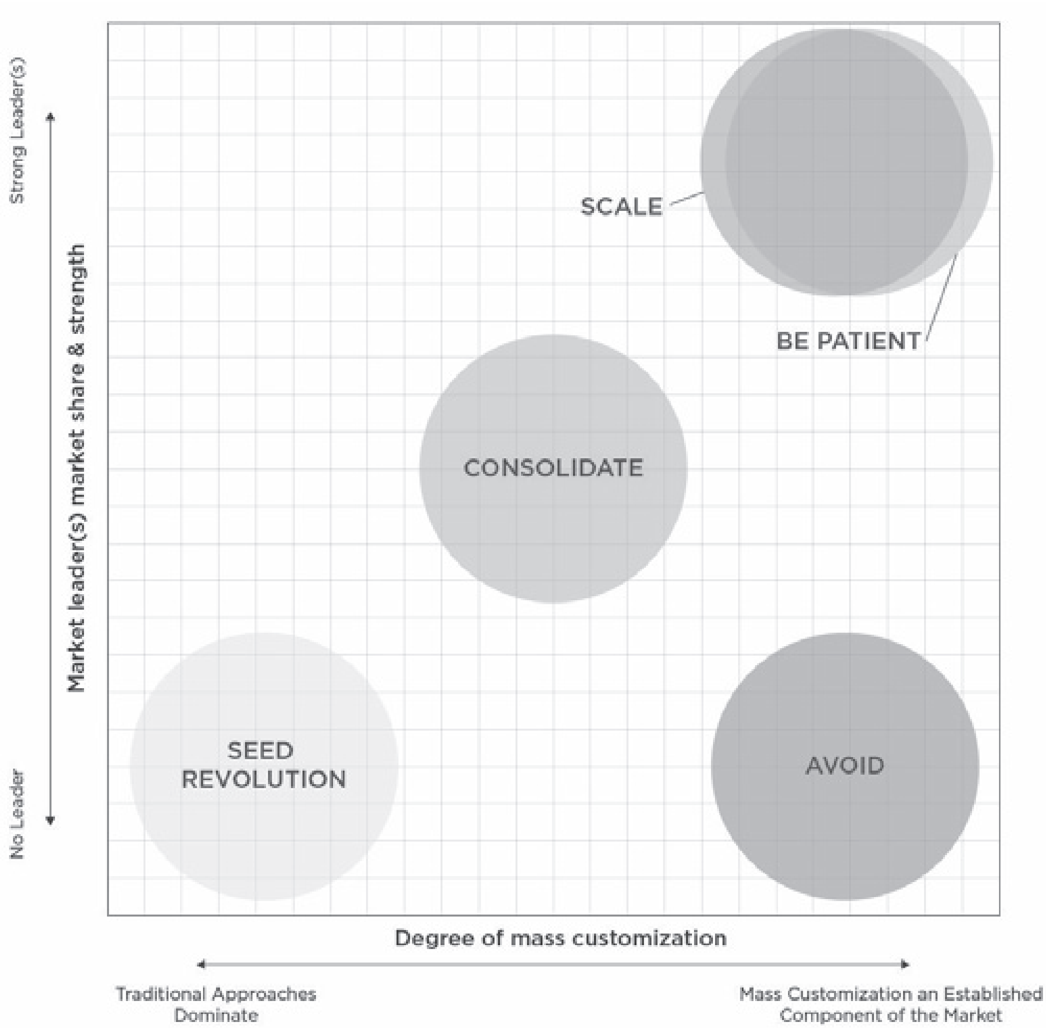
Second, in the discussion below I describe one of the mental models that we have started to use to think about where, and how much, we might invest in acquisitions and equity investments. This is not a comprehensive framework and, very importantly, it is not the only way in which we evaluate different options, but we have recently found this helpful to our discussions and debates regarding different opportunities.

- The horizontal axis on the chart represents the degree to which a given market has converted to the mass customization paradigm. To the left, incumbents with traditional business models dominate. To the right, businesses that produce goods and services to meet individual customer needs with near mass production efficiency (i.e., businesses who mass customize) have captured material portions of the market.

- The vertical axis represents the degree to which market leaders have a strong relative market share. At the bottom, there are many competitors who can compete effectively and no large players. At the top there are a relatively few larger firms (even if huge numbers of smaller competitors remain who may control large portions of a market).

- In the upper right, we differentiate between those areas where Cimpress has strong relative market share (i.e., the grey circle labeled "Scale") and those markets where we do not (the blue circle labeled "Be Patient").

Mass Customization Universe as an M&A Map



There are two areas of the above schematic in which we have historically invested the vast majority of the capital we deployed to M&A. Looking to the future, much or most of the capital we put into M&A would likely also fall into one or both of these categories.

- "Scale"
  We face extensive competition from many traditional competitors and nimble new entrants for short-run quantities of small-format printing (e.g., brochures, flyers, business cards, postcards) and Cimpress' market share for such products remains in the single digits, but it is nonetheless fair to say that we have strong relative market share for short-run small-format printing. Despite that strength, we believe we can be much better at serving the needs of customers if we gain further scale. With that in mind, we have invested €472 million between fiscal years 2014 and 2018 for our Upload and Print businesses to grow our position in Europe beyond Vistaprint. In doing so, we learned a lot about how mass customization processes could apply to much deeper and broader product lines of small format print than we offered prior to these acquisitions, and we are happy with these investments in terms of their financial returns.

- "Consolidate"
  In the middle of the graphic are markets that are on the way to moving to a world in which mass customization takes market share from traditional competitors, but in which Cimpress is not a clear leader. Before acquiring here we might already have organically built a growing base of revenues in these areas which would have taught us about customer needs, market dynamics and the competitors we most respect. Our largest single acquisition to date, National Pen for $211 million, represents this type of investment: it followed our organic entry into promotional products with our "Columbus" project.

Back in 2011 we didn't use the framework being discussed here and mass customization, although an important internal engineering discipline for us, was not our strategic focus. That being said, our acquisitions of Albumprinter and Webs would have fit into the "Consolidate" section of the chart. In the decade prior to 2011 we had built Vistaprint's success in part by acquiring customers with offers for free products, followed by up-selling and cross-selling. We had (and still have) a profitable and growing business in photo merchandise, such as mugs, t-shirts, holiday cards and calendars. Via the acquisition of Albumprinter, we sought to augment our presence in the photo merchandise market. Likewise, our free-plus up-sell/cross-sell approach allowed us to sell, typically in the checkout process following their design of a business card, basic websites for price-sensitive micro-businesses. In the same market for free-offer-driven micro-business websites, Webs had built an 8 million strong customer database. We acquired Webs with visions of driving scale, and thus customer value: offering both digital and physical small "business identity" products and marketing materials in combination via free offers. In retrospect, we should have taken another path for both Albumprinter and Webs, and those acquisitions educated us in multiple ways about the challenges of turning M&A into value creation.

Turning to another part of the chart, just as we invest organically to build up future growth opportunities, we also do so via equity investments in early-stage businesses that began independent of Cimpress. These fall into the lower left of the framework.

- "Seed Revolution"
  These are start ups seeking to disrupt markets in which mass customization remains in its early stages and no clear mass-customization-based leaders have developed. These businesses tend to be led by founders and management teams who are nimble, fast, frugal and close to the customer, so a side benefit of our investments here is that they inject entrepreneurial energy and perspectives into the veins of Cimpress' culture. They are characterized by a much higher level of risk, which is counter-balanced by the potential for significant returns if and when they grow into strong, established leaders. We think of the totality of our investments in the "Seed Revolution" category, including negative cash flows we incur via our income statement, as a long-term portfolio that should be evaluated as such, balancing out the winners and the losers. Although it is small in the context of our overall capital allocation we deploy a substantial amount of capital here. As noted above, to date we have destroyed value here but we hope and expect to improve.

There are two other boxes on the chart, both on the right hand side. These are markets where mass customization business models already dominate significant portions of the market. We believe that once established competitors emerge in a given segment of the mass customization market it is costly to overtake them.

- "Be Patient"
  The leaders in these and other markets are often very impressive businesses and, at the right price (i.e., a material discount to the post-synergy intrinsic value) we might want to deploy capital here. We have considered investing in markets such as this, but have never done so because we never felt that we could do so at a material discount to the post-synergy value of these businesses.

- "Avoid"
  Mass customization is penetrating some markets, such as one-off t-shirts and mugs with crowd-sourced content, and customers love these products. However, from a strategic perspective, competition remains fragmented and no one has strong relative market share. Although we can't say that Cimpress would never invest here, we would only do so if we were comfortable that we were doing so at a fire sale price in which we were confident of our returns.

Share Repurchases & Issuances

Share repurchases have clearly been a large, and one of our best, categories of capital allocation. Over the past ten years we allocated $817 million of capital to repurchase 20.3 million shares at an average price per share of $40.18 inclusive of commissions. That ten-year total includes, for fiscal year 2018, $94.7 million of capital with which we repurchased 0.9 million shares at an average share price of $105.78 inclusive of commissions. When we compare how much we paid for these shares to our estimate of today's intrinsic value per share, we are very comfortable that the annualized returns on the capital we deployed to share repurchases have been excellent.

We also issue shares. Other than our IPO, our primary purpose for this has been share-based compensation ("SBC"). In 2016, our shareholders overwhelmingly approved an SBC vehicle that would provide substantial rewards to our senior team members if and when Cimpress succeeds in growing what we believe to be an independent proxy of the multi-year trend of changes to our IVPS: the compounded annual rate of growth of our three-year moving average share price over forward-rolling six to ten-year periods. We provide more details about our long-term incentive program in a PDF titled "Cimpress LTI Overview" which you can download from the "Featured Documents" section of our investor relations website.

We have repurchased and issued, and may also in the future repurchase or issue, shares to cover obligations under our equity compensation plans, for acquisitions or similar transactions, and for other purposes. For example, for acquisition-related earn-outs and other purchase obligations like deferred payments for non-controlling interests, we often structure the obligation to be payable in cash or shares at Cimpress' option.

When we issue shares, we are willing to do so at prices that are at or below our estimate of our intrinsic value per share if we believe the return for the investment of the capital from the equity issuance will be higher than any loss of value we expect to incur from issuing shares below their intrinsic value.

Our choice to repurchase or issue shares is guided by the above principles and by a variety of other debt covenant and legal requirements. Because of the complexity of these criteria, periods in which we issue or buy back shares, or in which we do not do so, should not necessarily be considered as an indication of our views on our intrinsic value per share relative to the share price.

Debt Issuance & Repayment

We view debt as an important source of capital that, when maintained at manageable levels, helps us maximize our intrinsic value per share. We believe that the calculated entrepreneurial risk-taking inherent in our capital allocation is fully compatible with our commitment to maintain reasonable levels of debt because each individual investment we make is small relative to our overall financial performance.

Given our fluctuating needs for capital we often choose to deploy capital to the reduction of debt. For instance, between June 30, 2017 and June 30, 2018 we reduced our net debt, excluding debt issuance costs, by $62 million.

We greatly value our debt investors and believe that Cimpress represents a compelling issuer of bonds and a strong customer for financial institutions. In June 2018, we issued $400 million of senior unsecured 8-year notes for which we pay 7.0% interest and redeemed our $275 million of previously issued senior notes which matured in 2022. At the same time, we extended and increased our senior secured credit facility that includes an $839 million revolver and $289 million Term Loan A, both of which bear interest at a rate of LIBOR plus 1.375% to 2.0% depending on our leverage (a reduction in pricing compared to the prior credit agreement).

Our covenant for our total leverage ratio (which is debt to trailing twelve month EBITDA) increased with the credit facility amendment from 4.5 with a one-year temporary step up to 4.75 for material M&A activity to 4.75 and 5.0, respectively. As of June 30, 2018 we had $826.8 million of outstanding debt on our balance sheet, net of issuance costs. Based on our debt covenant definitions, our total leverage ratio was 2.75 as of that date, and our senior secured leverage ratio (which is senior secured debt to trailing twelve month EBITDA) was 1.47.

In the past we intended to maintain leverage typically at or below approximately three times trailing twelve month EBITDA as defined by our debt covenants, albeit with possible temporary step-ups beyond three times in order to pursue what we believed to be strongly value-creating acquisitions or other investments. We took an opportunity to make a temporary step-up in fiscal year 2017 to repurchase shares, acquire National Pen, and invest significantly in organic opportunities. We subsequently deleveraged back to below 3 times by the end of calendar year 2017 consistent with our communicated plans. We were pleased to demonstrate to ourselves and to our creditors that we could use leverage for value-creating opportunities and then reduce debt in line with our stated goals.

We no longer have a specified leverage target. We value "keeping dry powder" for potential future opportunities that are currently unforeseen or unavailable, and of course we expect to operate within the boundaries of our debt covenants, but we also value having flexibility to allocate capital to investments with attractive anticipated returns when the opportunity is appropriate. Our business is stronger and more diversified than when we put the now-obsolete leverage target in place, we have control of our discretionary spend which can be ramped up and down if needed, and we have demonstrated resiliency through recessions. For those reasons we are comfortable in having evolved this financial policy.

We have received questions about this policy evolution such as *What leverage ratio makes us uncomfortable? How long are we willing to stay at debt levels that approach our covenants?* The answer to these and similar questions is that we are willing to take leverage up for attractive opportunities to any number that doesn't put us at risk of breaching our quarterly maintenance covenants on our debt, and we would either sustain or pay down debt based on the other capital allocation opportunities that arise. Importantly, over 40% of our equity is held by long-term shareholders who are members of our supervisory and management boards and clearly incentivized not to take undue risk with leverage.

Net Debt per Share

As noted near the beginning of this letter, we define IVPS as (a) the unlevered free cash flow per diluted share that, in our best judgment, will occur between now and the long-term future, appropriately discounted to reflect our cost of capital, minus (b) net debt per diluted share. The following table provides our calculation of part (b).

Net Debt Per Share (USD Millions Except Per Share Data)

	FY2015 (June 30, 2015)	**FY2016** (June 30, 2016)	**FY2017** (June 30, 2017)	**FY2018** (June 30, 2018)
Total debt, excluding debt issuance costs	$523	$686	$883	$839
Cash and equivalents	$104	$77	$26	$44
Net debt, excluding debt issuance costs	$419	$609	$857	$795
Adjustment for proceeds from sale of Albumprinter*			$(107)	
Pro-forma net debt	$419	$609	$750	$795
Weighted average diluted shares outstanding**	33.8	33.0	32.6	32.2
Pro-forma net debt per share	$12.40	$18.45	$23.01	$24.69

* USD estimate made using July 25, 2017 USD/Euro spot rate of 1.1655. This adjustment was made prior to the sale date and the calculation has not been updated to show the proceeds in fiscal year 2018, when the sale was actually completed.
** Weighted average shares outstanding for fiscal year 2017 represent the number of shares we would have reported on the face of our income statement had we been in a profit position for fiscal year 2017 instead of a loss position. The 'basic' weighted shares outstanding reported on our income statement was 31.3 million for fiscal year 2017.

Outlook

Fiscal Year 2019 Organic Investment Plans

On an unlevered free cash flow (albeit pre-tax, pre-working capital) basis, we expect the total of organic investment will increase by $32 million from fiscal year 2018 to fiscal year 2019, whereas we expect the operating income and adjusted NOP impact of these organic investments to decrease by $19 million. The largest difference between these two perspectives is due to our planned capital expenditures for a large greenfield Vistaprint plant that we are building near Dallas, Texas and, to a lesser degree, capital investment in our Upload and Print businesses. Those capital expenditures will impact our fiscal year 2019 cash flow but will not influence our operating income or adjusted NOP in fiscal year 2019 due to expected timing of putting the capacity in service. The data below factors in our best estimate of the portion of the capital expenditures for the Vistaprint plant that will be purchased versus leased, which is subject to change.

Approximately $10 million of the decrease in our organic investments from fiscal year 2017 to fiscal year 2018 is driven by restructuring savings where the changes either reduced the scope of the investments or made it more efficient to deliver such investments. We have not included in the table below any restructuring charges from our company-wide fiscal year 2017 reorganization or our subsequent fiscal year 2018 Vistaprint restructuring.

UNLEVERED FREE CASH FLOW - ESTIMATED NET[11] IMPACT
$ in millions

VISTAPRINT					
Investment Area	**FY15**	**FY16**	**FY17**	**FY18**	**FY19 Est.**
Columbus[12]	34	36	26	—	—
Selection (new products and attributes)	14	8	18	Included below	Included below
LTV-based advertising and marketing infrastructure	65	49	63	70	80
Technology	40	26	40	47	45
Shipping price reductions[13]	—	3	19	18	N/A
Expansion of production & IT capacity	27	42	12	8	25
Other	20	39	27	15	25
VISTAPRINT TOTAL	**$200**	**$203**	**$205**	**$158**	**$175**

OTHER ORGANIC INVESTMENTS					
Investment Area	**FY15**	**FY16**	**FY17**	**FY18**	**FY19 Est.**
Upload and Print	6	11	25	20	35
National Pen	N/A	N/A	N/A	4	10
All Other Businesses	26	42	46	29	20
Mass Customization Platform ("MCP")	14	27	24	22	25
Other Centrally Managed Investments	9	7	17	5	5
TOTAL OTHER THAN VISTAPRINT	**$55**	**$87**	**$112**	**$80**	**$95**
CIMPRESS TOTAL	**$255**	**$290**	**$317**	**$238**	**$270**

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[11] Note that the estimates presented regarding our investments in MCP are gross investments, prior to benefits we realize in year, i.e., not net investments like the other lines in these tables.
[12] "Columbus" was the name of a project to build our business in promotional products and logo apparel. Investments shown in fiscal years 2015 through 2017 were for engineering, advertising, management teams and other costs associated with this launch. Investments in this project for fiscal year 2018 and beyond have ceased to be a net investment, and therefore are no longer included in the total.
[13] Starting in fiscal year 2019, we are no longer classifying shipping price reductions as an investment in this letter. See more detail in the table on page 9 of this letter.

OPERATING INCOME & ADJUSTED NOP - ESTIMATED NET IMPACT
$ in millions

VISTAPRINT					
Investment Area	**FY15**	**FY16**	**FY17**	**FY18**	**FY19 Est.**
Columbus	25	35	26	—	—
Selection (new products and attributes)	—	4	19	Included below	Included below
LTV-based advertising and marketing infrastructure	69	51	66	78	85
Technology	36	22	37	42	40
Shipping price reductions	—	3	19	18	N/A
Expansion of production & IT capacity	6	22	1	—	—
Other	24	31	23	16	25
VISTAPRINT TOTAL	**$160**	**$168**	**$191**	**$154**	**$150**

OTHER ORGANIC INVESTMENTS					
Investment Area	**FY15**	**FY16**	**FY17**	**FY18**	**FY19 Est.**
Upload and Print	6	11	18	11	5
National Pen	N/A	N/A	N/A	—	5
All Other Businesses	22	34	41	36	20
Mass Customization Platform ("MCP")	15	24	25	24	30
Other Centrally Managed Investments	14	11	18	19	15
TOTAL OTHER THAN VISTAPRINT	**$57**	**$80**	**$102**	**$90**	**$75**
CIMPRESS TOTAL	**$217**	**$248**	**$293**	**$244**	**$225**

Revenue Outlook

Subject to the important caveat that we are not targeting any specific revenue growth rates for any particular quarter or year, the following bullet points provide fiscal year 2018 organic constant-currency growth by reporting segment and our current view regarding our near- to mid-term expectations for this metric. We expect that both reporting segment and consolidated growth rates will fluctuate from quarter-to-quarter or year-to-year as they have done historically.

- Our Vistaprint business grew by 9% for fiscal year 2018 on an organic constant-currency basis, unchanged from the prior fiscal year.[14] Organic constant-currency revenue growth has been between 9% and 10% for the last four fiscal years. We believe Vistaprint's revenue growth will continue at approximately this pace for the foreseeable future. We've reduced this from our past commentary that this business has the eventual ability to grow at low-double-digit rates because we want the leaders of Vistaprint to focus on returns on invested capital for which revenue growth is an important, but not the only, driver.

- For our Upload and Print segment, organic constant-currency revenue growth was 13% in fiscal years 2018 and 2017 [15]. We continue to expect this segment's growth to moderate over time but we expect low-double-digit growth for these businesses for the foreseeable future. We do not provide commentary on revenue performance of the individual businesses that constitute this reporting segment.

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[14] Vistaprint reported growth in USD was 12% in fiscal year 2018 and 7% in fiscal year 2017.
[15] Upload and Print reported growth in USD was 24% in fiscal year 2018 and 36% in fiscal year 2017, inclusive of all acquisitions as of their transaction dates. Please see reconciliation of non-GAAP measures at the end of this letter.

- We acquired National Pen on December 30, 2016. On a pro forma basis as if we had owned National Pen for all of fiscal year 2017, constant-currency revenue growth adjusted for discontinued operations [16] would have been 20% for fiscal year 2018, compared to 2% for fiscal year 2017. Revenue was depressed in the first few quarters of ownership due to National Pen's reorganization of its marketing team and its curtailment of marketing expenditures which were not generating attractive return on investment, so please recognize that the fiscal year 2018 growth rates are off of relatively easy comparisons versus the year-ago period.

  We expect National Pen annual constant-currency organic growth to moderate as we pass the anniversary of the changes after September 2018, and to be in the low double digits for the foreseeable future. Given the seasonality of National Pen's revenue as well as growth patterns in fiscal year 2018, we expect volatility in quarterly revenue growth relative to the expected annual growth rate in fiscal year 2019.

- On a reported basis, the growth rate for the All Other Businesses segment was suppressed in fiscal year 2018 due to the divestiture of the largest business in this segment, Albumprinter, in August 2018. Excluding Albumprinter, this segment grew 40%[17] in organic constant currency in fiscal year 2018 and we continue to expect double-digit organic constant-currency growth for the foreseeable future.

Steady State Free Cash Flow

Please note that SSFCF is an output, not an input, to our capital allocation decision making. In other words, we use SSFCF to evaluate the intrinsic value of Cimpress and as a performance metric that measures the impact of our past allocations of capital, but we do not use SSFCF to allocate capital. As discussed above, we allocate capital based on our estimates of the present value of any given potential investment, discounted by our hurdle rates and selected within the context of alternative uses of that capital. For example, we do not protect or favor the maintenance of SSFCF in our existing businesses as part of our capital allocation processes. As with all capital allocation choices, we would make such investments only if we believe that they will both meet or exceed relevant hurdle rates and will be the best choice relative to alternative uses of that capital. We would rather accept that such a portion of our business is mature and declining and use the cash flows that are generated from it to invest elsewhere. The fact that we currently invest large amounts of capital into the maintenance of steady state reflects our belief in the strong returns available to us in our current business.

The table below illustrates our calculation of the high and low ends of our approximate estimate of our likely range of SSFCF for fiscal year 2018.

[16] National Pen reported growth in USD was 196% in fiscal year 2018 due to partial-year ownership in 2017. National Pen pro forma revenue growth in USD and including the discontinued operations would have been 23%.
[17] All Other Businesses reported revenue declined 32% in fiscal year 2018 due to the divestiture of Albumprinter during the first quarter. Please see reconciliation of non-GAAP measures at the end of this letter.

SSFCF Estimate (Million USD) - Most numbers in this table are only approximate	FY18
Free cash flow	$139
Add back cash interest expense*	$49
Unlevered free cash flow	$189
Adjustment for pro forma UFCF of non-controlling interests	($8)
Adjustment for pro forma UFCF of non-steady state working capital change	$—
Adjustment for pro forma impact of FY 2018 restructuring activity (primarily Vistaprint)	$31
Approximate pro-forma unlevered free cash flow normalized for the above items	$212
Add back organic investments	$238
Pro-forma unlevered free cash flow prior to organic investments	$450
Subtract low estimate of investment needed to maintain steady state	($110)
High estimate of steady state free cash flow	$340
Subtract the increment between the low and high estimates of investment needed to maintain steady state	($40)
Low estimate of steady state free cash flow	$300

* Excludes cash interest for Waltham, Massachusetts facility lease because we view this as an operating cost, not a cost of borrowing capital

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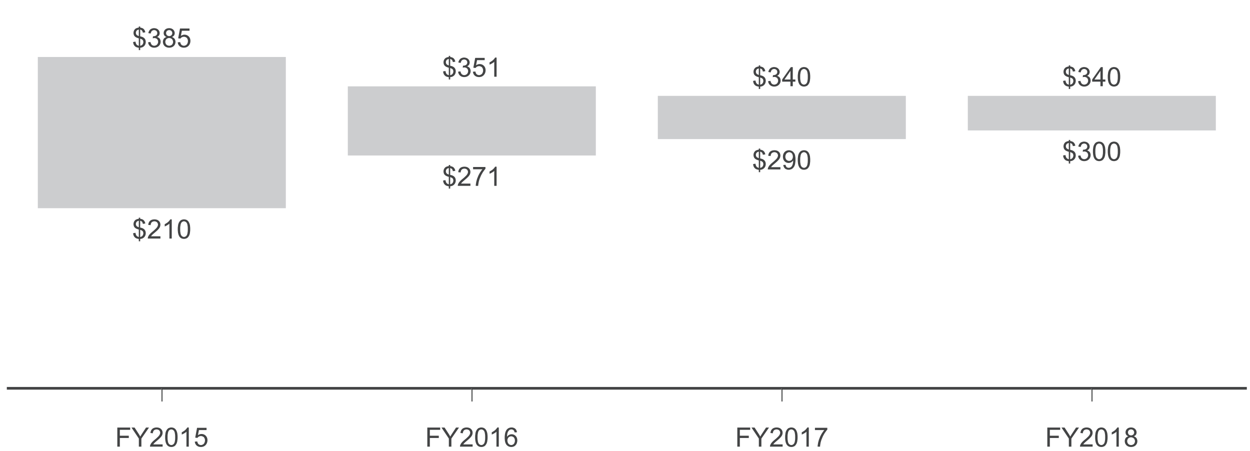
Past and Current Approximate Estimates of our Likely Range of Steady State Free Cash Flow (USD Millions) and Share Count (Millions)*

	FY2015	FY2016	FY2017	FY2018
When we made this estimate	**July 2015**	**July 2016**	**July 2017**	**July 2018**
High estimate of SSFCF	$385	$351	$340	$340
Low estimate of SSFCF	$210	$271	$290	$300
Weighted average diluted shares outstanding	33.8	33.0	32.6	32.2

* High and low estimates of SSFCF are only approximate. Weighted average shares outstanding for fiscal year 2017 represent the number of shares we would have reported on the face of our income statement had we been in a profit position for fiscal year 2017 instead of a loss position. The 'basic' weighted shares outstanding reported on our income statement was 31.3 million for fiscal year 2017.

Past and Current Approximate Estimates of our Likely Range of Steady State Free Cash Flow (USD Millions)



This is the fourth year in which we have calculated an approximate estimate of our likely range of steady state free cash flow. We believe that each year we have improved our understanding of, and confidence in, estimates of our investments necessary for maintaining steady state. We expect to continue to improve this analysis over time.

Please recognize that changes to our business (or changes to our understanding of our business) from one year to the next drive corresponding changes to our approximate estimates of our likely range of steady state free cash flow. For example, our fiscal year 2018 calculation of SSFCF takes into account our November 2017 Vistaprint restructuring that eliminated significant ongoing costs. The estimate we have made for fiscal year 2018 also removes, for the first time, the unlevered free cash flow from non-controlling interests to adjust for the portion we don't currently own.

At the time we published prior annual letters like this, we noted different adjustments for each fiscal year relative to the prior year. All of these corrections would lower our prior estimates of our likely ranges of SSFCF or, at a minimum, lower the upper end of the these estimated ranges. One could easily argue that these adjustments should also be reflected in revised estimates of SSFCF for prior fiscal years; however we do not recast prior SSFCF estimates because we don't believe that the effort of doing so would increase the value of Cimpress. Instead, we seek to be transparent, explicit and approximate: transparent about where these changes to our estimates occur; explicit about the lack of precision inherent in any calculation of SSFCF; and approximate by providing only range estimates, not specific, SSFCF estimates.

There are still other things that we have to date not sought to adjust for, such as cash taxes, which fluctuate based on a variety of factors. Of course there are tax implications of the investments we are making but often these tax attributes are deeply linked with the operational and corporate structures required to generate our steady state free cash flow. For example, our cash taxes decreased by $17 million in fiscal 2018, a portion of which is non-steady state but none of which is reflected in the steady state calculations that we present here because exactly how much is difficult to estimate. A portion of that decrease is also from the cash taxes for the National Pen tax restructuring in fiscal year 2017 that we adjusted for last year.

For these reasons, we do not yet believe that we are ready to draw conclusions from the trend implied by the multi-year SSFCF data that we present in this letter because SSFCF remains a relatively new, although improving, concept for us that depends on tracking systems, assumptions and judgment which we are internally learning about, debating and improving. What we can say is that we are comfortable that the range of fiscal year 2018 estimates represents our best understanding of our SSFCF as of the date of this letter and we've been able to narrow and improve the assumptions behind the presented ranges over time in function of our increased understanding. We believe that each year we are improving our SSFCF estimates and it provides an increasingly clean and thoughtful estimated range (but still not perfect and certainly not precise) of what our company could generate each year into the future if we stopped investing for growth.

We have experienced a substantial expansion of our unlevered free cash flow in fiscal year 2018 but that is not the case for our range estimate of SSFCF. This difference illustrates a few of the underlying concepts described throughout this letter.

- First, SSFCF neutralizes the impact of cash flows, positive or negative, which we do not consider to be recurring in steady state. So last year we included pro-forma adjustments for the anticipated annualized savings related to our fiscal year 2017 decentralization as well as the annualized impact of acquisitions, which were two significant drivers of incremental UFCF this year.
- Second, as noted just above, the precision of our SSFCF estimates is growing as we gain experience with its measurement. Starting in fiscal year 2018 we have made adjustments to exclude the SSFCF attributable to non-controlling interests.
- Third, fluctuations in growth investments don't impact SSFCF unless and until they deliver real cash flow. In fiscal 2018 relative to 2017, our growth investments decreased significantly as demonstrated in the table above.

The difference between our actual free cash flow and our approximate estimates of our likely range of steady state free cash flow represents an approximate range estimate of the capital that we allocate to organic investments to grow the value of our business. You can derive an estimated range of growth investment by subtracting the estimated range for maintenance investment from the actual amount of UFCF investment for each year. Here is this calculation for the past several years.

Past, Current and Future Estimated Range of Growth and Maintenance Investment (USD Millions)

	FY16	FY17	FY18	FY19 Plans
UFCF investment into organic projects	$290	$317	$238	$270
Maintenance investment (approximate estimates made at time of analysis)				
High	$168	$149	$150	$155
Low	$68	$99	$110	$115
Growth Investment (approximate estimates derived from above)				
High	$222	$218	$128	$155
Low	$122	$168	$88	$115

Some investors have asked if our removal of an estimated range of organic growth investments in our steady-state analysis implies that growth investments should be "ignored". We do not think so. Rather, we ask investors to understand these investments and to then make their own assessment of their value.

Let's go back to a statement that I made earlier in this letter that, over long periods of time, if we create value then we should grow the result of the following equation at a compounded annual growth rate that is higher than our cost of capital.

([SSFCF divided by our WACC] - net debt) / diluted shares outstanding

Note that the output of the above formula is not our IVPS, because it does not include the value of our growth investment, past and future, that is not yet impacting our SSFCF. If we execute well, the value generated by these growth investments that are not yet paying off would be an important additional component.

It is also worth pointing out that our net debt levels are directly impacted by the past financing of significant growth investments that do not yet contribute to our SSFCF. Nonetheless, over long periods of time, if we create value then we should grow the result of the above equation at a compounded annual growth rate that is higher than our cost of capital.

As we evaluate our progress using this formula we often refer back to our fiscal year 2011, since that was the year right before we began to invest decisively in recognition of our belief that we had been under-investing in our business. In fiscal year 2011 we had $121 million in unlevered free cash flow, net cash of $237 million, and diluted weighted average shares outstanding of 45.0 million.[18] It was a year with low capital expenditures compared with the prior year and in general we were not investing intensively for growth at that time. Using the data we provide in this letter, we encourage you to make your own assessment of our progress. Our view in summary is that we are doing okay but not great. To really move this metric we still need to prove out the value of many past investments that are not yet material components of our SSFCF.

[18] Operating cash flow in fiscal year 2011 was $165 million. Cash, cash equivalents and marketable securities were $237 million, and we had no outstanding debt. Please see non-GAAP reconciliations at the end of this letter.

Summary & Conclusion

I trust this letter has helped you understand how we think about capital allocation and factors that we believe are most important to our estimates of the intrinsic value per share of Cimpress. We reiterate that most of the numbers in this letter are estimates for which we necessarily make judgment-based approximations. Despite its inexact and subjective nature, we share this information with you because I, our Supervisory and Management Boards, and our executive team use this same analysis to manage Cimpress. Therefore, we believe that transparently communicating this data may assist you as you make your own assessment of the value of a share of Cimpress.

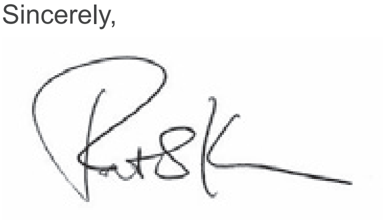
Each year when I write this letter it's also an opportunity for me to take account of what we have learned and how we think about our business and our progress. That list is too long to recount in detail, but here are some of the headlines:

- One of the greatest improvements we have made over the past few years is to focus explicitly on capital allocation as a means to drive IVPS, and to move to organizational structures and decision processes that directly support this focus.
- I feel confident that on balance net of failure, we have significantly enhanced the IVPS of Cimpress over long periods of time, including making good progress in the past year.
- The Vistaprint business is a gem into which we want to continue investing significant capital each year. Vistaprint delivers significant customer value and has incredible competitive advantages that make serving these customers the way they do very tough to replicate.
- As evidenced with Upload and Print and National Pen, we have learned how to improve our odds of success when acquiring established businesses and expect this to remain an important part of our capital allocation.
- Early-stage investments are high risk and despite some wins, to date we have destroyed value via our efforts here and have yet to prove that we can create value with these types of investments. In order to improve, we have significantly changed our approach to ensure that we enable, and don't impede, nimble, fast-moving entrepreneurial startups.
- Share repurchases have been a great use of capital for us because we have acted decisively in times that we believed our shares were undervalued. We expect these to remain an important part of our capital allocation going forward.

In addition to this letter, our GAAP financial results, and our other SEC filings, we plan to convey valuable complementary information at our investor day on August 8, 2018, which I encourage you to attend either in person or via webcast. Having reviewed all of this material, I hope that you will come to share our view that over the past year Cimpress has improved its future prospects through our strategy, the execution of our teams, our ongoing commitment to improve our capital allocation capabilities, and the experience we have gained through our past successes and failures.

Thank you for the time you have invested to read this letter, and for your attention and consideration. We take very seriously our responsibility as stewards of our investors' capital. We believe that this explicit enumeration of our business philosophies, priorities and investment frameworks is the best way to empower each investor to decide if Cimpress is an attractive company with whom to entrust his or her money.

Sincerely,



Robert Keane
Founder & CEO
Cimpress N.V.

August 1, 2018

Non-GAAP Reconciliations

To supplement Cimpress' consolidated financial statements presented in accordance with U.S. generally accepted accounting principles, or GAAP, Cimpress has used the following measures defined as non-GAAP financial measures by Securities and Exchange Commission, or SEC, rules: Constant-currency revenue growth, constant-currency revenue growth excluding revenue from acquisitions and divestitures made in the last twelve months, Adjusted Net Operating Profit, Adjusted EBITDA, free cash flow and Trailing-Twelve-Month Return on Invested Capital:

- Constant-currency revenue growth is estimated by translating all non-U.S. dollar denominated revenue generated in the current period using the prior year period's average exchange rate for each currency to the U.S. dollar.
- Constant-currency revenue growth excluding revenue from acquisitions, divestitures and joint ventures during the first year of ownership excludes the impact of currency as defined above and revenue from:
    - Albumprinter for the period from Q2 fiscal 2012 through Q3 fiscal 2013;
    - Webs for the period from Q3 fiscal 2012 through Q3 fiscal 2013;
    - Digipri from the period from Q3 fiscal 2014 through Q3 fiscal 2015;
    - Printdeal and Pixartprinting from the period from Q4 fiscal 2014 through Q3 fiscal 2015;
    - FotoKnudsen from the period from Q1 fiscal 2015 through Q4 fiscal 2015;
    - Printi from the period from Q2 fiscal 2015 through Q1 fiscal 2016;
    - Easyflyer (FL Print), Exagroup, and druck.at from Q4 fiscal 2015 through Q4 fiscal 2016;
    - Tradeprint from Q1 fiscal 2016 through Q1 fiscal 2017;
    - Alcione from Q1 fiscal 2016 through Q1 fiscal 2017;
    - WIRmachenDRUCK from Q3 fiscal 2016 through Q3 fiscal 2017;
    - National Pen from Q3 fiscal 2017 through Q2 fiscal 2018; and
    - Albumprinter divestiture from Q1 fiscal 2018 through Q4 fiscal 2018.
- Incremental annual organic revenue removes the revenue from acquired businesses and joint ventures as listed directly above. For the periods from fiscal years 2001 through 2014, the incremental revenue is stated in U.S. dollars. For the periods from fiscal years 2014 through 2017, non-U.S. revenue has been converted at exchange rates as of June 30, 2017, in order to eliminate the impact of currency movements. The exchange rates for the currencies with the greatest influence on revenue are listed in the reconciliation below.
- Adjusted Net Operating Profit is defined as GAAP operating income plus interest expense associated with our Waltham, Massachusetts lease, excluding M&A related items such as acquisition-related amortization and depreciation, changes in the fair value of contingent consideration, and expense for deferred payments or equity awards that are treated as compensation expense, plus the impact of certain unusual items such as discontinued operations, restructuring charges, impairments, or gains related to the purchase or sale of subsidiaries, plus certain realized gains or losses on currency derivatives that are not included in operating income.
- Adjusted EBITDA is defined as operating income plus depreciation and amortization (excluding depreciation and amortization related to our Waltham, Massachusetts office lease) plus share-based compensation expense plus proceeds from insurance plus earn-out related charges plus certain impairments plus restructuring related charges plus realized gains or losses on currency derivatives less interest expense related to our Waltham, Massachusetts office lease less gain on purchase or sale of subsidiaries.
- Free cash flow is defined as net cash provided by operating activities less purchases of property, plant and equipment, purchases of intangible assets not related to acquisitions, and capitalization of software and website development costs, plus payment of contingent consideration in excess of acquisition-date fair value, plus gains on proceeds from insurance.
- Trailing-Twelve-Month Return on Invested Capital is Adjusted NOPAT or Adjusted NOPAT excluding share-based compensation, divided by debt plus redeemable noncontrolling interest plus shareholders equity, less excess cash. Adjusted NOPAT is defined as Adjusted NOP from above, less cash taxes. Adjusted NOPAT excluding share-based compensation adds back all share-based compensation expense that has not already been added back to Adjusted NOPAT. Excess cash is cash and equivalents greater than 5% of

last twelve month revenues and, if negative, is capped at zero. Operating leases have not been converted to debt for purposes of this calculation.

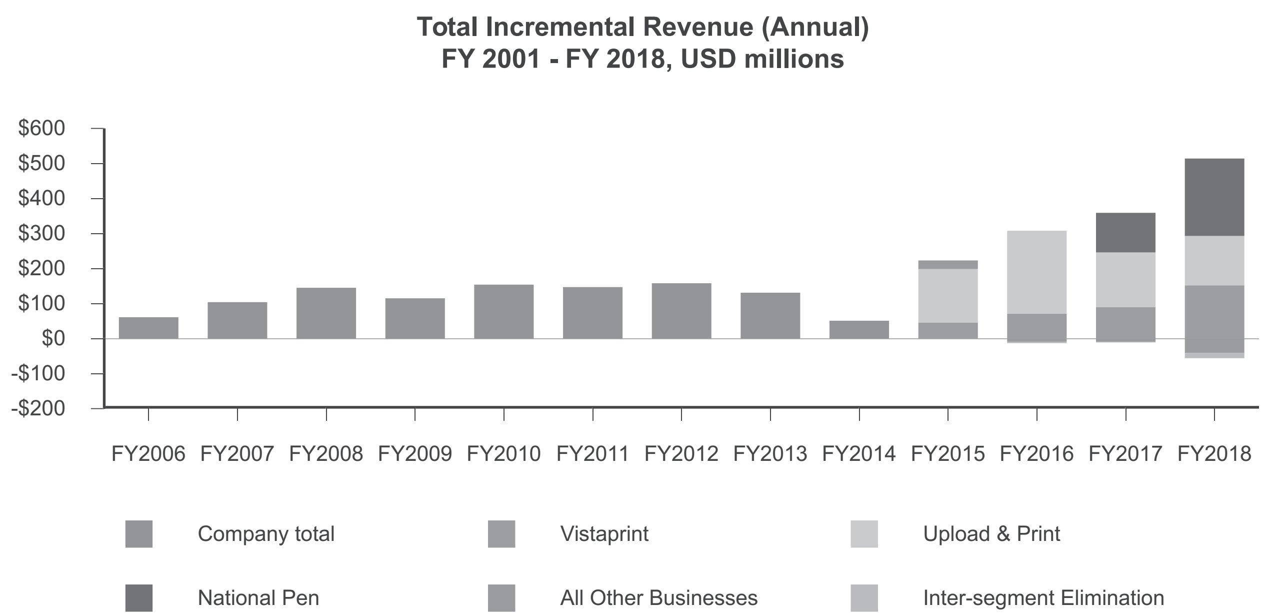
These non-GAAP financial measures are provided to enhance investors' understanding of our current operating results from the underlying and ongoing business for the same reasons they are used by management. For example, as we have become more acquisitive over recent years we believe excluding the costs related to the purchase of a business (such as amortization of acquired intangible assets, contingent consideration, or impairment of goodwill) provides further insight into the performance of the underlying acquired business in addition to that provided by our GAAP operating income. As another example, as we do not apply hedge accounting for our currency forward contracts, we believe inclusion of realized gains and losses on these contracts that are intended to be matched against operational currency fluctuations provides further insight into our operating performance in addition to that provided by our GAAP operating income. We do not, nor do we suggest that investors should, consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. For more information on these non-GAAP financial measures, please see the tables captioned “Reconciliations of Non-GAAP Financial Measures” included at the end of this release. The tables have more details on the GAAP financial measures that are most directly comparable to non-GAAP financial measures and the related reconciliation between these financial measures.

Reconciliation of Non-GAAP Financial Measures

Revenue Growth Reconciliation by Reportable Segment
Annual, in $ thousands

	FY2018	FY2017	Year-over-year Growth	Currency Impact (Favorable) / Unfavorable	Constant-Currency Revenue Growth	Impact of Acquisitions / Divestitures (Favorable) / Unfavorable	Constant-Currency Revenue Growth Excluding Acquisitions / Divestitures
Vistaprint	$ 1,462,686	$ 1,310,975	12%	(3)%	9%	—%	9%
Upload and Print	730,010	588,613	24%	(11)%	13%	—%	13%
National Pen	333,266	112,712	196%	(6)%	190%	(165)%	25%
All Other Businesses	87,583	128,795	(32)%	—%	(32)%	72%	40%
Inter-Segment Eliminations	$ (21,004)	$ (5,690)					
Total revenue	**$ 2,592,541**	**$ 2,135,405**	**21%**	**(4)%**	**17%**	**(6)%**	**11%**

Incremental Reported Revenue



Reconciliation of Non-GAAP Financial Measures (continued)

Incremental Organic Revenue
Annual, in $ thousands

For the periods from fiscal years 2006 through 2011 the incremental revenue is stated in U.S. dollars and total company revenue is considered organic as we did not make any acquisitions during this time.

Total Company	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Reported Revenue (USD) [A]	$152,149	$255,933	$400,657	$515,826	$670,035	$817,009
Prior-Year Comparable	**FY2005**	**FY2006**	**FY2007**	**FY2008**	**FY2009**	**FY2010**
Reported Revenue (USD) [B]	$90,885	$152,149	$255,933	$400,657	$515,826	$670,035
Total organic year-over-year incremental revenue [A] - [B]	**$61,290**	**$103,784**	**$144,724**	**$115,170**	**$154,208**	**$149,632**

The tables below show the longer-term incremental revenue for fiscal years 2012 - 2018. Non-U.S. revenue for all periods beginning with FY2015 and comparable FY2014 have been converted at exchange rates as of June 30, 2018, in order to eliminate the impact of currency movements (earlier periods are presented at rates realized in the respective periods). The exchange rates for the currencies with the greatest influence on revenue are listed below.

Currency	Exchange rate (USD per currency)
Euro	1.169
Great British Pound	1.321
Australian Dollar	0.740
Swiss Franc	1.010
Canadian Dollar	0.761

Currency	Exchange rate (USD per currency)
Norwegian Krone	0.123
Swedish Krona	0.112
Danish Krone	0.157
Japanese Yen	0.009
New Zealand Dollar	0.677

Total Company	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Reported revenue (USD)	$1,020,269	$1,167,478	$1,270,236	$1,494,206	$1,788,044	$2,135,405	$2,592,541
Impact of Albumprinter divestiture and TTM acquisitions	($45,123)	($72,547)	($118,790)	($246,081)	($318,467)	($340,237)	($202,564)
Organic revenue excluding Albumprinter and TTM acquisitions	$975,146	$1,094,932	$1,151,446	$1,248,125	$1,469,577	$1,795,168	$2,389,977
Impact of currency	—	—	—	($37,799)	$10,033	$47,970	($31,627)
Organic revenue excluding impact of currency, Albumprinter and TTM acquisitions [A]	$975,146	$1,094,932	$1,151,446	$1,210,326	$1,479,610	$1,843,138	$2,358,350
Prior-Year Comparable	**FY2011**	**FY2012**	**FY2013**	**FY2014**	**FY2015**	**FY2016**	**FY2017**
Reported revenue (USD)	$817,009	$1,020,269	$1,167,478	$1,270,236	$1,494,206	$1,788,044	$2,135,405
Impact of Albumprinter divestiture and TTM acquisitions	—	($56,125)	(67,110)	(72,828)	($115,753)	($115,599)	($78,954)
Organic revenue excluding Albumprinter and TTM acquisitions	$817,009	$964,144	$1,100,368	$1,197,408	$1,378,453	$1,672,445	$2,056,451
Impact of currency	—	—	—	($87,950)	($44,216)	$17,729	$58,923
Organic revenue excluding impact of currency, Albumprinter and TTM acquisitions [B]	$817,009	$964,144	$1,100,368	$1,109,458	$1,334,237	$1,690,175	$2,115,374
Total organic year-over-year incremental revenue excluding the impact of currency	**$158,137**	**$130,788**	**$51,078**	**$100,868**	**$145,373**	**$152,963**	**$242,976**

Reconciliation of Non-GAAP Financial Measures (continued)

Incremental Organic Revenue (cont.)
Annual, in $ thousands

Vistaprint	FY2015	FY2016	FY2017	FY2018
Reported revenue (USD)	$1,149,706	$1,220,751	$1,310,975	$1,462,686
Currency impact	($40,433)	($412)	$19,630	($14,996)
Revenue excluding the impact of currency [A]	$1,109,273	$1,220,339	$1,330,605	$1,447,690
Prior-Year Comparable	**FY2014**	**FY2015**	**FY2016**	**FY2017**
Reported revenue (USD)	$1,103,218	$1,149,706	$1,220,751	$1,310,975
Currency impact	($80,651)	($40,433)	($412)	$19,630
Revenue excluding the impact of currency [B]	**$1,022,566**	**$1,109,273**	**$1,220,339**	**$1,330,605**
Organic year-over-year incremental revenue excluding the impact of currency [A] - [B]	**$86,707**	**$111,066**	**$110,266**	**$117,085**

Upload and Print	FY2015	FY2016	FY2017	FY2018
Reported revenue (USD)	$197,075	$432,638	$588,613	$730,010
Impact of TTM acquisitions	($150,074)	($234,083)	($148,571)	—
Organic revenue excluding TTM acquisitions	$47,001	$198,555	$440,042	$730,010
Impact of currency	$2,659	$10,219	$30,917	($15,299)
Revenue excluding the impact of currency and TTM acquisitions [A]	$49,660	$208,774	$470,959	$714,711
Prior-Year Comparable	**FY2014**	**FY2015**	**FY2016**	**FY2017**
Reported revenue (USD)	$43,590	$197,075	$432,638	$588,613
Impact of TTM acquisitions	—	($28,693)	($32,476)	—
Organic revenue excluding TTM acquisitions	$43,590	$168,382	$400,162	$588,613
Impact of currency	($6,129)	($3,101)	$18,018	$41,869
Revenue excluding the impact of currency and TTM acquisitions [B]	$37,461	$165,281	$418,180	$630,482
Organic year-over-year incremental revenue excluding the impact of currency [A] - [B]	**$12,199**	**$43,493**	**$52,779**	**$84,229**

National Pen	FY2015	FY2016	FY2017	FY2018
Reported revenue (USD)	—	—	$112,712	$333,266
Impact of TTM acquisitions	—	—	($112,712)	($185,815)
Organic revenue excluding TTM acquisitions	—	—	—	$147,451
Impact of currency	—	—	—	($2,741)
Revenue excluding the impact of currency and TTM acquisitions [A]	—	—	—	$144,710
Prior-Year Comparable	**FY2014**	**FY2015**	**FY2016**	**FY2017**
Reported revenue (USD)	—	—	—	$112,712
Impact of TTM acquisitions	—	—	—	—
Organic revenue excluding TTM acquisitions	—	—	—	$112,712
Impact of currency	—	—	—	—
Revenue excluding the impact of currency and TTM acquisitions [B]	—	—	—	$112,712
Organic year-over-year incremental revenue excluding the impact of currency [A] - [B]	**—**	**—**	**—**	**$31,998**

Reconciliation of Non-GAAP Financial Measures (continued)

Incremental Organic Revenue (cont.)
Annual, in $ thousands

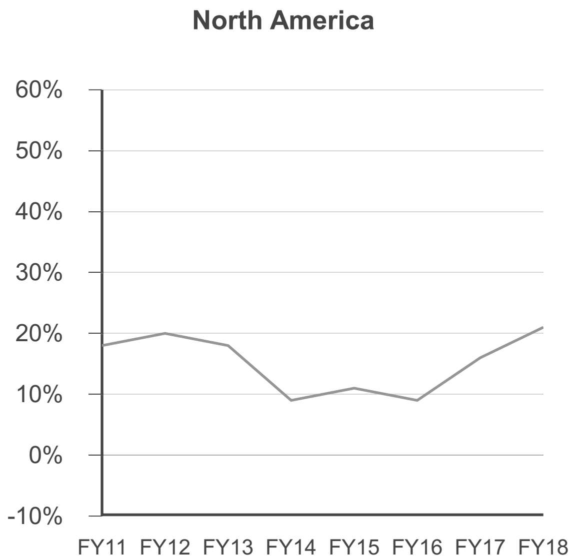
All Other Businesses	FY2015	FY2016	FY2017	FY2018
Reported revenue (USD)	$147,425	$138,244	$128,795	$87,583
Impact of Albumprinter divestiture and TTM acquisitions	($96,007)	($84,384)	(78,954)	($18,219)
Organic revenue excluding Albumprinter and TTM acquisitions	$51,418	$53,860	$49,841	$69,364
Impact of currency	($25)	$226	($2,577)	$1,325
Revenue excluding the impact of currency, Albumprinter and TTM acquisitions [A]	$51,393	$54,086	$47,264	$70,689
Prior-Year Comparable	**FY2014**	**FY2015**	**FY2016**	**FY2017**
Reported revenue (USD)	$123,429	$147,425	$138,244	$128,795
Impact of Albumprinter divestiture and TTM acquisitions	(72,828)	(87,060)	(83,123)	(78,954)
Organic revenue excluding Albumprinter and TTM acquisitions	$50,601	$60,365	$55,121	$49,841
Impact of currency	($1,170)	($681)	$124	($2,577)
Revenue excluding the impact of currency, Albumprinter and TTM acquisitions [B]	$49,431	$59,683	$55,245	$47,264
Organic year-over-year incremental revenue excluding the impact of currency [A] - [B]	**$1,962**	**($5,597)**	**($7,981)**	**$23,425**

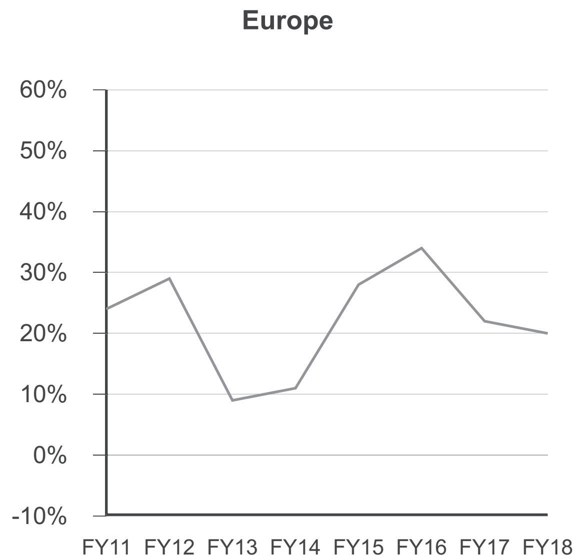
Inter-segment Elimination	FY2015	FY2016	FY2017	FY2018
Reported revenue (USD)	—	($3,589)	($5,690)	($21,004)
Impact of TTM acquisitions	—	—	—	1,471
Organic revenue excluding TTM acquisitions	—	($3,589)	($5,690)	($19,535)
Impact of currency	—	—	—	$84
Revenue excluding the impact of currency and TTM acquisitions [A]	—	($3,589)	($5,690)	($19,451)
Prior-Year Comparable	**FY2014**	**FY2015**	**FY2016**	**FY2017**
Reported revenue (USD)	—	—	($3,589)	($5,690)
Impact of TTM acquisitions	—	—	—	—
Organic revenue excluding TTM acquisitions	—	—	($3,589)	($5,690)
Impact of currency	—	—	—	—
Revenue excluding the impact of currency and TTM acquisitions [B]	—	—	($3,589)	($5,690)
Organic year-over-year incremental revenue excluding the impact of currency [A] - [B]	**—**	**($3,589)**	**($2,101)**	**($13,761)**

Total organic year-over-year incremental revenue excluding the impact of currency	**$100,868**	**$145,373**	**$152,963**	**$242,976**

Reconciliation of Non-GAAP Financial Measures (continued)

Revenue Growth Rate by Geography: Reported (USD), inclusive of acquisitions, divestitures and joint ventures from the date of transaction close:





Revenue Growth Rate by Geography: Constant-currency revenue growth excluding revenue from acquisitions, divestitures and joint ventures during the first year of ownership:

	NORTH AMERICA				
	Reported revenue growth	Currency impact	Revenue growth in constant currency	Impact of acquisitions, divestitures and joint ventures in the first year of ownership	Revenue growth in constant currency ex. acquisitions, divestitures and joint ventures in the first year of ownership
FY 2011	18%	— %	18%	— %	18%
FY 2012	20%	— %	20%	(1)%	19%
FY 2013	18%	— %	18%	(1)%	17%
FY 2014	9%	— %	9%	— %	9%
FY 2015	11%	— %	11%	— %	11%
FY 2016	9%	1 %	10%	— %	10%
FY 2017	16%	— %	16%	(7)%	9%
FY 2018	21%	(1)%	20%	(9)%	11%

Reconciliation of Non-GAAP Financial Measures (continued)

Revenue Growth Rate by Geography: Constant-currency revenue growth excluding revenue from acquisitions, divestitures and joint ventures during the first year of ownership (continued):

	EUROPE				
	Reported revenue growth	Currency impact	Revenue growth in constant currency	Impact of acquisitions, divestitures and joint ventures in the first year of ownership	Revenue growth in constant currency ex. acquisitions, divestitures and joint ventures in the first year of ownership
FY 2011	24%	2 %	26%	— %	26 %
FY 2012	29%	2 %	31%	(13)%	18 %
FY 2013	9%	2 %	11%	(6)%	5 %
FY 2014	11%	(4)%	7%	(10)%	(3)%
FY 2015	28%	11 %	39%	(33)%	6 %
FY 2016	34%	8 %	42%	(32)%	10 %
FY 2017	22%	4 %	26%	(19)%	7 %
FY 2018	20%	(9)%	11%	(1)%	10 %

	OTHER				
	Reported revenue growth	Currency impact	Revenue growth in constant currency	Impact of acquisitions, divestitures and joint ventures in the first year of ownership	Revenue growth in constant currency ex. acquisitions, divestitures and joint ventures in the first year of ownership
FY 2011	55 %	(16)%	39%	— %	39%
FY 2012	44 %	(6)%	38%	— %	38%
FY 2013	16 %	1 %	17%	— %	17%
FY 2014	(4)%	10 %	6%	— %	6%
FY 2015	12 %	11 %	23%	(10)%	13%
FY 2016	4 %	15 %	19%	— %	19%
FY 2017	33 %	(7)%	27%	(8)%	19%
FY 2018	35 %	(1)%	34%	(18)%	16%

Reconciliation of Non-GAAP Financial Measures (continued)
Free Cash Flow and Unlevered Free Cash Flow[1]
Annual, in $ thousands

	FY2006	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Net cash provided by operating activities	$34,637	$165,149	$146,749	$141,808	$153,739	$242,022	$247,358	$156,736	$192,332
Purchases of property, plant and equipment	($24,929)	($37,405)	($46,420)	($78,999)	($72,122)	($75,813)	($80,435)	($74,157)	($60,930)
Purchases of intangible assets not related to acquisitions	$0	($205)	($239)	($750)	($253)	($250)	($476)	($197)	($308)
Capitalization of software and website development costs	($2,656)	($6,290)	($5,463)	($7,667)	($9,749)	($17,323)	($26,324)	($37,307)	($40,847)
Payment of contingent consideration in excess of acquisition-date fair value	—	—	—	—	—	$8,055	$8,613	—	49,241
Proceeds from insurance related to investing activities	—	—	—	—	—	—	$3,624	—	—
Free cash flow	**$7,052**	**$121,249**	**$94,627**	**$54,392**	**$71,615**	**$156,691**	**$152,360**	**$45,075**	**$139,488**
Plus: cash paid during the period for interest	$1,089	$219	$1,487	$4,762	$6,446	$8,520	$37,623	$45,275	$56,614
Less: interest expense for Waltham lease	—	—	—	—	—	—	($6,287)	($7,727)	($7,489)
Unlevered free cash flow	**$8,141**	**$121,468**	**$96,114**	**$59,154**	**$78,061**	**$165,211**	**$183,696**	**$82,623**	**$188,613**

About Cimpress
Cimpress N.V. (Nasdaq: CMPR) invests in and builds customer-focused, entrepreneurial, mass-customization businesses for the long term. Mass customization is a competitive strategy which seeks to produce goods and services to meet individual customer needs with near mass production efficiency. Cimpress businesses include Drukwerkdeal, Exaprint, National Pen, Pixartprinting, Printi, Vistaprint and WIRmachenDRUCK. To learn more, visit http://www.cimpress.com.

Risks Related to Our Business
This investor letter contains statements about our future expectations, plans, and prospects of our business that constitute forward-looking statements for purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995, including but not limited to our expectations for the growth and development of our business, financial results, and cash flows on a consolidated basis and for each of our individual businesses and reporting segments, our estimates and expectations relating to our unlevered free cash flow and intrinsic value per share, the effects of our decentralized structure on our business and financial results, our plans for managing our debt, the development and success of our mass customization platform and Columbus product line, our estimates and plans for future investments in our business and acquisitions, and the anticipated results of our past and future investments and acquisitions, including but not limited to our discussions under the heading "Outlook." Forward-looking projections and expectations are inherently uncertain, are based on assumptions and judgments by management, and may turn out to be wrong. Our actual results may differ materially from those indicated by these forward-looking statements as a result of various important factors, including but not limited to flaws in the assumptions and judgments upon which our forecasts are based; our failure to execute our strategy; our inability to make the investments in our business that we plan to make or the failure of those investments to have the effects that we expect; our failure to manage the growth and complexity of our business; our ability to realize the benefits of the decentralization of our operations; our failure to promote and strengthen our brands; our failure to develop our mass customization platform or to realize the anticipated benefits of the platform; our failure to acquire new customers and enter new markets, retain our current customers, and sell more products to current and new customers; costs and disruptions caused by acquisitions and strategic investments; the failure of the businesses we acquire or invest in to perform as expected; the willingness of purchasers of customized products and services to shop online; unanticipated changes in our markets, customers, or business; competitive pressures; loss of key personnel; our failure to maintain compliance with the covenants in our revolving credit facility and senior notes or to pay our debts when due; changes in the laws and regulations or in the interpretations of laws or regulations to which we are subject, including tax laws, or the institution of new laws or regulations that affect our business; general economic conditions; and other factors described in our Form 10-Q for the fiscal quarter ended March 31, 2018 and the other documents we periodically file with the U.S. Securities and Exchange Commission.

In addition, the statements and projections in this press release represent our expectations and beliefs as of the date of this press release, and subsequent events and developments may cause these expectations, beliefs, and projections to change. We specifically disclaim any obligation to update any forward-looking statements. These forward-looking statements should not be relied upon as representing our expectations or beliefs as of any date subsequent to the date of this press release.

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

Form 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended June 30, 2018

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission file number 000-51539

Cimpress N.V.
(Exact Name of Registrant as Specified in Its Charter)

The Netherlands	**98-0417483**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

Hudsonweg 8
5928 LW Venlo
The Netherlands
(Address of Principal Executive Offices) (Zip Code)
Registrant's telephone number, including area code: 31-77-850-7700
Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class	**Name of Exchange on Which Registered**
Ordinary Shares, €0.01 par value	NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☑

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

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

Large accelerated filer ☑	Accelerated filer ☐	Non-accelerated filer ☐
	Smaller reporting company ☐	(Do not check if a smaller reporting company)
	Emerging growth company ☐	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

The aggregate market value of the ordinary shares held by non-affiliates of the registrant was approximately $3.21 billion on December 31, 2017 (the last business day of the registrant's most recently completed second fiscal quarter) based on the last reported sale price of the registrant's ordinary shares on the NASDAQ Global Select Market.

As of August 6, 2018, there were 30,885,642 Cimpress N.V. ordinary shares, par value €0.01 per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The registrant intends to file a definitive proxy statement pursuant to Regulation 14A within 120 days of the end of the fiscal year ended June 30, 2018. Portions of such proxy statement are incorporated by reference into Items 10, 11, 12, 13, and 14 of Part III of this Annual Report on Form 10-K.

CIMPRESS N.V.
ANNUAL REPORT ON FORM 10-K
For the Fiscal Year Ended June 30, 2018

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PART I

Item 1. ***Business***

Overview & Strategy

Cimpress is a strategically-focused group of more than a dozen businesses that specialize in mass customization, via which we deliver large volumes of individually small-sized customized orders for a broad spectrum of print, signage, photo merchandise, invitations and announcements, packaging, apparel and other categories. Mass customization is a core element of the business model of each Cimpress business. Stan Davis, in his 1987 strategy manifesto “Future Perfect” coined the term mass customization to describe “generating an infinite variety of goods and services, uniquely tailored to customers”. In 2001, Tseng & Jiao defined mass customization as “producing goods and services to meet individual customers’ needs with near mass production efficiency”. We discuss mass customization in more detail further below.

We have grown substantially over the past decade, from $0.4 billion in fiscal year 2008 revenue to $2.6 billion in fiscal year 2018 revenue, and as we have grown we have achieved important benefits of scale. However, we also believe it is critical for us to “stay small as we get big”. By this we mean that we need to serve customers, act and compete with focus, nimbleness and speed that is typical of smaller, entrepreneurial firms but often not typical of larger firms. This is because we face intense competition across all our businesses and we must constantly and rapidly improve the value we deliver to customers. To stay small as we get big, our strategy calls for us to pursue a deeply decentralized organizational structure which delegates responsibility, authority and resources to the CEOs and managing directors of our various businesses.

Specifically, our strategy is to invest in and build customer-focused, entrepreneurial mass customization businesses for the long term, which we manage in a decentralized, autonomous manner. We drive competitive advantage across Cimpress through a select few shared strategic capabilities that have the greatest potential to create Cimpress-wide value. We limit all other central activities to only those which absolutely must be performed centrally.

This decentralized structure is beneficial in many ways. We believe that, in comparison to a more centralized structure, decentralization enables our businesses to be more customer focused, to make better decisions faster, to manage a holistic cross-functional value chain required to serve customers well, to be more agile, to be held more accountable for driving investment returns, and to understand where we are successful and where we are not. In addition to these operational benefits, our decentralization has also enabled us to take significant complexity and cost out of our business in comparison to our previous centralized structure.

The select few shared strategic capabilities into which we invest include our (1) mass customization platform, (2) talent infrastructure in India, (3) central procurement of large-scale capital equipment, shipping services and major categories of our raw materials, and (4) peer-to-peer knowledge sharing between our businesses. We encourage each of our businesses to leverage these capabilities, but each business is free to choose whether or not to use these services. This optionality, we believe, creates healthy pressure on the central teams who provide such services to deliver compelling value to our businesses.

We limit all other central activities to only those which must be performed centrally. Out of more than12,000 employees we have fewer than 80 that work in central activities that fall into this category, which includes tax, treasury, audit, general counsel, corporate communications, compliance, information security, investor relations, capital allocation and the functions of our CEO and CFO. We seek to avoid bureaucratic behavior in the corporate center.

Our Uppermost Financial Objective

Our uppermost financial objective is to maximize our intrinsic value per share. We define intrinsic value per share as (a) the unlevered free cash flow per share that, in our best judgment, will occur between now and the long-term future, appropriately discounted to reflect our cost of capital, minus (b) net debt per share. We define unlevered free cash flow as free cash flow plus interest expense related to borrowings.

This financial objective is inherently long-term in nature. Thus an explicit outcome of this is that we accept fluctuations in our financial metrics as we make investments that we believe will deliver attractive long-term returns on investment.

We ask investors and potential investors in Cimpress to understand our uppermost financial objective by which we endeavor to make all financially evaluated decisions. We often make decisions in service of this priority that could be considered non-optimal were they to be evaluated based on other financial criteria such as (but not limited to) near- and mid-term operating income, net income, EPS, Adjusted Net Operating Profit (Adjusted NOP), Adjusted EBITDA, and cash flow.

Mass Customization

Mass customization is a business model that allows companies to deliver major improvements to customer value across a wide variety of customized product categories. Companies that master mass customization can automatically direct high volumes of orders into smaller streams of homogeneous orders that are then sent to specialized production lines. If done with structured data flows and the digitization of the configuration and manufacturing processes, setup costs become very small, and small volume orders become economically feasible.

The chart illustrates this concept. The horizontal axis represents the volume of production of a given product; the vertical axis represents the cost of producing one unit of that product. Traditionally, the only way to manufacture at a low unit cost was to produce a large volume of that product: mass-produced products fall in the lower right hand corner of the chart. Custom-made products (i.e., those produced in small volumes for a very specific purpose) historically incurred very high unit costs: they fall in the upper left-hand side of the chart.

Mass customization breaks this trade off, enabling low-volume, low-cost production of individually unique products. Very importantly, relative to traditional alternatives mass customization creates value in many ways, not just lower cost. Other advantages can include faster production, greater personal relevance, elimination of obsolete stock, better design, flexible shipping options, more product choice, and higher quality.

Mass customization delivers a breakthrough in customer value particularly well in markets in which the worth of a physical product is inherently tied to a specific, unique use or application. For instance, there is limited value to a sign that is the same as is used by many other companies: the business owner needs to describe what is unique about his or her business. Likewise, a photo mug is more personally relevant if it shows pictures of someone’s own friends and family. Before mass customization, producing a high quality custom product required high per-order setup costs, so it simply was not economical to produce a customized product in low quantities.

We believe that the business cards sold by our Vistaprint business provide a concrete example of the potential of our mass customization business model to deliver significant customer value and to develop strong profit franchises in large markets that were previously low growth and commoditized. Millions of very small customers (for example, home-based businesses) rely on Vistaprint to design and procure aesthetically pleasing, high-quality, quickly-delivered and low-priced business cards. The Vistaprint production operations for a typical order of 250 standard business cards in Europe and North America require less than 14 seconds of labor for all of pre-press, printing, cutting and packaging, versus an hour or more for traditional printers. Combined with advantages of scale in graphic design support services, purchasing of materials, our self-service online ordering, pre-press automation, auto-scheduling and automated manufacturing processes, we allow customers to design, configure, and procure business cards at a fraction of the cost of typical traditional printers with very consistent quality and delivery reliability. Customers have very extensive, easily configurable, customization options such as rounded corners, different shapes, specialty papers, “spot varnish”, reflective foil, folded cards, or different paper thicknesses. Achieving this type of product variety while also being very cost efficient took us almost two decades and requires massive volume, significant engineering investments and significant capital. Business cards is a mature market that, at the overall market level, has experienced continual declines over the past two decades. Yet, for Vistaprint, this remains a growing category and is highly profitable, thus provides an example of the power of mass customization. Even though we do not expect many other products to reach this extreme level of automation, we do currently produce many other product categories (such as flyers, brochures, signage, mugs, calendars, pens, t-shirts, hats, embroidered soft goods, rubber stamps, photobooks, labels and holiday cards) via analogous methods whose volume and processes are well along the spectrum of mass customization relative to traditional suppliers and thus provide great customer value and a strong, profitable and growing revenue stream.

Market and Industry Background

Mass Customization Opportunity

Mass customization is not a market itself, but rather a competitive strategy that can be applied across many markets such as the following:

Product:	Geography:	Customer:
- Small format printing	- North America	- Businesses (micro, small, medium, large)
- Large format printing	- Europe	- Graphic designers, resellers, printers
- Promotional products and gifts	- Australia/New Zealand	- Traditional providers who choose to outsource these products
- Decorated apparel	- South America	- Teams, associations and groups
- Packaging	- Asia Pacific	- Consumers (home and family)
- Photo merchandise		
- Invitations and announcements		

Large traditional markets undergoing disruptive innovation

The products, geographies and customer applications listed above constitute a large market opportunity that is highly fragmented. We believe that the vast majority of the markets to which mass customization could apply are still served by traditional business models that force customers either to produce in large quantities per order or to pay a high price per unit.

We believe that these large and fragmented markets are moving away from small traditional suppliers that employ job shop business models to fulfill a relatively small number of customer orders and toward businesses such as those owned by Cimpress that aggregate a relatively large number of orders and fulfill them via a focused supply chain and production capabilities at relatively high volumes, thereby achieving the benefits of mass customization. We believe we are early in the process of what will be a multi-decade shift from job-shop business models to mass customization.

Cimpress' current revenue represents a very small fraction of this market opportunity. We believe that Cimpress and competitors who have built their business around a mass customization model are "disruptive innovators" to these large markets because we enable small-volume production of personalized, high-quality products at an affordable price. Disruptive innovation, a term coined by Harvard Business School professor Clayton Christensen, describes a process by which a product or service takes root initially in simple applications at the bottom of a market (such as free business cards for the most price sensitive of micro-businesses or low-quality white t-shirts) and then moves up market, eventually displacing established competitors (such as those in the markets mentioned above).

We believe that a large opportunity exists for major markets to shift to a mass customization paradigm and, even though we are largely decentralized, the select few shared strategic capabilities into which we centrally invest provide a significant scale-based competitive advantage for Cimpress.

We believe this opportunity to deliver substantially better customer value and to therefore disrupt very large traditional industries can translate into tremendous future opportunity for Cimpress. Until approximately our fiscal year 2012, we focused primarily on a narrow set of customers within the list above (highly price-sensitive and discount-driven micro businesses and consumers) with a very limited product offering. Through acquisitions and via significant investments in our Vistaprint business, we have expanded the breadth and depth of our product offerings, extended our ability to serve our traditional customers and gained a capability to serve a vast range of customer types.

As we continue to evolve and grow Cimpress, our understanding of these markets and their relative attractiveness is also evolving. Our expansion of product breadth and depth as well as new geographic markets has significantly increased the size of our addressable market opportunity. We base our market size and attractiveness estimates upon considerable research and analysis; however, our estimates are only approximate. Despite the imprecise nature of our estimates, we believe that our understanding is directionally correct and that we operate in an enormous aggregate market with significant opportunity for Cimpress to grow should we be successful in delivering a differentiated and attractive value proposition to customers.

Today, we believe that the revenue opportunity for low-to-medium order quantities (i.e., still within our focus of small-sized individual orders) in the four product categories below is over $100 billion annually in North America and Europe and at least $150 billion annually if you include other geographies and consumer products:

- Small format marketing materials such as business cards, flyers, leaflets, inserts, brochures and magazines. Businesses of all sizes are the main end users of short-and-medium run lengths (per order quantities below 2,500 units for business cards and below 20,000 units for other materials).

- Large format products such as banners, signs, tradeshow displays, and point-of-sale displays. Businesses of all sizes are the main end users of short-and-medium run lengths (less than 1,000 units).

- Promotional products, apparel and gifts including decorated apparel, bags and textiles, and hard goods such as pens, USB sticks, and drinkware. The end users of short-and-medium runs of these products range from businesses to teams, associations and groups, as well as consumers.

- Packaging products, such as corrugated board packaging, folded cartons, bags and labels. Businesses are the primary end users for short-and-medium runs (below 10,000 units).

Our Businesses

Cimpress businesses include those we developed organically (Vistaprint, Vistaprint Corporate Solutions, Vistaprint India) plus previously independent businesses either that we have fully acquired or in which we have a majority equity stake. Prior to its acquisition, each of our acquired companies pursued business models that embodied the principles of mass customization. In other words, each provided a standardized set of products that could be configured and customized by customers, ordered in relatively low volumes, and produced via relatively standardized, homogeneous production processes, at prices lower than those charged by traditional producers.

Our businesses collectively operate across North America and Europe, as well as in India, Japan, Brazil, China and Australia. Their websites typically offer a broad assortment of tools and features allowing customers to create a product design or upload their own complete design and place an order, either on a completely self-service basis or with varying levels of assistance. Some of our businesses also use offline techniques to acquire customers (e.g., mail order, telesales). The combined product assortment across our businesses is extensive, including offerings in the following product categories: business cards, marketing materials such as flyers and postcards, digital and marketing services, writing instruments, signage, decorated apparel, promotional products and gifts, packaging, textiles and magazines and catalogs.

The majority of our revenue is driven by standardized processes and enabled by software. We endeavor to design these processes and technologies to readily scale as the number of orders received per day increases. In particular, the more individual jobs we receive in a given time period, the more efficiently we can sort and route jobs with homogeneous production processes to given nodes of our internal production systems or of our third-party supply chain. This sortation and subsequent process automation improves production efficiency. We believe that our strategy of systematizing our service and production systems enables us to deliver value to customers much more effectively than traditional competitors.

Our businesses operate production facilities in Australia, Austria, Brazil, Canada, China, France, India, Ireland, Italy, Japan, Mexico, the Netherlands, the United Kingdom and the United States. We also work extensively with several hundred external fulfillers located across the globe. We believe that the improvements we have made and the future improvements we intend to make in software technologies that support the design, sortation, scheduling, production and delivery processes provide us with significant competitive advantage. In many cases our businesses can produce and ship an order the same day they receive it. Our supply chain systems and processes seek to drive reduced inventory and working capital as well as faster delivery to customers. In certain of our company-owned manufacturing facilities, software schedules the near-simultaneous production of different customized products that have been ordered by the same customer, allowing us to produce and deliver multi-part orders quickly and efficiently.

We believe that the potential for scale-based advantages is not limited to focused, automated production lines. Other advantages include the ability to systematically and automatically sort through the voluminous “long tail” of diverse and uncommon orders in order to group them into more homogeneous categories, and to route them to production nodes that are specialized for that category of operations and/or which are geographically proximate to the customer. In such cases, even though the daily production volume of a given production node is small in comparison to our highest-volume production lines, the homogeneity and volume we are able to achieve is nonetheless significant relative to traditional suppliers of the long tail product in question; thus, our relative efficiency gains remain substantial. For this type of long-tail production, we rely heavily on third-party fulfillment partnerships, which allow us to offer a very diverse set of products. We acquired most of our capabilities in this area via our investments in Exaprint, Printdeal, Pixartprinting and WIRmachenDRUCK. For instance, the product assortment of each of these four businesses is measured in the tens of thousands, versus just a few hundred at Vistaprint traditionally. This deep and broad product offering is important to many customers.

Our businesses are currently organized into the following four reportable segments:

1. **Vistaprint**:

   Consists of the operations of our Vistaprint-branded websites in North America, Europe, Australia and New Zealand. This business also includes our Webs business, which is managed with the Vistaprint Digital business.

   Our Vistaprint business helps more than 17 million micro businesses (companies with fewer than 10 employees) create attractive, professional-quality marketing products at affordable prices and at low volumes.

2. **Upload and Print**:

   Consists of our druck.at, Easyflyer, Exagroup, Pixartprinting, Printdeal, Tradeprint, and WIRmachenDRUCK businesses.

   These Cimpress businesses focus on serving graphic professionals: local printers, print resellers, graphic artists, advertising agencies and other customers with professional desktop publishing skill sets.

3. **National Pen**:

   Consists of our National Pen business and a few smaller brands operated by National Pen that are focused on customized writing instruments and promotional products, apparel and gifts for small- and medium-sized businesses.

   National Pen serves more than a million small businesses annually across more than 20 countries. Marketing methods are typically direct mail and telesales, as well as a small yet growing e-commerce site.

4. **All Other Businesses**:
   Consists of multiple small, rapidly evolving early-stage businesses by which Cimpress is expanding to new markets. These businesses have been combined into one reportable segment based on materiality, the fact that they are early-stage businesses subject to high degrees of risk, and our expectation that each of their business models will rapidly evolve in function of future trials and entrepreneurial pivoting. Although not a comprehensive list, our All Other Businesses reportable segment includes the following:

Vistaprint Corporate Solutions serves medium-sized businesses and large corporations, as well as a legacy revenue stream with retail partners and franchise businesses.

As the online printing leader in Brazil, Printi offers a superior customer experience with transparent and attractive pricing, reliable service and quality. Printi is also expanding into the U.S. market.

Vistaprint India operates a derivative of the Vistaprint business model, albeit with higher service levels and quality, fully domestic-Indian content, pricing that is a slight premium to many traditional offline alternatives, and almost no discounting.

Vistaprint Japan operates a derivative of the Vistaprint business model with a differentiated position relative to competitors who tend to focus on upload and print, not the self-service, micro-business customer which Vistaprint Japan serves.

Central Procurement

Given the scale of purchasing that happens across Cimpress' businesses, there is significant value to coordinating our negotiations and purchasing to gain the benefit of scale. Our central procurement team negotiates and manages Cimpress-wide contracts for large-scale capital equipment, shipping services and major categories of raw materials (e.g., paper, plates, ink, etc.).

We are focused on achieving the lowest total cost in our strategic sourcing efforts by concentrating on quality, logistics, technology and cost, while also striving to use responsible sourcing practices within our supply chain. Our efforts include the procurement of high-quality materials and equipment that meet our strict specifications at a low total cost across a growing number of manufacturing locations, with an increasing focus on supplier compliance with our sustainable paper procurement policy as well as our Supplier Code of Conduct. Additionally, we work to develop and implement logistics, warehousing, and outbound shipping strategies to provide a balance of low-cost material availability while limiting our inventory exposure.

Technology

Our businesses typically rely on advanced proprietary technology to attract and retain our customers, to enable customers to create graphic designs and place orders on our websites, and to aggregate and produce multiple orders in standardized, scalable processes. Technology is core to our competitive advantage, as without it our businesses would not be able to produce custom orders in small quantities while achieving the economics that are more analogous to mass-produced items.

We are building and using our mass customization platform ("MCP") which is a cloud-based collection of software services, APIs, web applications and related technology offerings that can be leveraged independently or together by our businesses and third parties to perform common tasks that are important to mass customization. Cimpress businesses, and increasingly third-party fulfillers to our various businesses, can leverage different combinations of MCP services, depending on what capabilities they need to complement their business-specific technology. MCP is a multi-year investment that remains in its early stages, however many of our businesses are leveraging some of the technologies that have already been developed and/or shared by other businesses. The capabilities that are available in the mass customization platform today include customer-facing technologies, such as those that enable customers to visualize their designs on various products, as well as manufacturing, supply chain, and logistics technologies that automate various stages of the production and delivery of a product to a customer. The benefits of the mass customization platform include improved speed to market for new product introduction, reduction in fulfillment costs, and improvement of product delivery or geographic expansion. Over time, we believe we can generate significant customer and shareholder value from increased specialization of production facilities, aggregated scale from multiple businesses, increased product offerings and shared technology development costs.

We intend to continue developing and enhancing our MCP-based customer-facing and manufacturing, supply chain and logistics technologies and processes. We develop our MCP technology centrally, typically at our offices in Switzerland, India, the Netherlands, the Czech Republic and the United States.

We also have software and production engineering capabilities in each of our businesses. Our businesses are constantly seeking to strengthen our manufacturing and supply chain capabilities through engineering improvements in areas like automation, lean manufacturing, choice of equipment, product manufacturability, materials science, process control and color control.

Each of our businesses uses a mix of proprietary and third-party technology that supports the specific needs of that business. Their technology intensity ranges from significant to light, depending on their specific needs. Over the past few years, an increasing number of our businesses have begun to modernize and modularize their business-specific technology to enable them to launch more new products faster, provide a better customer experience, more easily connect to our mass customization platform technologies, and to leverage third-party technologies where we do not need to bear the cost of developing and maintaining proprietary technologies. For example, our businesses are increasingly using third-party software for capabilities such as a shopping cart or customer reviews, which are areas that we can benefit from providing a more e-commerce standard experience, and better leverage engineering resources to focus on technologies from which we derive competitive advantage.

In our central Cimpress Technology team and in an increasing number of our decentralized businesses, we have adopted an agile, micro-services-based approach to technology development that enables multiple businesses or use cases to leverage this API technology regardless of where it was originally developed. We believe this development approach can help our businesses serve customers and scale operations more rapidly than could have been done as an individual business outside Cimpress.

Competition

The markets for the products our businesses produce and sell are intensely competitive, highly fragmented and geographically dispersed, with many existing and potential competitors. We have very low market share relative to the total. Within this highly competitive context, our businesses compete on the basis of breadth and depth of product offerings; price; convenience; quality; technology; design content, tools, and assistance; customer service; ease of use; and production and delivery speed. It is our intention to offer a broad selection of high-quality products as well as related services at low price points and in doing so, offer our customers an attractive value proposition. Our current competition includes a combination of the following:

- traditional offline suppliers and graphic design providers;
- online printing and graphic design companies, many of which provide products and services similar to ours;
- office superstores, drug store chains, food retailers and other major retailers targeting small business and consumer markets;
- wholesale printers;
- self-service desktop design and publishing using personal computer software;
- email marketing services companies;
- website design and hosting companies;
- suppliers of customized apparel, promotional products and gifts;
- online photo product companies;
- internet firms and retailers;
- online providers of custom printing services that outsource production to third party printers; and
- providers of other digital marketing such as social media, local search directories and other providers.

As we expand our geographic reach, product and service portfolio and customer base, our competition increases. Our geographic expansion creates competition with companies that have a multi-national presence as well as experienced local firms that have an excellent understanding of customer needs specific to each country. Product offerings such as photo products, packaging, websites, email marketing, signage, apparel and promotional products have resulted in new competition as we entered those markets. We encounter competition from large retailers offering a wide breadth of products and highly focused companies specializing in a subset of our customers or product offerings. Given the state of maturity of the online mass customization market, we believe that in aggregate, offline providers remain our biggest competition.

Barriers to entry have been lowered in many of our markets, and new players have entered the mass customization space, enabled by asset-light models, software-driven print-fulfillment platforms, innovation in production technology, and/or benefits of an intense focus on a niche product or geographic market. We believe that the long-term leaders in terms of transforming these markets via mass customization will be the companies that are innovative and agile, but also bring significant scale-based advantages to drive value to customers in the form of product selection, quality and cost, as well as service.

Social and Environmental Responsibility

Above and beyond compliance with applicable laws and regulations, we expect all parts of Cimpress to conduct business in a socially responsible, ethical manner. Examples of these efforts are:

- **Environmental** - We regularly evaluate ways to minimize the impact of our operations on the environment. In terms of combating CO2 pollution, we have established and centrally fund a company-wide carbon emissions reduction program to lower emissions at a rate in line with - or better than - science-based targets established in 2015 at the United Nations Global Change Conference (COP21 “Paris Climate Accord”). Our plan includes investments in energy-reducing infrastructure and equipment and renewable energy sourcing. In 2017 we reduced our carbon intensity per million USD of revenue by 12% and we seek to make further improvements each year going forward for the foreseeable future.

  In terms of responsible forestry, we have converted the vast majority of the paper we print on in our Cimpress owned production facilities to the leading certification of responsible forestry practices. This certification confirms that the paper we print on comes from responsibly managed forests that meet high environmental and social standards.

- **Fair labor practices** - We make recruiting, retention, and other performance management related decisions based solely on merit and other organizational needs and considerations, such as an individual’s ability to do their job with excellence and in alignment with the company’s strategic and operational objectives. We do not tolerate discrimination on any basis protected by human rights laws or anti-discrimination regulations, and we strive to do more in this regard than the law requires. We are committed to a work environment where team members are treated with respect and fairness. We value individual differences, unique perspectives and the distinct contributions that each one of us can make to the company.

- **Team member health and safety** - We do not tolerate unsafe conditions that may endanger team members or other parties. We require training on – and compliance with – safe work practices and procedures at all manufacturing facilities to ensure the safety of team members and visitors to our plant floors.

- **Ethical supply chain** - It is important to us that our supply chain reflects our commitment to doing business with the highest standards of ethics and integrity. Each Cimpress business seeks to ensure its supply chain does not allow for unacceptable practices such as environmental crimes, child labor, slavery or unsafe working conditions.

More information can be found at www.cimpress.com in our Corporate Social Responsibility section, including links to reports and documents such as our supplier code of conduct, compliance with the UK anti-slavery act and our supply chain transparency disclosure.

Intellectual Property

We seek to protect our proprietary rights through a combination of patents, copyrights, trade secrets, trademarks and contractual restrictions. We enter into confidentiality and proprietary rights agreements with our employees, consultants and business partners, and control access to, and distribution of, our proprietary information. We have registered, or applied for the registration of, a number of U.S. and international domain names, trademarks, and copyrights. Additionally, we have filed U.S. and international patent applications for certain of our proprietary technology.

Additional information regarding the risks associated with our intellectual property is contained in “Item 1A. Risk Factors” of this Form 10-K.

Business Segment and Geographic Information

For information about our reporting segments and geographic information about our revenues, segment profit and long-lived assets, see Item 8 of Part II, "Financial Statements and Supplementary Data — Note 16 — Segment Information" and Item 7 of Part II, "Management's Discussion and Analysis of Financial Condition and Results of Operations." The descriptions of our business, products, and markets in this section apply to all of our operating segments.

Seasonality

Our profitability has historically been highly seasonal. Our second fiscal quarter, ending December 31, includes the majority of the holiday shopping season and has become our strongest quarter for sales of our consumer-oriented products, such as holiday cards, calendars, photo books, and personalized gifts.

Operating income during the second fiscal quarter represented 46% and 86% of annual operating income in the years ended June 30, 2018 and 2016, respectively. During the year ended June 30, 2017, in a period we recognized a loss from operations, the second quarter was the only profitable quarter during the year. Our National Pen business, which we acquired on December 30, 2017, is highly seasonal and we expect their second quarter to include the majority of the profits generated in the fiscal year.

Employees

As of June 30, 2018, we had approximately 10,800 full-time and approximately 1,200 temporary employees worldwide.

Corporate Information

Cimpress N.V. (formerly named Vistaprint N.V.) was incorporated under the laws of the Netherlands on June 5, 2009 and on August 30, 2009 became the publicly traded parent company of the Cimpress group of entities. We maintain our registered office at Hudsonweg 8, 5928 LW Venlo, the Netherlands. Our telephone number in the Netherlands is +31-77-850-7700.

Available Information

We make available, free of charge through our United States website, the reports, proxy statements, amendments and other materials we file with or furnish to the SEC as soon as reasonably practicable after we electronically file or furnish such materials with or to the SEC. The address of our United States website is www.cimpress.com. We are not including the information contained on our website, or information that can be accessed by links contained on our website, as a part of, or incorporating it by reference into, this Annual Report on Form 10-K.

Item 1A. *Risk Factors*

Our future results may vary materially from those contained in forward-looking statements that we make in this Report and other filings with the SEC, press releases, communications with investors, and oral statements due to the following important factors, among others. Our forward-looking statements in this Report and in any other public statements we make may turn out to be wrong. These statements can be affected by, among other things, inaccurate assumptions we might make or by known or unknown risks and uncertainties or risks we currently deem immaterial. Consequently, no forward-looking statement can be guaranteed. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

Risks Related to Our Business

If our long-term growth strategy is not successful, our business and financial results could be harmed.

We may not achieve our long-term objectives, and our investments in our business may fail to impact our results and growth as anticipated. Some of the factors that could cause our business strategy to fail to achieve our objectives include the following, among others:

- our failure to adequately execute our strategy or anticipate and overcome obstacles to achieving our strategic goals
- our failure to develop our mass customization platform or the failure of the platform to drive the efficiencies and competitive advantage we expect
- our failure to manage the growth, complexity, and pace of change of our business and expand our operations
- our failure to acquire, at a value-accretive price or at all, businesses that enhance the growth and development of our business or to effectively integrate the businesses we do acquire into our business
- our inability to purchase or develop technologies and other key assets and capabilities to increase our efficiency, enhance our competitive advantage, and scale our operations
- our failure to realize the anticipated benefits of the decentralization of our operations
- the failure of our current supply chain to provide the resources we need at the standards we require and our inability to develop new or enhanced supply chains
- our failure to acquire new customers and enter new markets, retain our current customers, and sell more products to current and new customers
- our failure to address inefficiencies and performance issues in some of our businesses and markets
- our failure to sustain growth in relatively mature markets
- our failure to promote, strengthen, and protect our brands
- our failure to effectively manage competition and overlap within our brand portfolio
- the failure of our current and new marketing channels to attract customers
- our failure to realize expected returns on our capital allocation decisions
- unanticipated changes in our business, current and anticipated markets, industry, or competitive landscape
- our failure to attract and retain skilled talent needed to execute our strategy and sustain our growth
- general economic conditions

If our strategy is not successful, then our revenue, earnings, cash flows and value may not grow as anticipated, be negatively impacted, or decline, our reputation and brands may be damaged, and the price of our shares may decline. In addition, we may change our strategy from time to time, which can cause fluctuations in our financial results and volatility in our share price.

Purchasers of customized products may not choose to shop online, which would limit our acquisition of new customers that are necessary to the success of our business.

We sell most of our products and services through the Internet. Because the online market for most of our products and services is not mature, our success depends in part on our ability to attract customers who have historically purchased products and services we offer through offline channels. Specific factors that could prevent prospective customers from purchasing from us online include the following:

- concerns about buying customized products without face-to-face interaction with design or sales personnel
- the inability to physically handle and examine product samples before making a purchase
- delivery time associated with Internet orders

- concerns about the security of online transactions and the privacy of personal information
- delayed or lost shipments or shipments of incorrect or damaged products
- a desire to support and buy from local businesses
- limited access to the Internet
- the inconvenience associated with returning or exchanging purchased items

In addition, our internal research shows that an increasing number of current and potential customers access our websites using smart phones or tablets and that our website visits using traditional computers may decline. Designing and purchasing custom designed products on a smart phone, tablet, or other mobile device is more difficult than doing so with a traditional computer due to limited screen sizes and bandwidth constraints. If our customers and potential customers have difficulty accessing and using our websites and technologies, then our revenue could decline.

We may not succeed in promoting and strengthening our brands, which could prevent us from acquiring new customers and increasing revenues.

A primary component of our business strategy is to promote and strengthen our brands to attract new and repeat customers, and we face significant competition from other companies in our markets who also seek to establish strong brands. To promote and strengthen our brands, we must incur substantial marketing expenses and establish a relationship of trust with our customers by providing a high-quality customer experience, which requires us to invest substantial amounts of our resources. Our ability to provide a high-quality customer experience is also dependent on external factors over which we may have little or no control, such as the reliability and performance of our suppliers, third-party fulfillers, third-party carriers, and communication infrastructure providers. If we are unable to promote our brands or provide customers with a high-quality customer experience, we may fail to attract new customers, maintain customer relationships, and sustain or increase our revenues.

We manage our business for long-term results, and our quarterly and annual financial results often fluctuate, which may lead to volatility in our share price.

Our revenues and operating results often vary significantly from period to period due to a number of factors, and as a result comparing our financial results on a period-to-period basis may not be meaningful. We prioritize our uppermost financial objective of maximizing our intrinsic value per share even at the expense of shorter-term results and do not manage our business to maximize current period reported financial results, including our GAAP net income and operating cash flow and other results we report. Many of the factors that lead to period-to-period fluctuations are outside of our control; however, some factors are inherent in our business strategies. Some of the specific factors that could cause our operating results to fluctuate from quarter to quarter or year to year include among others:

- investments in our business in the current period intended to generate longer-term returns, where the costs in the near term will not be offset by revenue or cost savings until future periods, if at all;
- seasonality-driven or other variations in the demand for our products and services, in particular during our second fiscal quarter;
- currency and interest rate fluctuations, which affect our revenues, costs, and fair value of our assets and liabilities;
- our hedging activity;
- our ability to attract and retain customers and generate purchases;
- shifts in revenue mix toward less profitable products and brands;
- the commencement or termination of agreements with our strategic partners, suppliers, and others;

- our ability to manage our production, fulfillment, and support operations;
- costs to produce and deliver our products and provide our services, including the effects of inflation;
- our pricing and marketing strategies and those of our competitors;
- expenses and charges related to our compensation arrangements with our executives and employees;
- costs and charges resulting from litigation;
- significant increases in credits, beyond our estimated allowances, for customers who are not satisfied with our products;
- changes in our income tax rate;
- costs to acquire businesses or integrate our acquired businesses;
- financing costs;
- impairments of our tangible and intangible assets including goodwill; and
- the results of our minority investments and joint ventures.

Some of our expenses, such as office leases, depreciation related to previously acquired property and equipment, and personnel costs, are relatively fixed, and we may be unable to, or may not choose to, adjust operating expenses to offset any revenue shortfall. Accordingly, any shortfall in revenue may cause significant variation in operating results in any period. Our operating results may sometimes be below the expectations of public market analysts and investors, in which case the price of our ordinary shares may decline.

We may not be successful in developing our mass customization platform or in realizing the anticipated benefits of the platform.

A key component of our strategy is the development of a mass customization platform. The process of developing new technology is complex, costly, and uncertain, and the development effort could be disruptive to our business and existing systems. We must make long-term investments, develop or obtain appropriate intellectual property, and commit significant resources before knowing whether our mass customization platform will be successful and make us more effective and competitive. As a result, there can be no assurance that we will successfully complete the development of the platform, that our diverse businesses will realize value from the platform, or that we will realize expected returns on the capital expended to develop the platform.

In addition, we are aware that other companies are developing platforms that could compete with ours. If a competitor were to develop and reach scale with a platform before we do, our competitive position could be harmed.

Our global operations, decentralized organizational structure, and expansion place a significant strain on our management, employees, facilities, and other resources and subject us to additional risks.

We are a global company with production facilities, offices, and localized websites in many countries across six continents, and we have decentralized our organizational structure and operations. We expect to establish operations, acquire or invest in businesses, and sell our products and services in additional geographic regions, including emerging markets, where we may have limited or no experience. We may not be successful in all regions and markets in which we invest or where we establish operations, which may be costly to us. We are subject to a number of risks and challenges that relate to our global operations, decentralization, and expansion, including, among others:

- difficulty managing operations in, and communications among, multiple businesses, locations, and time zones;

- difficulty complying with multiple tax laws, treaties, and regulations and limiting our exposure to onerous or unanticipated taxes, duties, and other costs;
- our failure to improve and adapt our financial and operational controls to manage our decentralized business and comply with our legal obligations;
- the challenge of complying with disparate laws in multiple countries, such as local regulations that may impair our ability to conduct our business as planned, protectionist laws that favor local businesses, and restrictions imposed by local labor laws;
- our inexperience in marketing and selling our products and services within unfamiliar countries and cultures;
- challenges of working with local business partners;
- our failure to properly understand and develop graphic design content and product formats and attributes appropriate for local tastes;
- disruptions caused by political and social instability that may occur in some countries;
- corrupt business practices, such as bribery or the willful infringement of intellectual property rights, that may be common in some countries or in some sales channels and markets;
- difficulty repatriating cash from some countries;
- difficulty importing and exporting our products across country borders and difficulty complying with customs regulations in the many countries where we sell products;
- disruptions or cessation of important components of our international supply chain; and
- failure of local laws to provide a sufficient degree of protection against infringement of our intellectual property.

There is considerable uncertainty about the economic and regulatory effects of the United Kingdom's exit from the European Union (commonly referred to as "Brexit"). The UK is one of our largest markets in Europe, but we currently ship products to UK customers primarily from continental Europe. If Brexit results in greater restrictions on imports and exports between the UK and the EU or increased regulatory complexity, then our operations and financial results could be negatively impacted.

In addition, we are exposed to fluctuations in currency exchange rates that may impact items such as the translation of our revenues and expenses, remeasurement of our intercompany balances, and the value of our cash and cash equivalents and other assets and liabilities denominated in currencies other than the U.S. dollar, our reporting currency. The hedging activities we engage in may not mitigate the net impact of currency exchange rate fluctuations, and our financial results may differ materially from expectations as a result of such fluctuations.

Failure to protect our information systems and the confidential information of our customers, employees, and business partners against security breaches or thefts could damage our reputation and brands, subject us to litigation and enforcement actions, and substantially harm our business and results of operations.

Our business involves the receipt, storage, and transmission of customers' personal and payment information, as well as confidential information about our business, employees, suppliers, and business partners, some of which is entrusted to third-party service providers, partners, and vendors. Our information systems and those of third parties with which we share information are vulnerable to an increasing threat of cyber security risks, including physical and electronic break-ins, computer viruses, and phishing and other social engineering scams, among other risks. As security threats evolve and become more sophisticated and more difficult to detect and defend against, a hacker or thief may defeat our security measures, or those of our third-party service provider, partner, or vendor, and obtain confidential or personal information. We or the third party may not discover the security breach and theft of information for a significant period of time after the breach occurs. We may need to expend significant resources to protect against security breaches and thefts of data or to address problems caused by breaches or thefts, and we may not be able to anticipate cyber attacks or implement adequate preventative measures. Any compromise or breach of our information systems or the information systems of third parties with which we share information could, among other things:

- damage our reputation and brands;
- expose us to losses, remediation costs, litigation, enforcement actions, and possible liability;
- result in a failure to comply with legal and industry privacy regulations and standards;
- lead to the misuse of our and our customers' confidential or personal information;
- cause interruptions in our operations; and
- cause us to lose revenue if existing and potential customers believe that their personal and payment information may not be safe with us.

We are subject to the laws of many states, countries, and regions and industry guidelines and principles governing the collection, use, retention, disclosure, sharing, and security of data that we receive from and about our customers and employees. Any failure or perceived failure by us to comply with any of these laws, guidelines, or principles could result in actions against us by governmental entities or others, a loss of customer confidence, and damage to our brands, any of which could have an adverse effect on our business. In addition, the regulatory landscape is constantly changing, as various regulatory bodies throughout the world enact new laws concerning privacy, data retention, data transfer and data protection. For example, the recent General Data Protection Regulation in Europe includes operational and compliance requirements that are different than those previously in place and also includes significant penalties for non-compliance. Complying with these varying and changing requirements could cause us to incur substantial costs or require us to change our business practices in a manner adverse to our business and operating results.

Acquisitions and strategic investments may be disruptive to our business.

An important way in which we pursue our strategy is to selectively acquire businesses, technologies, and services and make minority investments in businesses and joint ventures. The time and expense associated with finding suitable businesses, technologies, or services to acquire or invest in can be disruptive to our ongoing business and divert our management's attention. In addition, we have needed in the past, and may need in the future, to seek financing for acquisitions and investments, which may not be available on terms that are favorable to us, or at all, and can cause dilution to our shareholders, cause us to incur additional debt, or subject us to covenants restricting the activities we may undertake.

Our acquisitions and strategic investments may fail to achieve our goals.

An acquisition, minority investment, or joint venture may fail to achieve our goals and expectations for a number of reasons including the following:

- The business we acquired or invested in may not perform as well as we expected.
- We may overpay for acquired businesses, which can, among other things, negatively affect our intrinsic value per share.
- We may fail to integrate acquired businesses, technologies, services, or internal systems effectively, or the integration may be more expensive or take more time than we anticipated.
- The management of our minority investments and joint ventures may be more expensive or may take more resources than we expected.
- We may not realize the anticipated benefits of integrating acquired businesses into our mass customization platform.

- We may encounter cultural or language challenges in integrating an acquired business or managing our minority investment in a business.

- We may not be able to retain customers and key employees of the acquired businesses, and we and the businesses we acquire or invest in may not be able to cross sell products and services to each other's customers.

We generally assume the liabilities of businesses we acquire, which could include liability for an acquired business' violation of law that occurred before we acquired it. In addition, we have historically acquired smaller, privately held companies that may not have as strong a culture of legal compliance or as robust financial controls as a larger, publicly traded company like Cimpress, and if we fail to implement adequate training, controls, and monitoring of the acquired companies, we could also be liable for post-acquisition legal violations.

Our acquisitions and minority investments can negatively impact our financial results.

Acquisitions and minority investments can be costly, and some of our acquisitions and investments may be dilutive, leading to reduced earnings. Acquisitions and investments can result in increased expenses including impairments of goodwill and intangible assets if financial goals are not achieved, assumptions of contingent or unanticipated liabilities, amortization of acquired intangible assets, and increased tax costs.

In addition, the accounting for our acquisitions and minority investments requires us to make significant estimates, judgments, and assumptions that can change from period to period, based in part on factors outside of our control, which can create volatility in our financial results. For example, we often pay a portion of the purchase price for our acquisitions in the form of an earn out based on performance targets for the acquired companies or enter into obligations or options to purchase non-controlling interests in our minority investments, which can be difficult to forecast. If in the future our assumptions change and we determine that higher levels of achievement are likely under our earn outs or future purchase obligations, we will need to pay and record additional amounts to reflect the increased purchase price. These additional amounts could be significant and could adversely impact our results of operations.

Furthermore, earn-out provisions can lead to disputes with the sellers about the achievement of the earn-out performance targets, earn-out performance targets can sometimes create inadvertent incentives for the acquired company's management to take short-term actions designed to maximize the earn out instead of benefiting the business, and strong performance of the underlying business could result in material payments pursuant to earn-out provisions or future purchase obligations that may or may not reflect the fair market value of the asset at that time.

If we are unable to attract new and repeat customers in a cost-effective manner, our business and results of operations could be harmed.

Our success depends on our ability to attract new and repeat customers in a cost-effective manner. We rely on a variety of methods to do this including drawing visitors to our websites, promoting our products and services through search engines such as Google, Bing, and Yahoo!, email, direct mail, advertising banners and other online links, broadcast media, telesales and word-of-mouth customer referrals. If the search engines on which we rely modify their algorithms, terminate their relationships with us, or increase the prices at which we may purchase listings, our costs could increase, and fewer customers may click through to our websites. If links to our websites are not displayed prominently in online search results, if fewer customers click through to our websites, if our direct mail marketing campaigns are not effective, or if the costs of attracting customers using any of our current methods significantly increase, then our ability to efficiently attract new and repeat customers would be reduced, our revenue and net income could decline, and our business and results of operations would be harmed.

Seasonal fluctuations in our business place a strain on our operations and resources.

Our profitability has historically been highly seasonal. Our second fiscal quarter includes the majority of the holiday shopping season and accounts for a disproportionately high portion of our earnings for the year, primarily due to higher sales of home and family products such as holiday cards, calendars, photo books, and personalized gifts. In addition, the National Pen business we acquired in December 2016 has historically generated nearly all of its profits during the December quarter. Our operating income during the second fiscal quarter represented 46% and 86% of annual operating income in the years ended June 30, 2018 and 2016, respectively, and during the year ended June 30, 2017, in a period we recognized a loss from operations, the second quarter was the only profitable quarter. In anticipation of increased sales activity during our second fiscal quarter holiday season, we typically incur significant additional capacity related expenses each year to meet our seasonal needs, including facility expansions, equipment purchases and leases, and increases in the number of temporary and permanent employees. Lower than expected sales during the second quarter would likely have a disproportionately large impact on our operating results and financial condition for the full fiscal year. In addition, if our manufacturing and other operations are unable to keep up with the high volume of orders during our second fiscal quarter or we experience inefficiencies in our production, then our costs may be significantly higher, and we and our customers can experience delays in order fulfillment and delivery and other disruptions. If we are unable to accurately forecast and respond to seasonality in our business, our business and results of operations may be materially harmed.

Our hedging activity could negatively impact our results of operations, cash flows, or leverage.

We have entered into derivatives to manage our exposure to interest rate and currency movements. If we do not accurately forecast our results of operations, execute contracts that do not effectively mitigate our economic exposure to interest rates and currency rates, elect to not apply hedge accounting, or fail to comply with the complex accounting requirements for hedging, our results of operations and cash flows could be volatile, as well as negatively impacted. Also, our hedging objectives may be targeted at improving our non-GAAP financial metrics, which could result in increased volatility in our GAAP results. Since some of our hedging activity addresses long-term exposures, such as our net investment in our subsidiaries, the gains or losses on those hedges could be recognized before the offsetting exposure materializes to offset them. This could result in our having to borrow to settle a loss on a derivative without an offsetting cash inflow, potentially causing volatility in our cash or debt balances and therefore our leverage.

Our businesses face risks related to interruption of our operations and lack of redundancy.

Our businesses' production facilities, websites, infrastructure, supply chain, customer service centers, and operations may be vulnerable to interruptions, and our businesses do not have redundancies or alternatives in all cases to carry on these operations in the event of an interruption. In addition, because our businesses are dependent in part on third parties for the implementation and maintenance of certain aspects of their communications and production systems, they may not be able to remedy interruptions to these systems in a timely manner or at all due to factors outside of their control. Some of the events that could cause interruptions in our businesses' operations or systems are the following, among others:

- fire, natural disasters, or extreme weather
- labor strike, work stoppage, or other issues with our workforce
- political instability or acts of terrorism or war
- power loss or telecommunication failure
- attacks on our external websites or internal network by hackers or other malicious parties
- undetected errors or design faults in our technology, infrastructure, and processes that may cause our websites to fail
- inadequate capacity in our systems and infrastructure to cope with periods of high volume and demand
- human error, including poor managerial judgment or oversight

Any interruptions to our businesses' systems or operations could result in lost revenue, increased costs, negative publicity, damage to our businesses' reputation and brands, and an adverse effect on our business and results of operations. Building redundancies into our businesses' infrastructure, systems, and supply chain to mitigate these risks may require us to commit substantial financial, operational, and technical resources, in some cases before the volume of their business increases with no assurance that their revenues will increase.

We face intense competition, and we expect our competition to continue to increase.

The markets for our products and services are intensely competitive, highly fragmented, and geographically dispersed. The competitive landscape for e-commerce companies continues to change as new e-commerce businesses are introduced and traditional “bricks and mortar” businesses establish an online presence. Competition may result in price pressure, reduced profit margins, and loss of market share and brand recognition, any of which could substantially harm our business and financial results. Current and potential competitors include the following (in no particular order):

- traditional offline suppliers and graphic design providers
- online printing and graphic design companies
- office superstores, drug store chains, food retailers, and other major retailers targeting small business and consumer markets
- wholesale printers
- self-service desktop design and publishing using personal computer software
- email marketing services companies
- website design and hosting companies
- suppliers of customized apparel, promotional products, gifts, and packaging
- online photo product companies
- Internet retailers
- online providers of custom printing services that outsource production to third party printers
- providers of digital marketing such as social media and local search directories

Many of our current and potential competitors have advantages over us, including longer operating histories, greater brand recognition or loyalty, more focus on a given subset of our business, or significantly greater financial, marketing, and other resources. Many of our competitors currently work together, and additional competitors may do so in the future through strategic business agreements or acquisitions. In addition, we have in the past and may in the future choose to collaborate with some of our existing and potential competitors in strategic partnerships that we believe will improve our competitive position and financial results. It is possible, however, that such ventures will be unsuccessful and that our competitive position and financial results will be adversely affected as a result of such collaboration.

Failure to meet our customers' price expectations would adversely affect our business and results of operations.

Demand for our products and services is sensitive to price for almost all of our businesses, and changes in our pricing strategies, including shipping pricing, have had a significant impact on the numbers of customers and orders in some regions, which in turn affects our revenues, profitability, and results of operations. Many factors can significantly impact our pricing and marketing strategies, including the costs of running our business, our competitors' pricing and marketing strategies, and the effects of inflation. If we fail to meet our customers' price expectations, our business and results of operations may suffer.

We are subject to safety, health, and environmental laws and regulations, which could result in liabilities, cost increases, or restrictions on our operations.

We are subject to a variety of safety, health and environmental, or SHE, laws and regulations in each of the jurisdictions in which we operate. These laws and regulations govern, among other things, air emissions, wastewater discharges, the storage, handling and disposal of hazardous and other regulated substances and wastes, soil and groundwater contamination and employee health and safety. We use regulated substances such as inks and solvents, and generate air emissions and other discharges at our manufacturing facilities, and some of our facilities are required to hold environmental permits. If we fail to comply with existing SHE requirements, or new, more stringent SHE requirements applicable to us are imposed, we may be subject to monetary fines, civil or criminal sanctions, third-party claims, or the limitation or suspension of our operations. In addition, if we are found to be responsible for hazardous substances at any location (including, for example, offsite waste disposal facilities or facilities at which we formerly operated), we may be responsible for the cost of cleaning up contamination, regardless of fault, as well as for claims for harm to health or property or for natural resource damages arising out of contamination or exposure to hazardous substances.

In some cases we pursue self-imposed socially responsible policies that are more stringent than is typically required by laws and regulations, for instance in the areas of worker safety, team member social benefits and environmental protection such as carbon reduction initiatives. The costs of this added SHE effort are often substantial and could grow over time.

The loss of key personnel or an inability to attract and retain additional personnel could affect our ability to successfully grow our business.

We are highly dependent upon the continued service and performance of our senior management and key technical, marketing, and production personnel, any of whom may cease their employment with us at any time with minimal advance notice. We face intense competition for qualified individuals from many other companies in diverse industries. The loss of one or more of our key employees may significantly delay or prevent the achievement of our business objectives, and our failure to attract and retain suitably qualified individuals or to adequately plan for succession could have an adverse effect on our ability to implement our business plan.

Our credit facility and the indenture that governs our senior notes restrict our current and future operations, particularly our ability to respond to changes or to take certain actions.

Our senior secured credit facility, which we refer to as our credit facility, and the indenture that governs our 7.0% senior unsecured notes due 2026, which we refer to as our senior notes, contain a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our best interest, including restrictions on our ability to:

- incur additional indebtedness, guarantee indebtedness, and incur liens;
- pay dividends or make other distributions or repurchase or redeem capital stock;
- prepay, redeem, or repurchase certain subordinated debt;
- issue certain preferred stock or similar redeemable equity securities;
- make loans and investments;
- sell assets;
- enter into transactions with affiliates;
- alter the businesses we conduct;
- enter into agreements restricting our subsidiaries' ability to pay dividends; and
- consolidate, merge, or sell all or substantially all of our assets.

As a result of these restrictions, we may be limited in how we conduct our business, grow in accordance with our strategy, compete effectively, or take advantage of new business opportunities. In addition, the restrictive covenants in the credit facility require us to maintain specified financial ratios and satisfy other financial condition tests. Our ability to meet those financial ratios and tests can be affected by events beyond our control, and we may be unable to meet them.

A default under our indenture or credit facility would have a material, adverse effect on our business.

Our failure to make scheduled payments on our debt or our breach of the covenants or restrictions under the indenture that governs our senior notes or under our credit facility could result in an event of default under the applicable indebtedness. Such a default would have a material, adverse effect on our business and financial condition, including the following, among others:

- Our lenders could declare all outstanding principal and interest to be due and payable, and we and our subsidiaries may not have sufficient assets to repay that indebtedness.
- Our secured lenders could foreclose against the assets securing their borrowings.
- Our lenders under the credit facility could terminate all commitments to extend further credit under that facility.
- We could be forced into bankruptcy or liquidation.

Our material indebtedness and interest expense could adversely affect our financial condition.

As of June 30, 2018, our total debt was $839.4 million, made up of $400.0 million of senior notes, $432.4 million of loan obligations under our credit facility and $7.0 million of other debt. We had unused commitments of $689.7 million under our credit facility (after giving effect to letter of credit obligations).

Subject to the limits contained in the credit facility, the indenture that governs our senior notes, and our other debt instruments, we may be able to incur substantial additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. If we do so, the risks related to our level of debt could intensify. Specifically, our level of debt could have important consequences, including the following:

- making it more difficult for us to satisfy our obligations with respect to our debt;
- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions, or other general corporate requirements;
- requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions, and other general corporate purposes;
- increasing our vulnerability to general adverse economic and industry conditions;
- exposing us to the risk of increased interest rates as some of our borrowings, including borrowings under our credit facility, are at variable rates of interest;
- limiting our flexibility in planning for and reacting to changes in the industry and marketplaces in which we compete;
- placing us at a disadvantage compared to other, less leveraged competitors; and
- increasing our cost of borrowing.

We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or refinance our debt obligations depends on our financial condition and operating performance, which are subject to economic and competitive conditions and to various financial, business, legislative, regulatory, and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital, or restructure or refinance our indebtedness. We may not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all.

If we cannot make scheduled payments on our debt, we will be in default. Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would materially and adversely affect our financial position and results of operations.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under our credit facility are at variable rates of interest and expose us to interest rate risk, and any interest rate swaps we enter into in order to reduce interest rate volatility may not fully mitigate our interest rate risk. If interest rates were to increase, our debt service obligations on the variable rate indebtedness would increase even if the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. As of June 30, 2018, a hypothetical 100 basis point increase in rates, inclusive of our outstanding interest rate swaps, would result in an increase of interest expense of approximately $2.4 million over the next 12 months.

Border controls and duties and restrictions on cross-border commerce may negatively impact our business.

Many governments impose restrictions on shipping goods into their countries, as well as protectionist measures such as customs duties and tariffs that may apply directly to product categories comprising a material portion of our revenues. The customs laws, rules and regulations that we are required to comply with are complex and subject to unpredictable enforcement and modification. As a result of these restrictions, we have from time to time experienced delays in shipping our manufactured products into certain countries, and changes in cross-border regulations could have a significant negative effect on our business. For example, the current United States administration has made, and may continue to make, major changes in trade policy between the United States and other countries, such as the imposition of additional tariffs and duties on imported products. Because we produce most physical products for our United States customers at our facilities in Canada and Mexico and we source most materials for our products outside the United States, including material amounts of sourcing from China, future changes in tax policy or trade relations could adversely affect our business and results of operations.

If we are unable to protect our intellectual property rights, our reputation and brands could be damaged, and others may be able to use our technology, which could substantially harm our business and financial results.

We rely on a combination of patents, trademarks, trade secrets, copyrights, and contractual restrictions to protect our intellectual property, but these protective measures afford only limited protection. Despite our efforts to protect our proprietary rights, unauthorized parties may be able to copy or use technology or information that we consider proprietary. There can be no guarantee that any of our pending patent applications or continuation patent applications will be granted, and from time to time we face infringement, invalidity, intellectual property ownership, or similar claims brought by third parties with respect to our patents. In addition, despite our trademark registrations throughout the world, our competitors or other entities may adopt names, marks, or domain names similar to ours, thereby impeding our ability to build brand identity and possibly leading to customer confusion. Enforcing our intellectual property rights can be extremely costly, and a failure to protect or enforce these rights could damage our reputation and brands and substantially harm our business and financial results.

Intellectual property disputes and litigation are costly and could cause us to lose our exclusive rights, subject us to liability, or require us to stop some of our business activities.

From time to time, we receive claims from third parties that we infringe their intellectual property rights, that we are required to enter into patent licenses covering aspects of the technology we use in our business, or that we improperly obtained or used their confidential or proprietary information. Any litigation, settlement, license, or other proceeding relating to intellectual property rights, even if we settle it or it is resolved in our favor, could be costly, divert our management's efforts from managing and growing our business, and create uncertainties that may make it more difficult to run our operations. If any parties successfully claim that we infringe their intellectual property rights, we might be forced to pay significant damages and attorney's fees, and we could be restricted from using certain technologies important to the operation of our business.

Our business is dependent on the Internet, and unfavorable changes in government regulation of the Internet, e-commerce, and email marketing could substantially harm our business and financial results.

Due to our dependence on the Internet for most of our sales, laws specifically governing the Internet, e-commerce, and email marketing may have a greater impact on our operations than other more traditional businesses. Existing and future laws, such as laws covering pricing, customs, privacy, consumer protection, or commercial email, may impede the growth of e-commerce and our ability to compete with traditional “bricks and mortar” retailers. Existing and future laws or unfavorable changes or interpretations of these laws could substantially harm our business and financial results.

The failure of our business partners to use legal and ethical business practices could negatively impact our business.

We contract with multiple business partners in an increasing number of jurisdictions worldwide, including sourcing the raw materials for the products we sell from an expanding number of suppliers and contracting with third-party merchants and manufacturers for the placement and fulfillment of customer orders. We require our suppliers, fulfillers, and merchants to operate in compliance with all applicable laws, including those regarding corruption, working conditions, employment practices, safety and health, and environmental compliance, but we cannot control their business practices. We may not be able to adequately vet, monitor, and audit our many business partners (or their suppliers) throughout the world, and our decentralized structure heightens this risk, as not all of our businesses have equal resources to manage their business partners. If any of them violates labor, environmental, or other laws or implements business practices that are regarded as unethical or inconsistent with our values, our reputation could be severely damaged, and our supply chain and order fulfillment process could be interrupted, which could harm our sales and results of operations.

If we were required to review the content that our customers incorporate into our products and interdict the shipment of products that violate copyright protections or other laws, our costs would significantly increase, which would harm our results of operations.

Because of our focus on automation and high volumes, the vast majority of our sales do not involve any human-based review of content. Although our websites' terms of use specifically require customers to make representations about the legality and ownership of the content they upload for production, there is a risk that a customer may supply an image or other content for an order we produce that is the property of another party used without permission, that infringes the copyright or trademark of another party, or that would be considered to be defamatory, hateful, obscene, or otherwise objectionable or illegal under the laws of the jurisdiction(s) where that customer lives or where we operate. If we were to become legally obligated to perform manual screening of customer orders, our costs would increase significantly, and we could be required to pay substantial penalties or monetary damages for any failure in our screening process.

We are subject to customer payment-related risks.

We accept payments for our products and services on our websites by a variety of methods, including credit or debit card, PayPal, check, wire transfer, or other methods. In some geographic regions, we rely on one or two third party companies to provide payment processing services. If any of the payment processing or other companies with which we have contractual arrangements became unwilling or unable to provide these services to us or they or we are unable to comply with our contractual requirements under such arrangements, then we would need to find and engage replacement providers, which we may not be able to do on terms that are acceptable to us or at all, or to process the payments ourselves. Any of these scenarios could be disruptive to our business as they could be costly and time consuming and may unfavorably impact our customers.

As we offer new payment options to our customers, we may be subject to additional regulations, compliance requirements and fraud risk. For some payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time and raise our operating costs and lower our profit margins or require that we charge our customers more for our products. We are also subject to payment card association and similar operating rules and requirements, which could change or be reinterpreted to make it difficult or impossible for us to comply. If we fail to comply with these rules and requirements, we may be subject to fines and higher transaction fees and lose our ability to accept credit and debit card payments from our customers or facilitate other types of online payments, and our business and operating results could be materially adversely affected.

In addition, we may be liable for fraudulent transactions conducted on our websites, such as through the use of stolen credit card numbers. To date, quarterly losses from payment fraud have not exceeded 1% of total revenues in any quarter, but we continue to face the risk of significant losses from this type of fraud.

We may be subject to product liability or environmental compliance claims if people, property, or the environment are harmed by the products we sell.

Some of the products we sell may expose us to product liability or environmental compliance claims relating to issues such as personal injury, death, property damage, or the use or disposal of environmentally harmful substances and may require product recalls or other actions. Any claims, litigation, or recalls could be costly to us and damage our brands and reputation.

Our inability to use or maintain domain names in each country or region where we currently or intend to do business could negatively impact our brands and our ability to sell our products and services in that country or region.

We may not be able to prevent third parties from acquiring domain names that use our brand names or other trademarks or that otherwise infringe or decrease the value of our trademarks and other proprietary rights. If we are unable to use or maintain a domain name in a particular country or region, then we could be forced to purchase the domain name from an entity that owns or controls it, which we may not be able to do on commercially acceptable terms or at all; we may incur significant additional expenses to develop a new brand to market our products within that country; or we may elect not to sell products in that country.

We do not collect indirect taxes in all jurisdictions, which could expose us to tax liabilities.

In some of the jurisdictions where we sell products and services, we do not collect or have imposed upon us sales, value added or other consumption taxes, which we refer to as indirect taxes. The application of indirect taxes to e-commerce businesses such as Cimpress is a complex and evolving issue, and in many cases, it is not clear how existing tax statutes apply to the Internet or e-commerce. If a government entity claims that we should have been collecting indirect taxes on the sale of our products in a jurisdiction where we have not been doing so, then we could incur substantial tax liabilities for past sales.

For example, certain of our businesses do not currently collect sales tax in all U.S. states where they sell products. Many state governments in the United States have imposed or are seeking to impose sales tax collection responsibility on out-of-state, online retailers, and the recent U.S. Supreme Court ruling in South Dakota v. Wayfair, Inc. et al. enables states to consider adopting laws requiring remote sellers to collect and remit sales tax, even in states in which the seller has no physical presence. To the extent that individual states decide to adopt similar legislation, this could significantly increase the collection and compliance burden on Cimpress businesses operating in the U.S. In addition, there is risk that a state government in which a Cimpress business currently is not registered to collect and remit sales tax may attempt to assess tax, interest and penalties relating to prior periods.

Risks Related to Our Corporate Structure

Challenges by various tax authorities to our international structure could, if successful, increase our effective tax rate and adversely affect our earnings.

We are a Dutch limited liability company that operates through various subsidiaries in a number of countries throughout the world. Consequently, we are subject to tax laws, treaties and regulations in the countries in which we operate, and these laws and treaties are subject to interpretation. From time to time, we are subject to tax audits, and the tax authorities in these countries could claim that a greater portion of the income of the Cimpress N.V. group should be subject to income or other tax in their respective jurisdictions, which could result in an increase to our effective tax rate and adversely affect our results of operations.

Changes in tax laws, regulations and treaties could affect our tax rate and our results of operations.

A change in tax laws, treaties or regulations, or their interpretation, of any country in which we operate could result in a higher tax rate on our earnings, which could result in a significant negative impact on our earnings and cash flow from operations. In addition to the passage of the Tax Cuts and Jobs Act in the United States, there are currently multiple initiatives for comprehensive tax reform underway in other key jurisdictions where we have operations. We continue to assess the impact of the U.S. Tax Cuts and Jobs Act as well as various international tax reform proposals and modifications to existing tax treaties in all jurisdictions where we have operations that could result in a material impact on our income taxes. We cannot predict whether any other specific legislation will be enacted or the terms of any such legislation. However, if such proposals were enacted, or if modifications were to be made to certain existing treaties, the consequences could have a materially adverse impact on us, including increasing our tax burden, increasing costs of our tax compliance or otherwise adversely affecting our financial condition, results of operations and cash flows.

Our intercompany arrangements may be challenged, which could result in higher taxes or penalties and an adverse effect on our earnings.

We operate pursuant to written transfer pricing agreements among Cimpress N.V. and its subsidiaries, which establish transfer prices for various services performed by our subsidiaries for other Cimpress group companies. If two or more affiliated companies are located in different countries, the tax laws or regulations of each country generally will require that transfer prices be consistent with those between unrelated companies dealing at arm's length. With the exception of certain jurisdictions where we have obtained rulings or advance pricing agreements, our transfer pricing arrangements are not binding on applicable tax authorities, and no official authority in any other country has made a determination as to whether or not we are operating in compliance with its transfer pricing laws. If tax authorities in any country were successful in challenging our transfer prices as not reflecting arm's length transactions, they could require us to adjust our transfer prices and thereby reallocate our income to reflect these revised transfer prices. A reallocation of taxable income from a lower tax jurisdiction to a higher tax jurisdiction would result in a higher tax liability to us. In addition, if the country from which the income is reallocated does not agree with the reallocation, both countries could tax the same income, resulting in double taxation.

Our Articles of Association, Dutch law and the independent foundation, *Stichting Continuïteit Cimpress*, may make it difficult to replace or remove management, may inhibit or delay a change of control or may dilute shareholder voting power.

Our Articles of Association, or Articles, as governed by Dutch law, limit our shareholders' ability to suspend or dismiss the members of our management board and supervisory board or to overrule our supervisory board's nominees to our management board and supervisory board by requiring a supermajority vote to do so under most circumstances. As a result, there may be circumstances in which shareholders may not be able to remove members of our management board or supervisory board even if holders of a majority of our ordinary shares favor doing so.

In addition, an independent foundation, *Stichting Continuïteit Cimpress*, or the Foundation, exists to safeguard the interests of Cimpress N.V. and its stakeholders, which include but are not limited to our shareholders, and to assist in maintaining Cimpress' continuity and independence. To this end, we have granted the Foundation a call option pursuant to which the Foundation may acquire a number of preferred shares equal to the same number of ordinary shares then outstanding, which is designed to provide a protective measure against unsolicited take-over bids for Cimpress and other hostile threats. If the Foundation were to exercise the call option, it may prevent a change of control or delay or prevent a takeover attempt, including a takeover attempt that might result in a premium over the market price for our ordinary shares. Exercise of the preferred share option would also effectively dilute the voting power of our outstanding ordinary shares by one half.

We have limited flexibility with respect to certain aspects of capital management and certain corporate transactions.

Dutch law imposes limitations and requirements on corporate actions such as the payment of dividends, issuance of new shares, repurchase of outstanding shares, and corporate acquisitions of a certain size, among other actions. For example, Dutch law requires shareholder approval for many corporate actions that would not be subject to shareholder approval if we were incorporated in the United States. Situations may arise where the flexibility to issue shares, pay dividends, purchase shares, acquire other companies, or take other corporate actions would be beneficial to us, but is subject to limitations, subject to delay due to shareholder approval requirements, or unavailable under Dutch law.

Because of our corporate structure, our shareholders may find it difficult to pursue legal remedies against the members of our supervisory board or management board.

Our Articles and our internal corporate affairs are governed by Dutch law, and the rights of our shareholders and the responsibilities of our supervisory board and management board are different from those established under United States laws. For example, under Dutch law derivative lawsuits are generally not available, and our supervisory board and management board are responsible for acting in the best interests of the company, its business and all of its stakeholders generally (including employees, customers and creditors), not just shareholders. As a result, our shareholders may find it more difficult to protect their interests against actions by members of our supervisory board or management board than they would if we were a U.S. corporation.

Because of our corporate structure, our shareholders may find it difficult to enforce claims based on United States federal or state laws, including securities liabilities, against us or our management team.

We are incorporated under the laws of the Netherlands, and the vast majority of our assets are located outside of the United States. In addition, some of our officers and management reside outside of the United States. In most cases, a final judgment for the payment of money rendered by a U.S. federal or state court would not be directly enforceable in the Netherlands. Although there is a process under Dutch law for petitioning a Dutch court to enforce a judgment rendered in the United States, there can be no assurance that a Dutch court would impose civil liability on us or our management team in any lawsuit predicated solely upon U.S. securities or other laws. In addition, because most of our assets are located outside of the United States, it could be difficult for investors to place a lien on our assets in connection with a claim of liability under U.S. laws. As a result, it may be difficult for investors to enforce U.S. court judgments or rights predicated upon U.S. laws against us or our management team outside of the United States.

We may not be able to make distributions or purchase shares without subjecting our shareholders to Dutch withholding tax.

A Dutch withholding tax may be levied on dividends and similar distributions made by Cimpress N.V. to its shareholders at the statutory rate of 15% if we cannot structure such distributions as being made to shareholders in relation to a reduction of par value, which would be non-taxable for Dutch withholding tax purposes. We have purchased our shares and may seek to purchase additional shares in the future. Under our Dutch Advanced Tax Ruling, a purchase of shares should not result in any Dutch withholding tax if we hold the purchased shares in treasury for the purpose of issuing shares pursuant to employee share awards or for the funding of acquisitions. However, if the shares cannot be used for these purposes, or the Dutch tax authorities successfully challenge the use of the shares for these purposes, such a purchase of shares may be treated as a partial liquidation subject to the 15% Dutch withholding tax to be levied on the difference between our average paid in capital per share for Dutch tax purposes and the redemption price per share, if higher.

We may be treated as a passive foreign investment company for United States tax purposes, which may subject United States shareholders to adverse tax consequences.

If our passive income, or our assets that produce passive income, exceed levels provided by law for any taxable year, we may be characterized as a passive foreign investment company, or a PFIC, for United States federal income tax purposes. If we are treated as a PFIC, U.S. holders of our ordinary shares would be subject to a disadvantageous United States federal income tax regime with respect to the distributions they receive and the gain, if any, they derive from the sale or other disposition of their ordinary shares.

We believe that we were not a PFIC for the tax year ended June 30, 2018 and we expect that we will not become a PFIC in the foreseeable future. However, whether we are treated as a PFIC depends on questions of fact as to our assets and revenues that can only be determined at the end of each tax year. Accordingly, we cannot be certain that we will not be treated as a PFIC in future years.

If a United States shareholder owns 10% or more of our ordinary shares, it may be subject to increased United States taxation under the “controlled foreign corporation” rules. Additionally, this may negatively impact the demand for our ordinary shares.

If a United States shareholder owns 10% or more of our ordinary shares, it may be subject to increased United States federal income taxation (and possibly state income taxation) under the “controlled foreign corporation” rules. In general, if a U.S. person owns (or is deemed to own) at least 10% of the voting power or value of a non-U.S. corporation, or “10% U.S. Shareholder,” and if such non-U.S. corporation is a “controlled foreign corporation,” or “CFC,”then such 10% U.S. Shareholder who owns (or is deemed to own) shares in the CFC on the last day of the CFC's taxable year must include in its gross income for United States federal income tax (and possibly state income tax) purposes its pro rata share of the CFC's “subpart F income,” even if the "subpart F income" is not distributed. In addition, a 10% U.S. shareholder's pro rata share of other income of a CFC, even if not distributed, might also need to be included in a 10% U.S. Shareholder’s gross income for United States federal income tax (and possibly state income tax) purposes under the “global intangible low-taxed income” or “GILTI” provisions of the U.S. tax law. In general, a non-U.S. corporation is considered a CFC if one or more 10% U.S. Shareholders together own more than 50% of the voting power or value of the corporation on any day during the taxable year of the corporation. “Subpart F income” consists of, among other things, certain types of dividends, interest, rents, royalties, gains, and certain types of income from services and personal property sales.

The rules for determining ownership for purposes of determining 10% U.S. Shareholder and CFC status are complicated, depend on the particular facts relating to each investor, and are not necessarily the same as the rules for determining beneficial ownership for SEC reporting purposes. For taxable years in which we are a CFC, each of our 10% U.S. Shareholders will be required to include in its gross income for United States federal income tax (and possibly state income tax) purposes its pro rata share of our "subpart F income," even if the subpart F income is not distributed by us, and might also be required to include its pro rata share of other income of ours, even if not distributed by us, under the GILTI provisions of the U.S. tax law. We currently do not believe we are a CFC. However, whether we are treated as a CFC can be affected by, among other things, facts as to our share ownership that may change. Accordingly, we cannot be certain that we will not be treated as a CFC in future years.

The risk of being subject to increased taxation as a CFC may deter our current shareholders from acquiring additional ordinary shares or new shareholders from establishing a position in our ordinary shares. Either of these scenarios could impact the demand for, and value of, our ordinary shares.

The ownership of our ordinary shares is highly concentrated, which could cause or exacerbate volatility in our share price.

More than 70% of our ordinary shares are held by our top 10 shareholders, and we may repurchase shares in the future, which could further increase the concentration of our share ownership. Because of this reduced liquidity, the trading of relatively small quantities of shares by our shareholders could disproportionately influence the price of those shares in either direction. The price for our shares could, for example, decline precipitously if a large number of our ordinary shares were sold on the market without commensurate demand, as compared to a company with greater trading liquidity that could better absorb those sales without adverse impact on its share price.

Item 1B. *Unresolved Staff Comments*

None.

Item 2. *Properties*

We own real property including the following manufacturing operations that provide support across our businesses:

- A 582,000 square foot facility located near Windsor, Ontario, Canada that primarily services our Vistaprint business.
- A 492,000 square foot facility located in Shelbyville, Tennessee, USA, that primarily services our National Pen business.
- A 362,000 square foot facility located in Venlo, the Netherlands that primarily services our Vistaprint business.
- A 130,000 square foot facility located in Kisarazu, Japan that primarily services our Vistaprint and National Pen businesses in the Japanese market.

- A 124,000 square foot facility located in Deer Park, Australia that primarily services our Vistaprint business.
- A 97,000 square feet, located near Montpellier, France that primarily services our Upload and Print businesses.

As of June 30, 2018, a summary of our currently occupied leased spaces is as follows:

Business Segment (1)	Square Feet	Type	Lease Expirations
Vistaprint	674,459	Technology development, marketing, customer service, manufacturing and administrative	December 2018 - November 2026
Upload and Print	713,595	Technology development, marketing, customer service, manufacturing and administrative	February 2019 - December 2025
National Pen	314,533	Marketing, customer service, manufacturing and administrative	April 2021 - April 2027
All Other Businesses	329,773	Technology development, marketing, customer service, manufacturing and administrative	December 2019 - August 2023
Other (2)	86,908	Corporate strategy and technology development	July 2020 - June 2023

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(1) Many of our leased properties are utilized by multiple business segments, but each have been assigned to the segment that occupies the majority of our leased space.
(2) Includes locations that are exclusively corporate or central functions.

We believe that the total space available to us in the facilities we own or lease, and space that is obtainable by us on commercially reasonable terms, will meet our needs for the foreseeable future.

Item 3. *Legal Proceedings*

The information required by this item is incorporated by reference to the information set forth in Item 8 of Part II, “Financial Statements and Supplementary Data — Note 17 — Commitments and Contingencies,” in the accompanying notes to the consolidated financial statements included in this Report.

Item 4. *Mine Safety Disclosures*

None.

PART II

Item 5. *Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

The ordinary shares of Cimpress N.V. are traded on the NASDAQ Global Select Market (the "NASDAQ") under the symbol “CMPR.” As of July 31, 2018, there were approximately 12 holders of record of our ordinary shares, although there is a much larger number of beneficial owners. The following table sets forth, for the periods indicated, the high and low sale price per share of our ordinary shares on the NASDAQ:

	High	Low
Fiscal 2017:		
First Quarter	$ 104.18	$ 88.31
Second Quarter	$ 102.95	$ 80.47
Third Quarter	$ 99.99	$ 79.15
Fourth Quarter	$ 94.47	$ 78.80
Fiscal 2018:		
First Quarter	$ 99.99	$ 80.61
Second Quarter	$ 123.95	$ 98.00
Third Quarter	$ 171.76	$ 119.52
Fourth Quarter	$ 163.94	$ 133.77

Dividends

We have never paid or declared any cash dividends on our ordinary shares, and we do not anticipate paying any cash dividends in the foreseeable future. We currently intend to retain all future earnings to finance the growth and operations of our business, investment in or acquisition of other businesses, purchase of our ordinary shares, or pay down of our debt. Under Dutch law, we may pay dividends only out of profits shown on our annual accounts prepared in accordance with Dutch law and adopted by our shareholders rather than the financial statements regularly filed with the SEC, and only to the extent our equity exceeds the sum of the paid and called up portion of our ordinary share capital and the reserves that must be maintained in accordance with provisions of Dutch law and our articles of association. In addition, the terms of our outstanding indebtedness restrict our ability to pay dividends, as further described in Item 8 of Part II, "Financial Statements and Supplementary Data - Note 10 - Debt," and in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" section of this Report.

Issuer Purchases of Equity Securities

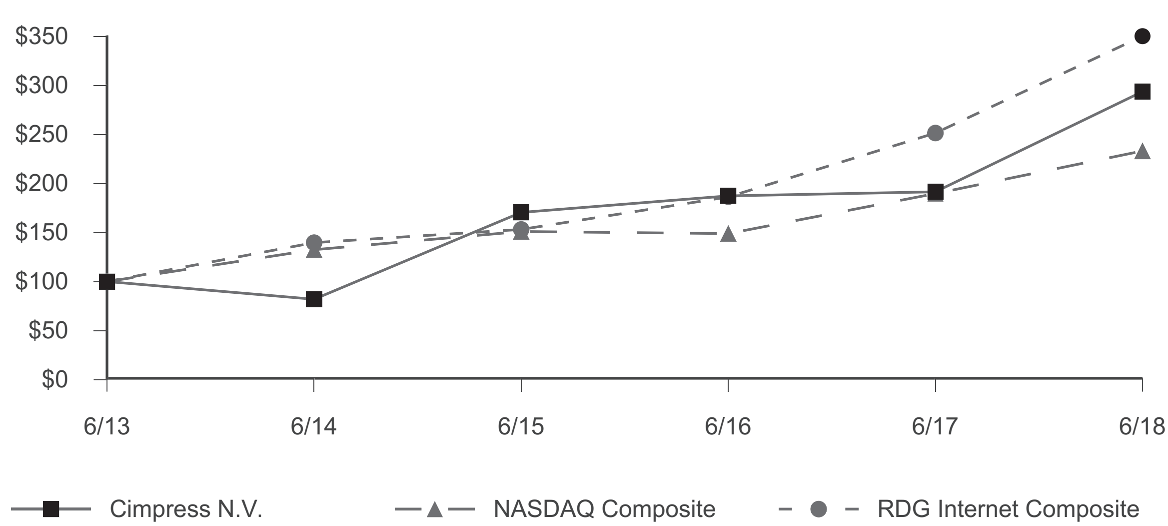
On November 14, 2017, our Supervisory Board authorized the repurchase of up to 6,300,000 of our issued and outstanding ordinary shares on the open market (including block trades that satisfy the safe harbor provisions of Rule 10b-18 pursuant to the U.S. Securities Exchange Act of 1934), through privately negotiated transactions, or in one or more self-tender offers. This share repurchase authorization expires on May 14, 2019, and we may suspend or discontinue our share repurchases at any time.

We did not repurchase any shares during the three months ended June 30, 2018, and 5,857,443 shares remain available for repurchase under this program, subject to certain limitations imposed by our debt covenants.

Performance Graph

The following graph compares the cumulative total return to shareholders of Cimpress N.V. ordinary shares relative to the cumulative total returns of the NASDAQ Composite index and the Research Data Group (RDG) Internet Composite index. An investment of $100 (with reinvestment of all dividends) is assumed to have been made in our ordinary shares and in each of the indexes on June 30, 2013 and the relative performance of each investment is tracked through June 30, 2018.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN
Among Cimpress N.V., the NASDAQ Composite Index
and the RDG Internet Composite Index



Form 10-K

	Year Ended June 30,					
	2013	2014	2015	2016	2017	2018
Cimpress N.V.	$ 100.00	$ 81.95	$ 170.47	$ 187.32	$ 191.47	$ 293.62
NASDAQ Composite	100.00	132.45	151.00	148.88	189.66	233.12
RDG Internet Composite	100.00	139.66	153.13	186.25	251.39	350.12

The share price performance included in this graph is not necessarily indicative of future share price performance.

Item 6. *Selected Financial Data*

The following financial data should be read in conjunction with our consolidated financial statements, the related notes and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Report. The historical results are not necessarily indicative of the results to be expected for any future period.

	Year Ended June 30,				
	2018 (a)	2017 (b)	2016 (c)	2015 (d)	2014 (e)
	(In thousands, except share and per share data)				
Consolidated Statements of Operations Data:					
Revenue	$ 2,592,541	$ 2,135,405	$ 1,788,044	$ 1,494,206	$ 1,270,236
Net income (loss) attributable to Cimpress N.V.	43,733	(71,711)	54,349	92,212	43,696
Net income (loss) per share attributable to Cimpress N.V.:					
Basic	$ 1.41	$ (2.29)	$ 1.72	$ 2.82	$ 1.33
Diluted (f)	$ 1.36	$ (2.29)	$ 1.64	$ 2.73	$ 1.28
Shares used in computing net income (loss) per share attributable to Cimpress N.V.:					
Basic	30,948,081	31,291,581	31,656,234	32,644,870	32,873,234
Diluted (f)	32,220,401	31,291,581	33,049,454	33,816,498	34,239,909

	Year Ended June 30,				
	2018 (a)	2017 (b)	2016 (c)	2015 (d)	2014 (e)
	(In thousands)				
Consolidated Statements of Cash Flows Data:					
Net cash provided by operating activities	$ 192,332	$ 156,736	$ 247,358	$ 242,022	$ 153,739
Purchases of property, plant and equipment	(60,930)	(74,157)	(80,435)	(75,813)	(72,122)
Purchases of ordinary shares	(94,710)	(50,008)	(153,467)	—	(42,016)
Business acquisitions, net of cash acquired	(110)	(204,875)	(164,412)	(123,804)	(216,384)
Proceeds from the sale of subsidiaries, net of transaction costs and cash divested	93,779	—	—	—	—
Net (payments) proceeds of debt and debt issuance costs	(54,415)	196,933	167,316	54,207	207,946

	Year Ended June 30,				
	2018 (a)	2017 (b)	2016 (c)	2015 (d)	2014 (e)
	(In thousands)				
Consolidated Balance Sheet Data:					
Cash, cash equivalents and marketable securities	$ 44,227	$ 25,697	$ 85,319	$ 110,494	$ 76,365
Net current liabilities (g)	(241,728)	(203,482)	(135,095)	(89,580)	(83,560)
Total assets	1,652,217	1,679,869	1,463,869	1,299,794	985,495
Total long-term debt, excluding current portion (h)	767,585	847,730	656,794	493,039	408,150
Total shareholders' equity	93,947	75,212	166,076	249,419	232,457

(a) Includes the Albumprinter results through the divestiture date of August 31, 2017. See Note 7 in our accompanying financial statements in this Report for a discussion of this divestiture.

(b) Includes the impact of the acquisition of National Pen on December 30, 2016. See Note 7 in our accompanying financial statements in this Report for a discussion of this acquisition. During December 2016, we purchased the remaining noncontrolling interest of our Japan business from our joint business partner, Plaza Create Co. Ltd.

Form 10-K

(c) Includes the impact of the acquisitions of Litotipografia Alcione S.r.l. on July 29, 2015, Tradeprint Distribution Limited on July 31, 2015, and WIRmachenDRUCK GmbH on February 1, 2016. See Note 7 in our accompanying financial statements in this Report for a discussion of these acquisitions.

During fiscal 2016, we adopted Accounting Standards Update (ASU) 2016-09 requiring the recognition of excess tax benefits as a component of income tax expense; these benefits were historically recognized in equity. As the standard required a prospective method of adoption, our fiscal 2018, 2017 and 2016 net income includes $12.8 million, $8.0 million and $3.5 million of income tax benefits, respectively, due to the adoption that did not occur in the prior comparable periods presented above.

(d) Includes the impact of the acquisitions of FotoKnudsen AS on July 1, 2014, FL Print SAS on April 9, 2015, Exagroup SAS on April 15, 2015 and druck.at Druck-und Handelsgesellschäft mbH on April 17, 2015, as well as our investment in Printi LLC on August 7, 2014.

(e) Includes the impact of the acquisitions of Printdeal B.V. on April 1, 2014 and Pixartprinting S.p.A. on April 3, 2014, as well as our investment in a joint business arrangement with Plaza Create Co. Ltd. in February 2014.

(f) In the periods we report a net loss, the impact of share options, RSUs, and RSAs is not included as they are anti-dilutive.

(g) Our net current liabilities (current assets minus current liabilities) have increased over recent years as we have made long-term investments that seek to drive shareholder value through acquisitions, ordinary share purchases, and other strategic initiatives. We have financed these investments through a mix of cash on hand, cash flows generated from operations and external debt financing. Additionally, many of our businesses have a cash conversion cycle that results in current liabilities being higher than current assets.

(h) On June 15, 2018, we completed a private placement of $400.0 million of 7.0% senior unsecured notes due 2026. The proceeds from the sales of the notes were used to repay our existing $275.0 million senior unsecured notes that were due 2022, a portion of our indebtedness outstanding under our senior secured credit facility and other related transaction fees. See Note 10 in our accompanying financial statements in this Report for additional discussion. Increases in long-term debt during the periods presented have largely been driven by the funding of acquisitions outlined including those outlined in Note 7 and share repurchases.

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

This Report contains forward-looking statements that involve risks and uncertainties. The statements contained in this Report that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including but not limited to our statements about anticipated revenue growth rates, planned investments in our business and the expected effects of those investments, seasonality of certain of our businesses, the impacts of changes in accounting standards, the impact of the U.S. Tax Cuts and Jobs Act, the sufficiency of our tax reserves, sufficiency of our cash, legal proceedings, expected operating losses at newer businesses, expected allocations of capital, the anticipated competitive position of certain of our businesses, and the impact of exchange rate and currency volatility. Without limiting the foregoing, the words "may," "should," "could," "expect," "plan," "intend," "anticipate," "believe," "estimate," "predict," "designed," "potential," "continue," "target," "seek" and similar expressions are intended to identify forward-looking statements. All forward-looking statements included in this Report are based on information available to us up to, and including the date of this document, and we disclaim any obligation to update any such forward-looking statements. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain important factors, including those set forth in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" and elsewhere in this Report. You should carefully review those factors and also carefully review the risks outlined in other documents that we file from time to time with the United States Securities and Exchange Commission.

Executive Overview

Cimpress is a strategically-focused group of more than a dozen businesses that specialize in mass customization, via which we deliver large volumes of individually small-sized customized orders for a broad spectrum of print, signage, photo merchandise, invitations and announcements, packaging, apparel and other categories. We invest in and build customer-focused, entrepreneurial mass customization businesses for the long term, which we manage in a decentralized, autonomous manner. We drive competitive advantage across Cimpress through a select few shared strategic capabilities that have the greatest potential to create Cimpress wide value. We limit all other central activities to only those which absolutely must be performed centrally.

As of June 30, 2018, we have numerous operating segments under our management reporting structure that are reported in the following four reportable segments: Vistaprint, Upload and Print, National Pen, and All Other Businesses. Vistaprint represents our Vistaprint websites focused on the North America, Europe, Australia and New Zealand markets, and our Webs business, which is managed with the Vistaprint digital business. Upload and Print includes the druck.at, Easyflyer, Exagroup, Pixartprinting, Printdeal, Tradeprint, and WIRmachenDRUCK businesses. National Pen includes the global operations of our National Pen business. All Other Businesses segment includes the operations of our Printi, Vistaprint India, Vistaprint Japan and Vistaprint Corporate Solutions businesses, and the Albumprinter business, through its divestiture on August 31, 2017.

During the first quarter of fiscal 2018, we began presenting inter-segment fulfillment activity as revenue for the fulfilling business for purposes of measuring and reporting our segment financial performance. This change in presentation was driven by our recent transition to a decentralized organizational structure, and this presentation aligns with our internal reporting and the way in which our business' performance is evaluated. We have revised historical results to reflect the consistent application of our current accounting methodology. In addition, we adjusted our historical segment profitability for the allocation of certain IT costs that are allocated to each of our businesses in fiscal 2018, to better reflect where those resources are consumed. Refer to Note 16 of the accompanying consolidated financial statements for additional details of these changes.

Financial Summary

The primary financial metric by which we set quarterly and annual budgets both for individual businesses and Cimpress-wide is our free cash flow prior to cash interest costs; however, in evaluating the financial condition and operating performance of our business, management considers a number of metrics including revenue growth, constant-currency revenue growth, operating income, adjusted net operating profit, cash flow from operations and free cash flow. A summary of these key financial metrics for the year ended June 30, 2018 as compared to the year ended June 30, 2017 follows:

Fiscal year 2018

- Revenue increased by 21% to $2,592.5 million.
- Consolidated constant-currency revenue (a non-GAAP financial measure) increased by 17% and, excluding acquisitions and divestitures completed in the last four quarters, increased by 11%.
- Operating income (loss) increased by $203.5 million to $157.8 million.
- Adjusted net operating profit (a non-GAAP financial measure which we refer to as adjusted NOP) increased by $69.8 million to $165.5 million.
- Cash provided by operating activities increased by $35.6 million to $192.3 million.
- Free cash flow (a non-GAAP financial measure) increased by $94.4 million to $139.5 million.

For our fiscal year 2018, the increase in reported revenue includes the impact of a full year of National Pen revenue as compared to a portion of the prior year due to timing of the acquisition, continued growth in our various businesses, as well as positive impacts from currency exchange rate fluctuations. This was partially offset by the loss of Albumprinter revenue as we divested this business as of August 31, 2017. Our constant-currency revenue growth excluding acquisitions and divestitures was driven primarily by continued growth in our Vistaprint and Upload and Print businesses.

In addition to incremental profits generated from the revenue growth described above, the following items positively impacted our operating income for the year ended June 30, 2018, leading to the increase in operating income as compared to the prior period:

- Significant year-over-year operating expense savings of approximately $55 million related to the restructuring actions announced in January and November 2017, as well as a reduction of restructuring charges of $11.5 million.
- Recognized gain on the sale of subsidiaries of $47.5 million, related to the August 2017 sale of Albumprinter.
- Decrease of acquisition-related expenses of $46.6 million, due to the following:
    - Reduction to earn-out related charges of $40.7 million, related primarily to the WIRmachenDRUCK contingent earn-out arrangement that was paid in fiscal year 2018.
    - Impairment charges of $9.6 million recognized during the prior period, which did not recur during the current period.
    - Increased amortization of acquired intangible assets of $3.7 million, due to the timing of our fiscal year 2017 acquisition of National Pen, which partially offset the above decreases.

- Increase in National Pen segment profit of $24.4 million, primarily due to the timing of the acquisition in fiscal year 2017.

- Decreased impact of organic investments in fiscal year 2018 as compared to fiscal year 2017, due to reduced net investments in various areas including "Columbus" which was the name of a project to organically build our business in promotional products and logo apparel, new product introduction, and the businesses within our All Other Businesses segment.

Adjusted NOP increased significantly year over year primarily due to the same reasons as operating income mentioned above, although adjusted NOP excludes the impact of the gain from the purchase or sale of subsidiaries, restructuring charges and acquisition-related charges, and includes realized gains or losses on our currency hedges. The net year-over-year impact of currency on adjusted NOP was negative for the year ended June 30, 2018.

Consolidated Results of Operations

Revenue

Our businesses generate revenue primarily from the sale and shipment of customized manufactured products. To a much lesser extent (and only in our Vistaprint business) we provide digital services, website design and hosting, and email marketing services, as well as a small percentage from order referral fees and other third-party offerings.

For the year ended June 30, 2018, our reported revenue increased as compared to the prior comparable period. This includes the full year revenue benefit of the National Pen business as results were included for only a portion of the prior period. We also delivered continued growth in our Vistaprint and Upload and Print businesses. Our reported revenue was negatively impacted by the divestiture of our Albumprinter business, which was completed during the first quarter of fiscal year 2018. The remaining businesses within our All Other Businesses segment continue to grow strongly off small bases. Currency fluctuations positively impacted our fiscal 2018 reported revenue as compared to the prior year.

For the year ended June 30, 2017, our reported revenue increased primarily due to the addition of revenue from our WIRmachenDRUCK business acquired on February 1, 2016 and our National Pen business acquired on December 30, 2016. The increase in reported revenue other than the impact of acquisitions for which there is no comparable prior period was driven by continued growth in our Vistaprint business, as well as growth in our other Upload and Print businesses, which was partially offset by declines from the termination of two partner contracts within our Albumprinter and Vistaprint Corporate Solutions businesses. Currency fluctuations negatively impacted our fiscal year 2017 reported revenue as compared to the prior year.

Total revenue and revenue growth by reportable segment for the years ended June 30, 2018, 2017 and 2016 are shown in the following tables:

In thousands

	Year Ended June 30,			Currency Impact:	Constant-Currency	Impact of Acquisitions/ Divestitures:	Constant-Currency Revenue Growth
	2018	2017	% Change	(Favorable)/ Unfavorable	Revenue Growth (1)	(Favorable)/ Unfavorable	Excluding Acquisitions/ Divestitures (2)
Vistaprint	$ 1,462,686	$ 1,310,975	12%	(3)%	9%	—%	9%
Upload and Print	730,010	588,613	24%	(11)%	13%	—%	13%
National Pen	333,266	112,712	196%	(6)%	190%	(165)%	25%
All Other Businesses (3)	87,583	128,795	(32)%	—%	(32)%	72%	40%
Inter-segment eliminations	(21,004)	(5,690)					
Total revenue	$ 2,592,541	$ 2,135,405	21%	(4)%	17%	(6)%	11%

In thousands	Year Ended June 30,			Currency Impact:	Constant-Currency	Impact of Acquisitions/ Divestitures:	Constant-Currency Revenue Growth
	2017	2016	% Change	(Favorable)/ Unfavorable	Revenue Growth (1)	(Favorable)/ Unfavorable	Excluding Acquisitions/ Divestitures (2)
Vistaprint	$ 1,310,975	$ 1,220,751	7%	2%	9%	—%	9%
Upload and Print	588,613	432,638	36%	3%	39%	(26)%	13%
National Pen	112,712	—	100%	—%	100%	(100)%	—%
All Other Businesses (3)	128,795	138,244	(7)%	—%	(7)%	—%	(7)%
Inter-segment eliminations	(5,690)	(3,589)					
Total revenue	$ 2,135,405	$ 1,788,044	19%	2%	21%	(13)%	8%

(1) Constant-currency revenue growth, a non-GAAP financial measure, represents the change in total revenue, between current and prior year periods at constant-currency exchange rates by translating all non-U.S. dollar denominated revenue generated in the current period using the prior year period's average exchange rate for each currency to the U.S. dollar. Our reportable segments-related growth is inclusive of inter-segment revenues, which are eliminated in our consolidated results.

(2) Constant-currency revenue growth excluding acquisitions/divestitures, a non-GAAP financial measure, excludes revenue results for businesses in the period in which there is no comparable year-over-year revenue. Revenue from our fiscal year 2017 acquisitions is excluded from fiscal year 2018 revenue growth for quarters with no comparable year-over-year revenue. For example, revenue from National Pen, which we acquired on December 30, 2016 in Q2 2017, is excluded from revenue growth in Q1 and Q2 of fiscal year 2018 since there are no full quarter results in the comparable periods, but revenue is included in revenue growth for Q3 and Q4 of fiscal year 2018. Our reportable segments-related growth is inclusive of inter-segment revenues, which are eliminated in our consolidated results.

(3) The All Other Businesses segment includes the revenue of the Albumprinter business until the sale completion date of August 31, 2017. Constant-currency revenue growth excluding acquisitions/divestitures, excludes the revenue results for Albumprinter through the divestiture date.

We have provided these non-GAAP financial measures because we believe they provide meaningful information regarding our results on a consistent and comparable basis for the periods presented. Management uses these non-GAAP financial measures, in addition to GAAP financial measures, to evaluate our operating results. These non-GAAP financial measures should be considered supplemental to and not a substitute for our reported financial results prepared in accordance with GAAP.

Cost of Revenue

Cost of revenue includes materials used by our businesses to manufacture their products, payroll and related expenses for production and design services personnel, depreciation of assets used in the production process and in support of digital marketing service offerings, shipping, handling and processing costs, third-party production costs, costs of free products and other related costs of products our businesses sell. Cost of revenue as a percent of revenue increased during the year ended June 30, 2018, compared to the prior year, primarily due to the divestiture of our Albumprinter business which had a higher gross margin than our consolidated gross margin percentage, as well as the increased weight of our Upload and Print portfolio, which has higher cost of revenue as a percentage of revenue than our Vistaprint and National Pen businesses.

In thousands	Year Ended June 30,		
	2018	2017	2016
Cost of revenue	$ 1,279,799	$ 1,036,975	$ 773,640
% of revenue	*49.4%*	*48.6%*	*43.3%*

For the year ended June 30, 2018, cost of revenue for our Upload and Print businesses increased by $103.6 million primarily driven by revenue growth in our Exagroup, Pixartprinting, Printdeal and WIRmachenDRUCK businesses, as well as unfavorable currency impacts. We also recognized an additional $91.6 million of costs primarily due to the timing of our National Pen acquisition and the inclusion of operating results for only part of the prior comparable period. In our Vistaprint business, cost of revenue increased by $71.5 million primarily due to increased production volume, as well as unfavorable currency impacts. These increases were partially offset by a decrease in cost of revenue of $29.2 million resulting from the divestiture of our Albumprinter business on August 31, 2017.

For the year ended June 30, 2017, our cost of revenue increased due to $123.6 million of additional costs from our Upload and Print businesses, primarily due to the impact of our fiscal year 2016 WIRmachenDRUCK acquisition which only partially contributed to the prior comparable period. In addition, the costs from our Vistaprint business increased by $91.1 million, primarily due to increased production volume; product mix; and planned investments including expanded design services, new product introduction, and shipping price reductions that also result in higher shipping costs. Vistaprint also recognized higher costs from production inefficiencies in the second fiscal quarter of 2017 resulting from higher temporary labor costs at our Canadian production facility. We recognized an additional $48.6 million of costs from our National Pen business, which was acquired on December 30, 2016 and was therefore not included in the comparable period.

Consolidated Operating Expenses

The following table summarizes our comparative operating expenses for the periods:

In thousands	Year Ended June 30,		
	2018	2017	2016
Technology and development expense	$ 245,758	$ 243,230	$ 210,080
% of revenue	*9.5 %*	*11.4%*	*11.7%*
Marketing and selling expense	$ 714,654	$ 610,932	$ 508,502
% of revenue	*27.6 %*	*28.6%*	*28.3%*
General and administrative expense	$ 176,958	$ 207,569	$ 145,844
% of revenue	*6.8 %*	*9.7%*	*8.2%*
Amortization of acquired intangible assets	$ 49,881	$ 46,145	$ 40,563
% of revenue	*1.9 %*	*2.2%*	*2.3%*
Restructuring expense	$ 15,236	$ 26,700	$ 381
% of revenue	*0.6 %*	*1.3%*	*—%*
(Gain) on sale of subsidiaries	$ (47,545)	$ —	$ —
% of revenue	*(1.8)%*	*—%*	*—%*
Impairment of goodwill and acquired intangible assets	$ —	$ 9,556	$ 30,841
% of revenue	*— %*	*0.4%*	*1.7%*

Technology and development expense

Technology and development expense consists primarily of payroll and related expenses for employees engaged in software and manufacturing engineering, information technology operations and content development, as well as amortization of capitalized software and website development costs, including hosting of our websites, asset depreciation, patent amortization, legal settlements in connection with patent-related claims, and other technology infrastructure-related costs. Depreciation expense for information technology equipment that directly supports the delivery of our digital marketing services products is included in cost of revenue.

During the year ended June 30, 2018, technology and development expenses increased by $2.5 million as compared to the prior year, primarily due to our fiscal year 2017 acquisition of National Pen, which resulted in $7.3 million of additional expense in fiscal 2018 due to the timing of the acquisition in fiscal 2017. We also recognized additional costs related to technology enhancements intended to enable rapid product introduction and improved connection points to the mass customization platform, as well as increased depreciation expense related to past investments in infrastructure-related assets. These increases were partially offset by a decrease in costs of $9.4 million, resulting from the divestiture of our Albumprinter business on August 31, 2017, as well as cost savings realized as a result of our recent restructuring initiatives.

The growth in our technology and development expenses of $33.2 million for the year ended June 30, 2017 as compared to the prior comparative period was primarily due to increased headcount-related expenses in our technology development and information technology support organizations of $15.8 million. The increase in headcount supported the continued development of our software-based mass customization platform as well as investments to enhance capabilities and address each of our businesses' specific needs. This increase was partially offset by headcount reductions as a result of the third quarter fiscal 2017 restructuring initiative. All employee severance related charges were reflected separately in restructuring expense. Additionally, the acquisition of National Pen resulted in increased technology and development expenses of $5.9 million for the year ended June 30, 2017, without costs in the prior comparable period. Other increases in technology and development expense included technology infrastructure-related costs, primarily due to increased IT cloud service costs, as well as software maintenance and licensing costs.

Marketing and selling expense

Marketing and selling expense consists primarily of advertising and promotional costs; payroll and related expenses for our employees engaged in marketing, sales, customer support and public relations activities; direct-mail advertising costs; and third-party payment processing fees. Our Vistaprint and National Pen businesses have higher marketing and selling costs as a percentage of revenue, as compared to our Upload and Print businesses.

Our marketing and selling expenses increased by $103.7 million during the year ended June 30, 2018 as compared to the prior year. We recognized an additional $84.3 million of costs for our National Pen business, primarily due to the timing of the acquisition in fiscal 2017. For the year ended June 30, 2018, advertising expenses for the remaining businesses increased by $35.1 million primarily as a result of additional advertising spend in the Vistaprint business to support continued growth. These increases were partially offset by a decrease in costs of $21.7 million due to the sale of our Albumprinter business on August 31, 2017. In addition, internal marketing and customer service costs within the Vistaprint business decreased by $3.7 million as a result of realized cost savings from our recent restructuring initiatives.

Our marketing and selling expenses increased by $102.4 million during the year ended June 30, 2017 as compared to the prior comparative period, largely due to the addition of National Pen which incurred $47.9 million of marketing and selling expense for direct-mail advertising and telesales costs that were not in the prior comparable period. In addition, advertising expense increased by $31.8 million, which was primarily a result of additional advertising spend in the Vistaprint business. Other increases included payroll and employee-related costs, inclusive of share-based compensation, as we expanded our marketing, customer service and sales support organization through our recent acquisitions and continued investment in the Vistaprint business customer service resources in order to provide higher value services to our customers.

General and administrative expense

General and administrative expense consists primarily of transaction costs, including third-party professional fees, insurance and payroll and related expenses of employees involved in executive management, finance, legal, strategy, human resources and procurement.

For the year ended June 30, 2018, general and administrative expenses decreased by $30.6 million primarily due to a decline in acquisition-related charges of $40.7 million, as compared to the prior year. The decrease in acquisition-related charges is due to significant expense in the prior comparable period for the WIRmachenDRUCK contingent earn-out arrangement, which was paid during fiscal 2018. We also recognized cost savings from our recent restructuring actions, which were partially offset by an additional $13.0 million of expense from our fiscal 2017 acquisition of National Pen as the prior year did not include a full year of results.

During the year ended June 30, 2017, general and administrative expenses increased by $61.7 million, as compared to the prior comparative period, driven by $37.3 million of incremental expense for the WIRmachenDRUCK earn-out due to strong performance during fiscal 2017 and our expectation that a maximum payout would be achieved. Payroll, share-based compensation and facility-related costs increased by $12.0 million due to additional expense recognized for the acceleration of vesting terms of certain restricted share awards associated with our investment in Printi and acquisition of Tradeprint, as well as an increase in share-based compensation resulting from our new long-term incentive program. These increases were partially offset by the decrease in compensation expense due to headcount reductions as a result of the third quarter fiscal 2017 restructuring initiative. Fiscal 2017 also included $12.4 million of expense for National Pen's partial year results.

Amortization of acquired intangible assets

Amortization of acquired intangible assets consists of amortization expense associated with separately identifiable intangible assets capitalized as part of our acquisitions, including customer relationships, trade names, developed technologies, print networks, and customer and referral networks.

Amortization of acquired intangible assets increased by $3.7 million during the year ended June 30, 2018, as compared to the prior comparable period, due to a full year of amortization expense for the December 30, 2016 acquisition of National Pen that was not included in our results for the entire prior comparable period. Amortization of acquired intangible assets increased by $5.6 million during the year ended June 30, 2017, as compared to the year ended June 30, 2016, due to amortization for our fiscal 2017 acquisition of National Pen and fiscal 2016 acquisition of WIRmachenDRUCK.

Restructuring expense

Restructuring expense consists of costs directly incurred as a result of restructuring initiatives, including employee-related termination costs, third party professional fees, facility exit costs and write-off of abandoned assets.

During the year ended June 30, 2018, we recognized restructuring expense of $15.2 million for employee-related termination benefits. The restructuring expense during the current period relates primarily to the reorganization of our Vistaprint business that we announced in November 2017, which resulted in a reduction in headcount and other operating costs. Refer to Note 18 in the accompanying consolidated financial statements for additional details regarding the reorganization.

The restructuring costs of $26.7 million recognized in the year ended June 30, 2017 were primarily related to our January 2017 restructuring initiative.

Gain on sale of subsidiaries

During the year ended June 30, 2018, we recognized a gain on the sale of our Albumprinter business of $47.5 million, net of transaction costs. The amount of our gain on the sale of Albumprinter was impacted by the partial allocation of goodwill to our Vistaprint business in past periods, as well as minimal carrying value of Albumprinter's acquired intangible assets at the time of the sale, as well as currency impacts. Refer to Note 7 in the accompanying consolidated financial statements for additional details.

Impairment of goodwill and acquired intangible assets

There were no impairment charges related to goodwill or acquired intangible assets during the year ended June 30, 2018. For the years ended June 30, 2017 and 2016, we recognized an impairment charge of $9.6 million for our Tradeprint reporting unit and $30.8 million for our Exagroup reporting unit, respectively. These impairments were a result of their under performance during the impairment period, combined with lower cash flow outlooks when compared to the initial deal model upon which we based our purchase accounting. Refer to Note 8 in the accompanying consolidated financial statements for additional information relating to the impairments.

Other Consolidated Results

Other (expense) income, net

Other (expense) income, net generally consists of gains and losses from currency exchange rate fluctuations on transactions or balances denominated in currencies other than the functional currency of our subsidiaries, as well as the realized and unrealized gains and losses on some of our derivative instruments. In evaluating our currency hedging program and ability to qualify for hedge accounting in light of our legal entity cash flows, we considered the benefits of hedge accounting relative to the additional economic cost of trade execution and administrative burden. Based on this analysis, we decided to execute certain currency derivative contracts that do not qualify for hedge accounting.

The following table summarizes the components of other (expense) income, net:

In thousands	Year Ended June 30,		
	2018	2017	2016
(Losses) gains on derivatives not designated as hedging instruments	$ (2,687)	$ 936	$ 14,026
Currency-related (losses) gains, net	(19,500)	5,577	6,864
Other gains	1,155	3,849	5,208
Total other (expense) income, net	$ (21,032)	$ 10,362	$ 26,098

During the year ended June 30, 2018, we recognized a net loss of $21.0 million as compared to net gains during the prior comparable periods. The decrease in other (expense) income, net is primarily due to the currency exchange rate volatility impacting our derivatives that are not designated as hedging instruments. We expect volatility to continue in future periods as we do not apply hedge accounting for most of our derivative currency contracts. We also experienced currency-related losses due to currency exchange rate volatility on our non-functional currency intercompany relationships, which we alter from time to time. The impact of certain cross-currency swap contracts designated as cash flow hedges is included in our currency-related (losses) gains, net, offsetting the impact of certain non-functional currency intercompany relationships.

In addition, during the years ended June 30, 2018 and 2016, we recognized other gains related to insurance recoveries. During fiscal year 2017, other gains were primarily related to the sale of marketable securities.

Interest expense, net

Interest expense, net primarily consists of interest paid on outstanding debt balances, amortization of debt issuance costs, interest related to capital lease obligations and realized gains (losses) on effective interest rate swap contracts and certain cross-currency swap contracts. As part of interest expense, net, we also recognize adjustments to our mandatorily redeemable noncontrolling interests, which reflects changes to the estimated future redemption value.

Interest expense, net was $53.0 million, $44.0 million, and $38.2 million for the years ended June 30, 2018, 2017 and 2016, respectively. Interest expense was higher this year relative to historical trends primarily as a result of higher interest rates. Refer to Note 10 in the accompanying consolidated financial statements for additional details regarding our debt arrangements. During the year ended June 30, 2018, we recognized $2.2 million of interest expense for adjustments to our Printi noncontrolling interest, which reflects an increase to the estimated future redemption value. We recognized no expense during the prior comparable periods.

Loss on early extinguishment of debt

During the fourth quarter of fiscal 2018, we redeemed all of our senior notes due 2022 and satisfied the indenture governing those senior notes using funds from the senior notes due 2026 that we issued on June 15, 2018. As a result of the redemption, we incurred a loss on the extinguishment of debt of $17.4 million, which included an early redemption premium for the senior notes due 2022 of $14.4 million and the write-off of unamortized debt issuance costs related to the redeemed notes of $3.0 million.

Income tax expense

In thousands	Year Ended June 30,		
	2018	2017	2016
Income tax expense (benefit)	$ 19,578	$ (7,118)	$ 15,684
Effective tax rate	*29.5%*	*9.0%*	*23.7%*

Income tax expense for the year ended June 30, 2018 was higher than the prior year primarily due to pre-tax income in the current period as compared to pre-tax losses in the prior period. In fiscal 2018, we adopted ASU 2016-16, "Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory." If we had not adopted ASU 2016-16 in fiscal year 2018, tax expense would have been lower by $8.4 million. Additionally, we recognized tax expense of $5.8 million related to U.S. tax reform in the year ended June 30, 2018, primarily due to the impact of the reduction in the federal tax rate on our U.S. deferred tax assets. We also recognized a reduction to our deferred tax assets of $4.9 million related to expected changes to our U.S. state apportionment. These impacts were offset by increased share based compensation tax benefits of $12.8 million as compared to $8.0 million in fiscal 2017.

A tax benefit was recognized for the year ended June 30, 2017 primarily due to pre-tax losses as compared to pre-tax income for the year ended June 30, 2016. Additionally, the effective tax rate was higher in fiscal 2016 as compared to fiscal 2017 due to a large nondeductible goodwill impairment charge in fiscal 2016.

On December 22, 2017, H.R. 1, originally known as the Tax Cuts and Jobs Act, ("The Act") was signed into law, resulting in significant changes to U.S. federal tax law for corporations. Among these changes is the immediate reduction in the federal statutory tax rate from 35% to 21%. As discussed in Note 13 in our accompanying consolidated financial statements, the impact of The Act was unfavorable to our fiscal 2018 tax provision mainly due to a one-time reduction to our existing U.S. deferred tax assets. The reduction in our net deferred tax assets reduces the future cash tax benefit on existing timing differences as of the date of enactment; however, we will also benefit from a reduced tax rate that will apply to future taxable earnings. Overall, we expect our future U.S. cash taxes to be lower based solely on the reduction in the U.S. federal tax rate to 21%. For context, going forward we expect the annualized impact of the U.S. federal tax rate reduction alone on our cash taxes (excluding the impact of other tax reform items) to be approximately $2 million. Our tax balances were adjusted for the year ended June 30, 2018 based upon our interpretation of The Act, although the final impact on our tax balances may change due to the issuance of additional guidance, changes in our interpretation of The Act, changes in assumptions, and actions we may take as a result of The Act. We will continue to review and assess the potential impact of any new information on our financial statement positions.

We expect certain other aspects of the The Act will impact Cimpress beyond fiscal 2018, including the beneficial impact of immediate expensing of certain qualified capital expenditures in the U.S., unfavorable changes to, and limitations on, the deductibility of meals and entertainment expense, limitations on the deductibility of interest expense, and unfavorable changes to the deductibility of executive compensation. Most notably, we expect changes in the deductibility of “performance based” executive compensation to impact Cimpress negatively in the longer term. Historically, certain compensation awards issued to our top executives, such as stock options, were considered "performance based" as defined under Section 162(m) of the Internal Revenue Code and, therefore, were not subject to the annual $1 million deduction limitation per individual, as defined under prior law. The new law eliminates the "performance-based" exception for these types of awards to the extent they are not "grandfathered" in and granted under a written binding agreement in effect on November 2, 2017. Prior to this change, Cimpress had not been limited on the deductibility of “performance based” awards, which resulted in sizable cash and GAAP tax benefits in past years. We believe that most of the share-based compensation awards to date meet the "grandfather" requirement and will not be subject to the annual $1 million deduction limitation. However, future equity awards to our named executive officers may no longer be fully deductible upon vest or exercise over the long term. This will negatively impact our GAAP and cash taxes in the year of vest or exercise. As an example, performance share units (PSUs) granted to named executive officers under our current PSU plan that are subject to this limitation will vest no earlier than fiscal 2024 and may be subject to limited deductibility for U.S. tax purposes in that year.

Our cash paid for income taxes for fiscal 2018 and 2017 was higher than our income tax expense primarily as a result of non-cash tax benefits recognized in our income tax expense relating to timing differences for which the cash benefit is expected to occur in a future period.

We believe that our income tax reserves are adequately maintained by taking into consideration both the technical merits of our tax return positions and ongoing developments in our income tax audits. However, the final determination of our tax return positions, if audited, is uncertain and therefore there is a possibility that final resolution of these matters could have a material impact on our results of operations or cash flows. See Note 13 in our accompanying consolidated financial statements for additional discussion.

Reportable Segment Results

Our segment financial performance is measured based on segment profit (loss) which excludes certain non-operational items including acquisition-related expenses, certain impairments and restructuring charges.

Vistaprint

In thousands	Year Ended June 30,				
	2018	2017	2016	2018 vs. 2017	2017 vs. 2016
Reported Revenue	$ 1,462,686	$ 1,310,975	$ 1,220,751	12%	7%
Segment Profit	241,479	167,687	214,947	44%	(22)%
% of revenue	*17%*	*13%*	*18%*		

Segment Revenue

Vistaprint's reported revenue growth for the year ended June 30, 2018 was positively affected by currency impacts of 3%, resulting in constant-currency growth of 9%. The Vistaprint constant-currency growth was due to continued growth in repeat customer bookings and was positively impacted by strategic initiatives, including new product and service introductions.

Vistaprint's reported revenue growth for the year ended June 30, 2017 of 7% was negatively affected by currency impacts of 2%, resulting in constant-currency growth of 9%. The Vistaprint constant-currency growth was due to growth in both repeat customers and new customer bookings. Performance continued to be stronger in the North America and Australian markets with improving results in certain European markets. In addition, some of our customer value proposition efforts, including our continued roll-out of shipping price reductions, created revenue headwinds in certain markets, including France, Germany, the Netherlands, United Kingdom and the United States, but we expect these investments will attract higher-value customers and improve customer loyalty in future periods.

Segment Profitability

Vistaprint's segment profit increased for the year ended June 30, 2018 as compared to the prior period, driven primarily by operating expense savings as a result of recent reorganization initiatives and incremental profit from revenue growth. In the current period, Vistaprint's segment profit was positively impacted by currency movements. Our investments in new products and services positively impacted revenue but have had a more limited benefit to segment profit as we continue to scale and optimize these new offerings.

Vistaprint's segment profit decreased for the year ended June 30, 2017 as compared to the prior period, primarily due to the roll-out of planned investments including shipping price reductions, expanded design services and new product production that had negatively impacted gross profit. While these investments reduced profitability in fiscal 2017, we expect these investments will attract higher-value customers and improve customer loyalty in future periods. The increases in planned investments were partially offset by operating expense efficiencies and incremental profits from revenue growth.

Upload and Print

In thousands	Year Ended June 30,				
	2018	2017	2016	2018 vs. 2017	2017 vs. 2016
Reported Revenue	$ 730,010	$ 588,613	$ 432,638	24%	36%
Segment Profit	79,310	63,189	58,207	26%	9%
% of revenue	*11%*	*11%*	*13%*		

Segment Revenue

Upload and Print's reported revenue growth for the year ended June 30, 2018 was positively affected by currency impacts of 11%, resulting in constant-currency growth of 13%. During fiscal 2018, we owned all of our Upload and Print businesses for the full comparable period, so all businesses are included in the constant-currency growth rate. The Upload and Print constant-currency revenue growth was primarily driven by continued growth from our Exagroup, Pixartprinting, Printdeal and WIRmachenDRUCK businesses. During the fourth quarter of fiscal 2018, some of our businesses experienced increased price-focused competition in certain markets and products. We believe that we are well positioned for long-term success in the European market and that our geographic diversity, profitability and scale would enable us to reduce prices in the near term, if and when appropriate, to address any price-focused competition. Any such price reductions could create fluctuations in growth and, sometimes, profit; however we believe we remain poised to outperform and outlast these competitors in the long term.

Upload and Print's reported revenue growth for the year ended June 30, 2017 of 36% was primarily due to the addition of revenue from our fiscal 2016 acquisition of WIRmachenDRUCK. The reported revenue growth was negatively impacted by currency impacts of 3%. The segment's constant-currency revenue growth excluding revenue from businesses acquired in fiscal 2017 was 13%, primarily driven by continued growth from our Pixartprinting, Printdeal and Exagroup businesses. Our growth in constant currency revenue excluding recent acquisitions moderated as we passed the acquisition anniversary of some of the slower-growing acquisitions, and we also saw moderation in the growth rates of businesses acquired during prior years.

Segment Profitability

Upload and Print's segment profit for the year ended June 30, 2018 increased compared to the prior year primarily due to incremental gross profits driven by the revenue growth described above and operating expense efficiencies in several businesses. Segment profit was also influenced by lower investments due in part to prior year investments related to certain technology enhancements and improved connection points to the mass customization platform. Upload and Print segment profit was positively impacted by currency movements.

Upload and Print segment profitability for the year ended June 30, 2017 increased compared to the prior year primarily due our acquisition of WIRmachenDRUCK, which did not have a full comparable fiscal year in 2016. This increase was partially offset by a decline in the profitability of our Tradeprint business, as well as continued investments in oversight, technology and marketing.

National Pen

In thousands	Year Ended June 30,				
	2018	2017	2016	2018 vs. 2017	2017 vs. 2016
Reported Revenue	$ 333,266	$ 112,712	n/a	196%	n/a
Segment Profit (Loss)	22,165	(2,225)	n/a	1,096%	n/a
% of revenue	*7%*	*(2)%*	*n/a*		

Segment Revenue

National Pen's reported revenue growth for the year ended June 30, 2018 was positively affected by currency impacts of 6%, resulting in constant-currency revenue growth of 190%. Fiscal 2017 included only a partial year of National Pen results due to the timing of the acquisition. The constant-currency revenue growth, excluding the impacts of quarters with no comparable results, was 25% and driven by increases across channels and geographies, as we have seen improved marketing performance, increased marketing and prospecting activities, and increased sales to other Cimpress businesses. We expect revenue growth in future periods will moderate from the recent high-growth trend, which was influenced by easier comparisons versus the year-ago period during which National Pen had reduced marketing investments and therefore had lower revenue.

For the year ended June 30, 2017, our reported revenue was $112.7 million. As we acquired National Pen on December 30, 2016, there are no comparative operating results presented for fiscal 2016.

Segment Profitability

Segment profit increased $24.4 million for the year ended June 30, 2018 as fiscal 2017 included only a partial period of results, as well as the revenue growth described above and cost savings from post-acquisition synergies. These increases were partially offset by increased customer prospecting activities, as well as planned technology investments. Due to our adoption of the new revenue standard on July 1, 2018, we will no longer capitalize and amortize direct-response advertising costs, which is expected to create volatility in our profitability results as costs will be expensed earlier, as incurred.

For the year ended June 30, 2017, our adjusted net operating loss was $2.2 million. As we acquired National Pen on December 30, 2016, there are no comparative operating results presented for fiscal 2016.

All Other Businesses

In thousands	Year Ended June 30,				
	2018	2017	2016	2018 vs. 2017	2017 vs. 2016
Reported Revenue	$ 87,583	$ 128,795	$ 138,244	(32)%	(7)%
Segment Loss	(34,620)	(31,307)	(9,328)	(11)%	(236)%
% of revenue	*(40)%*	*(24)%*	*(7)%*		

This segment consists of multiple small, rapidly evolving early-stage businesses by which Cimpress is expanding to new markets. These businesses are subject to high degrees of risk and we expect that each of their business models will rapidly evolve in function of future trials and entrepreneurial pivoting. Therefore, in all of these businesses we continue to operate at a significant operating loss as previously described and as planned, and we expect to continue to do so in the next several years. Our All Other Businesses segment also includes Albumprinter results through the divestiture date of August 31, 2017.

Segment Revenue

The All Other Businesses segment revenue decline was caused by the divestiture of our Albumprinter business, which was completed on August 31, 2017. Constant-currency growth, excluding the impact of the Albumprinter business, was 40% for the year ended June 30, 2018 driven by continued growth in the remaining businesses in the segment.

The All Other Businesses revenue decline for the year ended June 30, 2017 was due to the termination of certain partner contracts in both our Vistaprint Corporate Solutions and Albumprinter businesses. These declines were partially offset by growth in Albumprinter's direct to consumer business and Vistaprint Corporate Solutions' new lines of business, as well as growth in our remaining businesses in the segment that continued to grow off a relatively small base.

Segment Profitability

The segment loss increased by $3.3 million for the year ended June 30, 2018, as compared to the prior period, primarily due to our first quarter fiscal 2018 divestiture of our Albumprinter business, as well as additional investments in our Vistaprint Corporate Solutions business. The increase to segment loss was offset by volume absorption and advertising spend efficiencies in the other businesses in this segment.

The increase in segment loss for the year ended June 30, 2017 as compared to the prior period is primarily due to the reduction in partner related profits of $17.8 million, as well as increased investment in each of our businesses, partially offset by growth in the direct to consumer part of the Albumprinter business.

Liquidity and Capital Resources

Consolidated Statements of Cash Flows Data:

In thousands	Year Ended June 30,		
	2018	2017	2016
Net cash provided by operating activities	$ 192,332	$ 156,736	$ 247,358
Net cash used in investing activities	(10,594)	(301,789)	(265,538)
Net cash (used in) provided by financing activities	(177,757)	104,578	(5,338)

At June 30, 2018, we had $44.2 million of cash and cash equivalents and $839.4 million of debt, excluding debt issuance costs and debt discounts. We expect cash and cash equivalents and debt levels to fluctuate over time depending on our working capital needs, our organic investment levels, share repurchases and acquisition activity. The cash flows during the year ended June 30, 2018 related primarily to the following items:

Cash inflows:

- Net income of $46.8 million
- Adjustments for non-cash items of $168.2 million primarily related to positive adjustments for depreciation and amortization of $169.0 million, share-based compensation costs of $50.5 million, unrealized currency-related losses of $3.9 million, and the change of our contingent earn-out liability of $1.8 million partially offset by negative adjustments for our gain on the sale of our Albumprinter business of $47.5 million and non-cash tax related items of $14.0 million
- Proceeds from the sale of our Albumprinter business of $93.8 million, net of transaction costs
- Proceeds from the sale of a noncontrolling interest related to our WIRmachenDRUCK business of $35.4 million

- Proceeds from the issuance of ordinary shares from the exercise of share options of $12.0 million
- Excluding the impact of the earn-out and restructuring payments described in the cash outflows section below, the changes in operating assets and liabilities were a source of cash during the period.

Cash outflows:

- Purchases of our ordinary shares of $94.7 million
- Capital expenditures of $60.9 million of which the majority of these assets were related to the purchase of manufacturing and automation equipment for our production facilities, and computer and office equipment
- Payments of acquisition-related earn-outs of $51.3 million, primarily for our WIRmachenDRUCK acquisition. The portion of the earn-out payment contingent upon employment, as well as the contingent consideration payment in excess of acquisition date fair value, is $49.2 million and presented within operating activities. The remaining $2.1 million cash outflow representing the purchase consideration included in the acquisition date fair value is a financing activity.
- Payments of debt and debt issuance costs of $54.4 million, net of proceeds
- Internal costs for software and website development that we have capitalized of $40.8 million
- Issuance of loans of $21.0 million to two equity holders of our Printi business (refer to Note 15 in the accompanying consolidated financial statements for additional details)
- Payments of withholding taxes in connection with share awards of $19.7 million
- Payments for capital lease arrangements of $17.6 million
- Payments related to our recent restructuring actions was $17.3 million
- Payment of an early redemption premium of $14.4 million, related to the refinancing of our senior unsecured notes

Additional Liquidity and Capital Resources Information. During the year ended June 30, 2018, we financed our operations and strategic investments through internally generated cash flows from operations and debt financing. As of June 30, 2018, a significant portion of our cash and cash equivalents were held by our subsidiaries, and undistributed earnings of our subsidiaries that are considered to be indefinitely reinvested were $29.4 million. We do not intend to repatriate these funds as the cash and cash equivalent balances are generally used and available, without legal restrictions, to fund ordinary business operations and investments of the respective subsidiaries. If there is a change in the future, the repatriation of undistributed earnings from certain subsidiaries, in the form of dividends or otherwise, could have tax consequences that could result in material cash outflows.

Debt. On June 15, 2018, we completed a debt offering of $400.0 million in aggregate principal amount of 7.0% senior notes due 2026. We used a portion of the net proceeds of this offering to redeem the $275.0 million of senior notes due 2022 and fund the satisfaction of the indenture governing those notes. We used the remaining portion of the net proceeds to repay indebtedness outstanding under the credit facility and fund the payment of all related fees and expenses. Refer to Note 10 in the accompanying consolidated financial statements for additional details.

In conjunction with the senior notes offering described above, we executed an amendment to our senior secured credit facility that expanded the total capacity from $1,045.0 million to $1,128.2 million. The amendment made changes to the senior secured credit agreement, including:

- The aggregate revolving loan commitments under the agreement were increased from $745.0 million to $839.4 million. The capacity of term loans remained unchanged, of which $285.0 million remained outstanding as of June 30, 2018.

- The amendment extended the maturity date of all loans under the agreement from July 13, 2022 to June 14, 2023.

- The interest rate at which LIBOR borrowings bear interest was lowered from LIBOR plus 1.50% to 2.25% to LIBOR plus 1.375% to 2.0%, depending on our leverage ratio, which is the ratio of our consolidated total indebtedness to our consolidated trailing twelve-month EBITDA.

- Our maximum leverage ratio under the agreement was increased from 4.50 to 4.75, and we may increase our leverage ratio to up to 5.00 (4.75 allowed before the amendment) for up to four consecutive fiscal quarters after certain corporate acquisitions as defined within the agreement.

- The amendment decreased the maximum commitment fee paid on unused balances from 0.40% to 0.35%, depending upon our leverage ratio.

We expect to use our expanded credit facility to fund investments and working capital needs. Refer to Note 10 in the accompanying consolidated financial statements for additional details.

As of June 30, 2018, we had aggregate loan commitments from our senior secured credit facility totaling $1,124.4 million. The loan commitments consisted of revolving loans of $839.4 million and term loans of $285.0 million. We have other financial obligations that constitute additional indebtedness based on the definitions within the credit facility. As of June 30, 2018, the amount available for borrowing under our senior secured credit facility was as follows:

In thousands	June 30, 2018
Maximum aggregate available for borrowing	$ 1,124,422
Outstanding borrowings of senior secured credit facilities	(432,414)
Remaining amount	692,008
Limitations to borrowing due to debt covenants and other obligations (1)	(124,467)
Amount available for borrowing as of June 30, 2018 (2)	$ 567,541

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(1) The debt covenants of our senior secured credit facility limit our borrowing capacity each quarter, depending on our leverage and other indebtedness, such as notes, capital leases, letters of credit, and any other debt, as well as other factors that are outlined in the credit agreement.
(2) Share purchases, dividend payments, and corporate acquisitions are subject to more restrictive covenants, and therefore we may not be able to use the full amount available for borrowing for these purposes.

Debt Covenants. Our credit agreement and senior unsecured notes indenture contain financial and other covenants as well as customary representations, warranties and events of default, which are detailed in Note 10 of the accompanying consolidated financial statements. As of June 30, 2018, we were in compliance with all financial and other covenants under the credit agreement and senior unsecured notes indenture.

Other debt. Other debt primarily consists of term loans acquired through our various acquisitions. As of June 30, 2018 we had $7.0 million outstanding for other debt payable through September 2024.

Our expectations for fiscal year 2019. We believe that our available cash, cash flows generated from operations, and cash available under our committed debt financing will be sufficient to satisfy our liabilities and planned investments to support our long-term growth strategy. We endeavor to invest large amounts of capital that we believe will generate returns that are above, or well above, our weighted average cost of capital. We consider any use of cash that we expect to require more than twelve months to return our invested capital to be an allocation of capital. For fiscal 2019, we expect to have opportunities to allocate capital to the following broad categories and consider our capital to be fungible across all of these categories:

- Organic investments will continue to be made across a wide spectrum of activities. These range from large, discrete projects that we believe can provide us with materially important competitive capabilities and/or market positions over the longer term to smaller investments intended to maintain or improve our competitive position and support value-creating revenue growth.

- Purchases of our ordinary shares

- Corporate acquisitions and similar investments
- Reduction of debt

Contractual Obligations

Contractual obligations at June 30, 2018 are as follows:

In thousands	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Operating leases, net of subleases	$ 76,838	$ 22,623	$ 31,705	$ 14,808	$ 7,702
Build-to-suit lease	96,680	12,569	25,138	23,357	35,616
Purchase commitments	57,291	29,161	28,130	—	—
Senior unsecured notes and interest payments	624,000	29,167	56,000	56,000	482,833
Other debt and interest payments	550,068	78,522	101,724	368,540	1,282
Capital leases	27,596	10,850	11,563	2,895	2,288
Other	5,559	2,761	2,473	325	—
Total (1)	$ 1,438,032	$ 185,653	$ 256,733	$ 465,925	$ 529,721

(1) We may be required to make cash outlays related to our uncertain tax positions. However, due to the uncertainty of the timing of future cash flows associated with our uncertain tax positions, we are unable to make reasonably reliable estimates of the period of cash settlement, if any, with the respective taxing authorities. Accordingly, uncertain tax positions of $4.9 million as of June 30, 2018 have been excluded from the contractual obligations table above. For further information on uncertain tax positions, see Note 13 to the accompanying consolidated financial statements.

Operating Leases. We rent office space under operating leases expiring on various dates through 2026. Future minimum rental payments required under our leases are an aggregate of approximately $76.8 million. The terms of certain lease agreements require security deposits in the form of bank guarantees and letters of credit in the amount of $2.6 million.

Build-to-suit lease. Represents the cash payments for our leased facility in Waltham, Massachusetts, USA. Please refer to Note 2 in the accompanying consolidated financial statements for additional details.

Purchase Commitments. At June 30, 2018, we had unrecorded commitments under contract of $57.3 million. Purchase commitments consisted of third-party web services of $21.0 million, inventory purchase commitments of $8.4 million, production and computer equipment purchases of approximately $8.2 million, commitments for professional and consulting fees of $3.6 million, commitments for advertising campaigns of $2.2 million, and other unrecorded purchase commitments of $14.0 million.

Senior unsecured notes and interest payments. Our 7.0% senior unsecured notes due 2026 bear interest at a rate of 7.0% per annum and mature on June 15, 2026. Interest on the notes is payable semi-annually on June 15 and December 15 of each year and has been included in the table above.

Other debt and interest payments. At June 30, 2018, the term loans of $285.0 million outstanding under our credit agreement have repayments due on various dates through June 14, 2023, with the revolving loans outstanding of $147.4 million due on June 14, 2023. Interest payable included in this table is based on the interest rate as of June 30, 2018 and assumes all LIBOR based revolving loan amounts outstanding will not be paid until maturity, but that the term loan amortization payments will be made according to our defined schedule and all Prime rate based revolving loan amounts will be paid within a year. Interest payable includes the estimated impact of our interest rate swap agreements.

In addition, we have other debt which consists primarily of debt assumed as part of certain of our fiscal 2015 acquisitions, and as of June 30, 2018 we had $7.0 million outstanding for those obligations that have repayments due on various dates through September 2024.

Capital leases. We lease certain machinery and plant equipment under capital lease agreements that expire at various dates through 2022. The aggregate carrying value of the leased equipment under capital leases included in property, plant and equipment, net in our consolidated balance sheet at June 30, 2018, is $31.0 million, net of accumulated depreciation of $36.7 million. The present value of lease installments not yet due included in other current liabilities and other liabilities in our consolidated balance sheet at June 30, 2018 amounts to $27.6 million.

Other Obligations. Other obligations include deferred payments related to previous acquisitions of $3.5 million in the aggregate. We also have an installment obligation of $2.1 million related to the fiscal 2012 intra-entity transfer of the intellectual property of our subsidiary Webs, Inc., which resulted in tax being paid over a 7.5 year term and has been classified as a deferred tax liability in our consolidated balance sheet as of June 30, 2018.

Additional Non-GAAP Financial Measures

Adjusted net operating profit (NOP) and free cash flow presented below, and constant-currency revenue growth and constant-currency revenue growth excluding acquisitions/divestitures presented on page 7 above, are supplemental measures of our performance that are not required by, or presented in accordance with, GAAP. Adjusted NOP is defined as GAAP operating income excluding certain items such as acquisition-related amortization and depreciation, expense recognized for earn-out related charges, including the change in fair value of contingent consideration and compensation expense related to cash-based earn-out mechanisms dependent upon continued employment, share-based compensation related to investment consideration, certain impairment expense, restructuring charges, and the gain on purchase or sale of subsidiaries. The interest expense associated with our Waltham lease, as well as realized gains (losses) on currency forward contracts that do not qualify for hedge accounting, are included in Adjusted NOP.

Adjusted NOP is the primary profitability metric by which we measure our consolidated financial performance and is provided to enhance investors' understanding of our current operating results from the underlying and ongoing business for the same reasons it is used by management. For example, as we have become more acquisitive over recent years we believe excluding the costs related to the purchase of a business (such as amortization of acquired intangible assets, contingent consideration, or impairment of goodwill) provides further insight into the performance of the underlying acquired business in addition to that provided by our GAAP operating income. As another example, as we do not apply hedge accounting for our currency forward contracts, we believe inclusion of realized gains and losses on these contracts that are intended to be matched against operational currency fluctuations provides further insight into our operating performance in addition to that provided by our GAAP operating income. We do not, nor do we suggest that investors should, consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP.

Free cash flow is used by management to assess the cash flow generation of the company. Free cash flow is defined as net cash provided by operating activities less purchases of property, plant and equipment, purchases of intangible assets not related to acquisitions, and capitalization of software and website development costs, plus payment of contingent consideration in excess of acquisition-date fair value and gains on proceeds from insurance, if any. The primary financial metric by which we set quarterly and annual budgets both for individual businesses and Cimpress-wide is our free cash flow prior to cash interest costs.

The table below sets forth operating income and adjusted net operating profit for the years ended June 30, 2018, 2017 and 2016:

In thousands	Year Ended June 30,		
	2018	2017	2016
GAAP operating income (loss)	$ 157,800	$ (45,702)	$ 78,193
Exclude expense (benefit) impact of:			
Acquisition-related amortization and depreciation	50,149	46,402	40,834
Earn-out related charges (1)	2,391	40,384	6,378
Share-based compensation related to investment consideration	6,792	9,638	4,835
Certain impairments (2)	—	9,556	41,820
Restructuring related charges	15,236	26,700	381
Less: Interest expense associated with Waltham, MA lease	(7,489)	(7,727)	(6,287)
Less: Gains on the purchase or sale of subsidiaries (3)	(47,945)	—	—
Include: Realized (losses) gains on certain currency derivatives not included in operating income (loss)	(11,445)	16,474	5,863
Adjusted NOP	$ 165,489	$ 95,725	$ 172,017

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(1) Includes expense recognized for the change in fair value of contingent consideration and compensation expense related to cash-based earn-out mechanisms dependent upon continued employment.

(2) Includes the impact of certain impairments of goodwill and other long-lived assets as defined by ASC 350 - "Intangibles - Goodwill and Other".

(3) Includes the impact of the gain on the sale of Albumprinter, as well as a bargain purchase gain as defined by ASC 805-30 - "Goodwill or Gain from Bargain Purchase" for an acquisition in which the identifiable assets acquired and liabilities assumed are greater than the consideration transferred, that was recognized in general and administrative expense in our consolidated statement of operations during the year ended June 30, 2018.

The table below sets forth net cash provided by operating activities and free cash flow for the years ended June 30, 2018, 2017 and 2016:

In thousands	Year Ended June 30,		
	2018	2017	2016
Net cash provided by operating activities	$ 192,332	$ 156,736	$ 247,358
Purchases of property, plant and equipment	(60,930)	(74,157)	(80,435)
Purchases of intangible assets not related to acquisitions	(308)	(197)	(476)
Capitalization of software and website development costs	(40,847)	(37,307)	(26,324)
Payment of contingent consideration in excess of acquisition-date fair value (1)	49,241	—	8,613
Proceeds from insurance related to investing activities	—	—	3,624
Free cash flow	$ 139,488	$ 45,075	$ 152,360

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(1) Includes a portion of the earn-out payment that is presented within net cash provided by operating activities as part of the change in accrued expenses and other liabilities. This portion of the earn-out was deemed to be a compensation arrangement since it included an employment-related contingency.

Critical Accounting Policies and Estimates

Our financial statements are prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). To apply these principles, we must make estimates and judgments that affect our reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. In some instances, we reasonably could have used different accounting estimates and, in other instances, changes in the accounting estimates are reasonably likely to occur from period to period. Accordingly, actual results could differ significantly from our estimates. We base our estimates and judgments on historical experience and other assumptions that we believe to be reasonable at the time under the circumstances, and we evaluate these estimates and judgments on an ongoing basis. We refer to accounting estimates and judgments of this type as critical accounting policies and estimates, which we discuss further below. This section should be read in conjunction with Note 2, "Summary of Significant Accounting Policies," of our audited consolidated financial statements included elsewhere in this Report.

Revenue Recognition. Our businesses generate revenue primarily from the sale and shipping of customized manufactured products, as well as providing digital services, website design and hosting, email marketing services, and order referral fees. We recognize revenue arising from sales of products and services, net of discounts and applicable indirect taxes, when it is realized or realizable and earned. We consider revenue realized or realizable and earned when there is persuasive evidence of an arrangement, a product has been shipped or service rendered with no significant post-delivery obligation on our part, the net sales price is fixed or determinable and collection is reasonably assured. For arrangements with multiple deliverables, we allocate revenue to each deliverable based on the relative selling price for each deliverable. We determine the relative selling price using a hierarchy of (1) company specific objective and reliable evidence, then (2) third-party evidence, then (3) best estimate of selling price. Shipping, handling and processing charges billed to customers are included in revenue at the time of shipment or rendering of service. Revenues from sales of prepaid orders on our websites are deferred until shipment of fulfilled orders or until the prepaid service has been rendered.

A reserve for estimated sales returns and allowances is recorded as a reduction of revenue, based on historical experience or specific identification of an event necessitating a reserve. This reserve is dependent upon customer return practices and will vary during the year due to volume or specific reserve requirements. Sales returns have not historically been significant to our net revenue and have been within our estimates.

Share-Based Compensation. We measure share-based compensation costs at fair value, and recognize the expense over the period that the recipient is required to provide service in exchange for the award, which generally is the vesting period. We recognize the impact of forfeitures as they occur.

We primarily issue performance share units, or PSUs, which are estimated at fair value on the date of grant, which is fixed throughout the vesting period. The fair value is determined using a Monte Carlo simulation valuation model. As the PSUs include both a service and market condition the related expense is recognized using the accelerated expense attribution method over the requisite service period for each separately vesting portion of the award. For PSUs that meet the service vesting condition, the expense recognized over the requisite service period will not be reversed if the market condition is not achieved.

The compensation expense for these awards is estimated at fair value using a Monte Carlo simulation valuation model and compensation costs are recorded only if it is probable that the performance condition will be achieved.

In addition to service vesting and market condition requirements, we have certain PSUs that contain an additional performance condition, based on a multi-year performance target. The compensation expense for these awards is estimated at fair value using a Monte Carlo simulation valuation model and compensation costs are recorded only if it is probable that the performance condition will be achieved. If we determine the awards are not probable at some point during the performance vesting period we would reverse any expense recognized to date. During fiscal 2018, we issued PSUs that contain a performance condition that we deemed probable of achievement and recognized $13,503 of expense. If the performance condition is determined to not be probable in a future period, we will reverse this expense in the period they are no longer considered probable.

Income Taxes. As part of the process of preparing our consolidated financial statements, we calculate our income taxes in each of the jurisdictions in which we operate. This process involves estimating our current tax expense, including assessing the risks associated with tax positions, together with assessing temporary and permanent differences resulting from differing treatment of items for tax and financial reporting purposes. We recognize deferred tax assets and liabilities for the temporary differences using the enacted tax rates and laws that will be in effect when we expect temporary differences to reverse. We assess the ability to realize our deferred tax assets based upon the weight of available evidence both positive and negative. To the extent we believe that it is more likely than not that some portion or all of the deferred tax assets will not be realized, we establish a valuation allowance. Our estimates can vary due to the profitability mix of jurisdictions, foreign exchange movements, changes in tax law, regulations or accounting principles, as well as certain discrete items. In the event that actual results differ from our estimates or we adjust our estimates in the future, we may need to increase or decrease income tax expense, which could have a material impact on our financial position and results of operations.

We establish reserves for tax-related uncertainties based on estimates of whether, and the extent to which, additional taxes will be due. These reserves are established when we believe that certain positions might be challenged despite our belief that our tax return positions are in accordance with applicable tax laws. We adjust these reserves in light of changing facts and circumstances, such as the closing of a tax audit, new tax legislation, or the change of an estimate based on new information. To the extent that the final outcome of these matters is different than the amounts recorded, such differences will affect the provision for income taxes in the period in which such determination is made. Interest and, if applicable, penalties related to unrecognized tax benefits are recorded in the provision for income taxes. Stranded income tax effects in accumulated other comprehensive income or loss are released on an item-by-item basis based on when the applicable derivative is recognized in earnings.

Software and Website Development Costs. We capitalize eligible salaries and payroll-related costs of employees who devote time to the development of our websites and internal-use computer software. Capitalization begins when the preliminary project stage is complete, management with the relevant authority authorizes and commits to the funding of the software project, and it is probable that the project will be completed and the software will be used to perform the function intended. These costs are amortized on a straight-line basis over the estimated useful life of the software, which is three years. Our judgment is required in determining whether a project provides new or additional functionality, the point at which various projects enter the stages at which costs may be capitalized, assessing the ongoing value and impairment of the capitalized costs, and determining the estimated useful lives over which the costs are amortized. Historically we have not had any significant impairments of our capitalized software and website development costs.

Business Combinations. We recognize the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. The fair value of identifiable intangible assets is based on detailed cash flow valuations that use information and assumptions provided by management. The valuations are dependent upon a myriad of factors including historical financial results, estimated customer renewal rates, projected operating costs and discount rates. We estimate the fair value of contingent consideration at the time of the acquisition using all pertinent information known to us at the time to assess the probability of payment of contingent amounts or through the use of a Monte Carlo simulation model. We allocate any excess purchase price over the fair value of the net tangible and intangible assets acquired and liabilities assumed to goodwill. The assumptions used in the valuations for our acquisitions may differ materially from actual results depending on performance of the acquired businesses and other factors. While we believe the assumptions used were appropriate, different assumptions in the valuation of assets acquired and liabilities assumed could have a material impact on the timing and extent of impact on our statements of operations.

Goodwill is assigned to reporting units as of the date of the related acquisition. If goodwill is assigned to more than one reporting unit, we utilize a method that is consistent with the manner in which the amount of goodwill in a business combination is determined. Costs related to the acquisition of a business are expensed as incurred.

Goodwill, Indefinite-Lived Intangible Assets, and Other Definite Lived Long-Lived Assets. We evaluate goodwill and indefinite-lived intangible assets for impairment annually or more frequently when an event occurs or circumstances change that indicate that the carrying value may not be recoverable. We have the option to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. We consider the timing of our most recent fair value assessment and associated headroom, the actual operating results as compared to the cash flow forecasts used in those fair value assessments, the current long-term forecasts for each reporting unit, and the general market and economic environment of each reporting unit. In addition to the specific factors mentioned above, we assess the following individual factors on an ongoing basis such as:

- A significant adverse change in legal factors or the business climate;
- An adverse action or assessment by a regulator;
- Unanticipated competition;
- A loss of key personnel; and
- A more-likely-than-not expectation that a reporting unit or a significant portion of a reporting unit will be sold or otherwise disposed of.

If the results of the qualitative analysis were to indicate that the fair value of a reporting unit is less than its carrying value, the quantitative test is required. Under the quantitative approach, we estimate the fair values of our reporting units using a discounted cash flow methodology. This analysis requires significant judgment and is based on our strategic plans and estimation of future cash flows, which is dependent on internal forecasts. Our annual analysis also requires significant judgment including the identification and aggregation of reporting units, as well as the determination of our discount rate and perpetual growth rate assumptions.

We are required to compare the fair value of the reporting unit with its carrying value and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value.

We are required to evaluate the estimated useful lives and recoverability of definite lived long-lived assets (for example, customer relationships, developed technology, property, and equipment) on an ongoing basis when indicators of impairment are present. For purposes of the recoverability test, long-lived assets are grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. The test for recoverability compares the undiscounted future cash flows of the long-lived asset group to its carrying value. If the carrying values of the long-lived asset group exceed the undiscounted future cash flows, the assets are considered to be potentially impaired. The next step in the impairment measurement process is to determine the fair value of the individual net assets within the long-lived asset group. If the aggregate fair values of the individual net assets of the group are less than the carrying values, an impairment charge is recorded equal to the excess of the aggregate carrying value of the group over the aggregate fair value. The loss is allocated to each long-lived asset within the group based on their relative carrying values, with no asset reduced below its fair value. The identification and evaluation of a potential impairment requires judgment and is subject to change if events or circumstances pertaining to our business change. We evaluated our long-lived assets for impairment and during the year ended June 30, 2018, we recognized no impairments.

Recently Issued or Adopted Accounting Pronouncements

See Item 8 of Part II, “Financial Statements and Supplementary Data — Note 2 — Summary of Significant Accounting Policies — Recently Issued or Adopted Accounting Pronouncements."

Item 7A. ***Quantitative and Qualitative Disclosures About Market Risk***

Interest Rate Risk. Our exposure to interest rate risk relates primarily to our cash, cash equivalents and debt.

As of June 30, 2018, our cash and cash equivalents consisted of standard depository accounts which are held for working capital purposes. We do not believe we have a material exposure to interest rate fluctuations related to our cash and cash equivalents.

As of June 30, 2018, we had $432.4 million of variable-rate debt and $2.1 million of variable rate installment obligation related to the fiscal 2012 intra-entity transfer of Webs' intellectual property. As a result, we have exposure to market risk for changes in interest rates related to these obligations. In order to mitigate our exposure to interest rate changes related to our variable rate debt, we execute interest rate swap contracts to fix the interest rate on a portion of our outstanding or forecasted long-term debt with varying maturities. As of June 30, 2018, a hypothetical 100 basis point increase in rates, inclusive of our outstanding interest rate swaps, would result in an increase to interest expense of approximately $2.4 million over the next 12 months.

Currency Exchange Rate Risk. We conduct business in multiple currencies through our worldwide operations but report our financial results in U.S. dollars. We manage these risks through normal operating activities and, when deemed appropriate, through the use of derivative financial instruments. We have policies governing the use of derivative instruments and do not enter into financial instruments for trading or speculative purposes. The use of derivatives is intended to reduce, but does not entirely eliminate, the impact of adverse currency exchange rate movements. A summary of our currency risk is as follows:

- *Translation of our non-U.S. dollar revenues and expenses:* Revenue and related expenses generated in currencies other than the U.S. dollar could result in higher or lower net income when, upon consolidation, those transactions are translated to U.S. dollars. When the value or timing of revenue and expenses in a given currency are materially different, we may be exposed to significant impacts on our net income and non-GAAP financial metrics, such as adjusted EBITDA.

  Our currency hedging objectives are targeted at reducing volatility in our forecasted U.S. dollar-equivalent adjusted EBITDA in order to protect our debt covenants. Since adjusted EBITDA excludes non-cash items such as depreciation and amortization that are included in net income, we may experience increased, not decreased, volatility in our GAAP results due to our hedging approach. Our most significant net currency exposures by volume are in the Euro and British Pound.

  In addition, we elect to execute currency derivatives contracts that do not qualify for hedge accounting. As a result, we may experience volatility in our consolidated statements of operations due to (i) the impact of unrealized gains and losses reported in other (expense) income, net on the mark-to-market of outstanding contracts and (ii) realized gains and losses recognized in other (expense) income, net, whereas the offsetting economic gains and losses are reported in the line item of the underlying activity, for example, revenue.

- *Translation of our non-U.S. dollar assets and liabilities*: Each of our subsidiaries translates its assets and liabilities to U.S. dollars at current rates of exchange in effect at the balance sheet date. The resulting gains and losses from translation are included as a component of accumulated other comprehensive loss on the consolidated balance sheet. Fluctuations in exchange rates can materially impact the carrying value of our assets and liabilities.

  We have currency exposure arising from our net investments in foreign operations. We enter into currency derivatives to mitigate the impact of currency rate changes on certain net investments.

- *Remeasurement of monetary assets and liabilities:* Transaction gains and losses generated from remeasurement of monetary assets and liabilities denominated in currencies other than the functional currency of a subsidiary are included in other (expense) income, net on the consolidated statements of operations. Certain of our subsidiaries hold intercompany loans denominated in a currency other than their functional currency. Due to the significance of these balances, the revaluation of intercompany loans can have a material impact on other (expense) income, net. We expect these impacts may be volatile in the future, although our largest intercompany loans do not have a U.S. dollar cash impact for the consolidated group because they are either 1) U.S. dollar loans or 2) we elect to hedge certain non-U.S. dollar loans with cross currency swaps. A hypothetical 10% change in currency exchange rates was applied to total net monetary assets denominated in currencies other than the functional currencies at the balance sheet dates to compute the impact these changes would have had on our income before taxes in the near term. The balances are inclusive of the notional value of any cross currency swaps designated as cash flow hedges. A hypothetical decrease in exchange rates of 10% against the functional currency of our subsidiaries would have resulted in an increase of $51.1 million, $61.3 million and $21.3 million on our income before income taxes for the years ended June 30, 2018, 2017 and 2016, respectively.

Item 8. ***Financial Statements and Supplementary Data***

CIMPRESS N.V.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Supervisory Board and Shareholders of Cimpress N.V.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Cimpress N.V. and its subsidiaries as of June 30, 2018 and June 30, 2017, and the related consolidated statements of operations, consolidated statements of comprehensive income (loss), consolidated statements of shareholders' equity, and consolidated statements of cash flows for each of the three years in the period ended June 30, 2018, including the related notes and financial statement schedules listed in the accompanying index (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of June 30, 2018, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of June 30, 2018 and June 30, 2017, and the results of their operations and their cash flows for each of the three years in the period ended June 30, 2018 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 30, 2018, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
August 10, 2018

We have served as the Company's auditor since 2014.

CIMPRESS N.V.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	June 30, 2018	June 30, 2017
Assets		
Current assets:		
Cash and cash equivalents	$ 44,227	$ 25,697
Accounts receivable, net of allowances of $6,898 and $3,590, respectively	55,621	48,630
Inventory	60,602	46,563
Prepaid expenses and other current assets	78,846	78,835
Assets held for sale	—	46,276
Total current assets	239,296	246,001
Property, plant and equipment, net	483,664	511,947
Software and website development costs, net	56,199	48,470
Deferred tax assets	67,087	48,004
Goodwill	520,843	514,963
Intangible assets, net	230,201	275,924
Other assets	54,927	34,560
Total assets	$ 1,652,217	$ 1,679,869
Liabilities, noncontrolling interests and shareholders' equity		
Current liabilities:		
Accounts payable	$ 152,436	$ 127,386
Accrued expenses	186,661	175,567
Deferred revenue	27,697	30,372
Short-term debt	59,259	28,926
Other current liabilities	54,971	78,435
Liabilities held for sale	—	8,797
Total current liabilities	481,024	449,483
Deferred tax liabilities	51,243	60,743
Lease financing obligation	102,743	106,606
Long-term debt	767,585	847,730
Other liabilities	69,524	94,683
Total liabilities	1,472,119	1,559,245
Commitments and contingencies (Note 17)		
Redeemable noncontrolling interests	86,151	45,412
Shareholders' equity:		
Preferred shares, par value €0.01 per share, 100,000,000 shares authorized; none issued and outstanding	—	—
Ordinary shares, par value €0.01 per share, 100,000,000 shares authorized; 44,080,627 shares issued; and 30,876,193 and 31,415,503 shares outstanding, respectively	615	615
Treasury shares, at cost, 13,204,434 and 12,665,124 shares, respectively	(685,577)	(588,365)
Additional paid-in capital	395,682	361,376
Retained earnings	452,756	414,771
Accumulated other comprehensive loss	(69,814)	(113,398)
Total shareholders' equity attributable to Cimpress N.V.	93,662	74,999
Noncontrolling interests (Note 14)	285	213
Total shareholders' equity	93,947	75,212
Total liabilities, noncontrolling interests and shareholders' equity	$ 1,652,217	$ 1,679,869

See accompanying notes.

CIMPRESS N.V.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share data)

	Year Ended June 30,		
	2018	2017	2016
Revenue	$ 2,592,541	$ 2,135,405	$ 1,788,044
Cost of revenue (1)	1,279,799	1,036,975	773,640
Technology and development expense (1)	245,758	243,230	210,080
Marketing and selling expense (1)	714,654	610,932	508,502
General and administrative expense (1)	176,958	207,569	145,844
Amortization of acquired intangible assets	49,881	46,145	40,563
Restructuring expense (1)	15,236	26,700	381
(Gain) on sale of subsidiaries	(47,545)	—	—
Impairment of goodwill and acquired intangible assets	—	9,556	30,841
Income (loss) from operations	157,800	(45,702)	78,193
Other (expense) income, net	(21,032)	10,362	26,098
Interest expense, net	(53,043)	(43,977)	(38,196)
Loss on early extinguishment of debt	(17,359)	—	—
Income (loss) before income taxes	66,366	(79,317)	66,095
Income tax expense (benefit)	19,578	(7,118)	15,684
Net income (loss)	46,788	(72,199)	50,411
Add: Net (income) loss attributable to noncontrolling interest	(3,055)	488	3,938
Net income (loss) attributable to Cimpress N.V.	$ 43,733	$ (71,711)	$ 54,349
Basic net income (loss) per share attributable to Cimpress N.V.	$ 1.41	$ (2.29)	$ 1.72
Diluted net income (loss) per share attributable to Cimpress N.V.	$ 1.36	$ (2.29)	$ 1.64
Weighted average shares outstanding — basic	30,948,081	31,291,581	31,656,234
Weighted average shares outstanding — diluted	32,220,401	31,291,581	33,049,454

(1) Share-based compensation is allocated as follows:

	Year Ended June 30,		
	2018	2017	2016
Cost of revenue	$ 361	$ 289	$ 72
Technology and development expense	10,580	8,724	5,892
Marketing and selling expense	6,683	4,857	1,591
General and administrative expense	31,515	28,500	16,273
Restructuring expense	1,327	6,257	—

See accompanying notes.

CIMPRESS N.V.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)

	Year Ended June 30, 2018	2017	2016
Net income (loss)	$ 46,788	$ (72,199)	$ 50,411
Other comprehensive income (loss), net of tax:			
Foreign currency translation gains (losses), net of hedges	35,148	(4,681)	(7,537)
Net unrealized gain (loss) on derivative instruments designated and qualifying as cash flow hedges	11,521	(1,297)	(2,504)
Amounts reclassified from accumulated other comprehensive loss to net income (loss) on derivative instruments	(960)	1,369	1,587
Unrealized (loss) gain on available-for-sale-securities	—	(5,756)	517
Amounts reclassified from accumulated other comprehensive loss to net income (loss) for realized gains on available-for-sale securities	—	2,268	—
Gain on pension benefit obligation, net	357	2,194	561
Comprehensive income (loss)	92,854	(78,102)	43,035
Add: Comprehensive (income) loss attributable to noncontrolling interests	(5,421)	1,008	2,208
Total comprehensive income (loss) attributable to Cimpress N.V.	$ 87,433	$ (77,094)	$ 45,243

See accompanying notes.

CIMPRESS N.V.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands)

Form 10-K

	Ordinary Shares		Treasury Shares					
	Number of Shares Issued	Amount	Number of Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance at June 30, 2015	44,080	$ 615	(10,878)	$ (412,132)	$ 324,281	$435,052	$ (98,909)	$ 248,907
Cumulative effect adjustment related to adoption of share-based compensation standard (ASU 2016-09)					546	2,000		2,546
Issuance of ordinary shares due to share option exercises, net of shares withheld for taxes			120	5,199	(493)			4,706
Issuance of ordinary shares in conjunction with WIRmachenDRUCK acquisition			112	4,900	3,910			8,810
Restricted share units vested, net of shares withheld for taxes			180	3,857	(11,326)			(7,469)
Grant of restricted share awards			82	3,094	(3,094)			—
Share-based compensation expense					21,368			21,368
Purchase of ordinary shares			(2,160)	(153,467)				(153,467)
Redeemable noncontrolling interest accretion to redemption value						(4,919)		(4,919)
Net income attributable to Cimpress N.V.						54,349		54,349
Net unrealized loss on derivative instruments designated and qualifying as cash flow hedges							(917)	(917)
Unrealized gain on marketable securities							517	517
Foreign currency translation, net of hedges							(9,267)	(9,267)
Unrealized gain on pension benefit obligation, net of tax							561	561
Balance at June 30, 2016	44,080	$ 615	(12,544)	$ (548,549)	$ 335,192	$486,482	$ (108,015)	$ 165,725
Issuance of ordinary shares due to share option exercises, net of shares withheld for taxes			319	6,949	(3,455)			3,494
Restricted share units vested, net of shares withheld for taxes			154	3,243	(10,576)			(7,333)
Share-based compensation expense					43,504			43,504
Purchase of ordinary shares			(594)	(50,008)				(50,008)
Net loss attributable to Cimpress N.V.						(71,711)		(71,711)
Redeemable noncontrolling interest accretion to redemption value					68			68
Reclassification of mandatorily redeemable noncontrolling interest					(3,357)			(3,357)
Net unrealized gain on derivative instruments designated and qualifying as cash flow hedges							72	72
Unrealized loss on marketable securities							(5,756)	(5,756)
Realized gain on sale of marketable securities							2,268	2,268
Foreign currency translation, net of hedges							(4,161)	(4,161)
Unrealized gain on pension benefit obligation, net of tax							2,194	2,194
Balance at June 30, 2017	44,080	$ 615	(12,665)	$ (588,365)	$ 361,376	$414,771	$ (113,398)	$ 74,999

See accompanying notes.

CIMPRESS N.V.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (CONTINUED)
(in thousands)

	Ordinary Shares		Treasury Shares					
	Number of Shares Issued	Amount	Number of Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Cumulative effect adjustment related to adoption of income tax standard (ASU 2016-16)						(5,864)		(5,864)
Issuance of ordinary shares due to share option exercises, net of shares withheld for taxes			293	(3,174)	(4,999)			(8,173)
Restricted share units vested, net of shares withheld for taxes			63	840	(4,784)			(3,944)
Grant of restricted share awards			(2)	(168)				(168)
Share-based compensation expense					44,089			44,089
Purchase of ordinary shares			(895)	(94,710)				(94,710)
Net income attributable to Cimpress N.V.						43,733		43,733
Net unrealized gain on derivative instruments designated and qualifying as cash flow hedges							10,561	10,561
Foreign currency translation, net of hedges							32,782	32,782
Unrealized gain on pension benefit obligation, net of tax							357	357
Balance at June 30, 2018	44,080	$ 615	(13,206)	$ (685,577)	$ 395,682	$ 452,756	$ (69,814)	$ 93,662

See accompanying notes.

CIMPRESS N.V.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended June 30, 2018	2017	2016
Operating activities			
Net income (loss)	$ 46,788	$ (72,199)	$ 50,411
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	169,005	158,400	131,918
Impairment of goodwill and acquired intangible assets	—	9,556	30,841
Share-based compensation expense	50,466	48,627	23,772
Deferred taxes	(14,039)	(41,358)	(15,922)
Abandonment of long-lived assets	—	2,408	10,979
Gain on sale of subsidiaries	(47,545)	—	—
Loss on early extinguishment of debt	17,359	—	—
Change in contingent earn-out liability	1,774	39,377	—
Gain on sale of available-for-sale securities	—	(2,268)	—
Unrealized (gain) loss on derivatives not designated as hedging instruments included in net income (loss)	(15,540)	15,813	(8,163)
Payments of contingent consideration in excess of acquisition date fair value	(4,639)	—	(8,613)
Effect of exchange rate changes on monetary assets and liabilities denominated in non-functional currency	19,460	(5,690)	(9,199)
Other non-cash items	4,668	2,886	5,784
Gain on proceeds from insurance	—	—	(3,136)
Changes in operating assets and liabilities:			
Accounts receivable	(5,123)	4,701	6,766
Inventory	(7,068)	(8,699)	(11)
Prepaid expenses and other assets	(2,472)	521	(7,668)
Accounts payable	21,782	25,332	25,670
Accrued expenses and other liabilities	(42,544)	(20,671)	13,929
Net cash provided by operating activities	192,332	156,736	247,358
Investing activities			
Purchases of property, plant and equipment	(60,930)	(74,157)	(80,435)
Proceeds from the sale of subsidiaries, net of transaction costs and cash divested	93,779	—	—
Business acquisitions, net of cash acquired	(110)	(204,875)	(164,412)
Purchases of intangible assets	(308)	(197)	(476)
Capitalization of software and website development costs	(40,847)	(37,307)	(26,324)
Proceeds from the sale of assets	886	4,513	—
Proceeds from insurance related to investing activities	—	—	3,624
Proceeds from sale of available-for-sale securities	—	6,346	—
Other investing activities	(3,064)	3,888	2,485
Net cash (used in) provided by investing activities	(10,594)	(301,789)	(265,538)
Financing activities			
Proceeds from borrowings of debt	805,995	737,075	598,008
Proceeds from issuance of senior notes	400,000	—	—
Payments of debt	(974,781)	(539,913)	(430,622)
Payments for early redemption of senior notes	(275,000)	—	—
Payments of early redemption fees for senior notes	(14,438)	—	—
Payments of debt issuance costs	(10,629)	(229)	(70)
Payments of purchase consideration included in acquisition-date fair value	(2,105)	(539)	(7,330)

See accompanying notes.

CIMPRESS N.V.
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(in thousands)

	Year Ended June 30,		
	2018	2017	2016
Financing activities (continued)			
Payments of withholding taxes in connection with equity awards	(19,698)	(14,568)	(7,467)
Payments of capital lease obligations	(17,618)	(15,887)	(13,933)
Purchase of ordinary shares	(94,710)	(50,008)	(153,467)
Purchase of noncontrolling interests	(1,144)	(20,230)	—
Proceeds from issuance of ordinary shares	11,981	6,192	4,705
Issuance of loans	(21,000)	—	—
Proceeds from sale of noncontrolling interest	35,390	—	—
Capital contribution from noncontrolling interest	—	1,404	5,141
Other financing activities	—	1,281	(303)
Net cash (used in) provided by financing activities	(177,757)	104,578	(5,338)
Effect of exchange rate changes on cash	2,507	788	(2,640)
Change in cash held for sale	12,042	(12,042)	—
Net increase (decrease) in cash and cash equivalents	18,530	(51,729)	(26,158)
Cash and cash equivalents at beginning of period	25,697	77,426	103,584
Cash and cash equivalents at end of period	$ 44,227	$ 25,697	$ 77,426
Supplemental disclosures of cash flow information:			
Cash paid during the period for:			
Interest	$ 56,614	$ 45,275	$ 37,623
Income taxes	32,278	49,342	19,750
Non-cash investing and financing activities:			
Capitalization of construction costs related to financing lease obligation	—	—	19,264
Property and equipment acquired under capital leases	531	14,422	7,535
Amounts accrued related to business acquisitions	3,457	46,124	5,868

See accompanying notes.

CIMPRESS N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended June 30, 2018, 2017 and 2016
(in thousands, except share and per share data)

1. Description of the Business

Cimpress is a strategically-focused group of more than a dozen businesses that specialize in mass customization, via which we deliver large volumes of individually small-sized customized orders for a broad spectrum of print, signage, photo merchandise, invitations and announcements, packaging, apparel and other categories. We invest in and build customer-focused, entrepreneurial mass customization businesses for the long term, which we manage in a decentralized, autonomous manner. Mass customization is a core element of the business model of each Cimpress business. We drive competitive advantage across Cimpress through a select few shared strategic capabilities that have the greatest potential to create Cimpress-wide value. We limit all other central activities to only those which absolutely must be performed centrally.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements include the accounts of Cimpress N.V., its wholly owned subsidiaries, entities in which we maintain a controlling financial interest, and those entities in which we have a variable interest and are the primary beneficiary. Intercompany balances and transactions have been eliminated. Investments in entities in which we cannot exercise significant influence, and the related equity securities do not have a readily determinable fair value, are accounted for using the cost method and are included in other assets on the consolidated balance sheets.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We believe our most significant estimates are associated with the ongoing evaluation of the recoverability of our long-lived assets and goodwill, estimated useful lives of assets, share-based compensation, accounting for business combinations, and income taxes and related valuation allowances, among others. By their nature, estimates are subject to an inherent degree of uncertainty. Actual results could differ from those estimates.

Cash and Cash Equivalents

We consider all highly liquid investments purchased with an original maturity of three months or less to be the equivalent of cash for the purpose of balance sheet and statement of cash flows presentation. Cash equivalents consist of depository accounts and money market funds. Cash and cash equivalents restricted for use were $90 and $520 as of June 30, 2018 and 2017, respectively, and are included in other assets in the accompanying consolidated balance sheets.

Marketable Securities

We determine the appropriate classification of marketable securities at the date of purchase and reevaluate the classification at each balance sheet date. Our marketable securities are classified as "available-for-sale" and carried at fair value, with the unrealized gains and losses, net of taxes if applicable, reported as a separate component of accumulated other comprehensive loss. On December 22, 2016, we sold all of our Plaza Create Co. Ltd. common shares, which were classified as held for sale. We recognized a net gain of $2,268 as part of other (expense) income, net on our statement of operations for the year ended June 30, 2017. We did not sell marketable securities during the years ended June 30, 2018 or 2016.

Accounts Receivable

Accounts receivable includes amounts due from customers. We offset gross trade accounts receivable with an allowance for doubtful accounts, which is our best estimate of the amount of probable credit losses in existing accounts receivable. Account balances are charged off against the allowance when the potential for recovery is no longer reasonably assured.

Inventories

Inventories consist primarily of raw materials and are recorded at the lower of cost or net realizable value using the first-in, first-out method. Costs to produce free products are included in cost of revenues as incurred.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and amortization. Additions and improvements that substantially extend the useful life of a particular asset are capitalized while repairs and maintenance costs are expensed as incurred. Assets that qualify for the capitalization of interest cost during their construction period are evaluated on a per project basis and, if material, the costs are capitalized. No interest costs associated with our construction projects were capitalized in fiscal 2018 or 2017 as the amounts were not material. Depreciation of plant and equipment is recorded on a straight-line basis over the estimated useful lives of the assets.

Software and Web Site Development Costs

We capitalize eligible salaries and payroll-related costs of employees who devote time to the development of websites and internal-use computer software. Capitalization begins when the preliminary project stage is complete, management with the relevant authority authorizes and commits to the funding of the software project, and it is probable that the project will be completed and the software will be used to perform the function intended. These costs are amortized on a straight-line basis over the estimated useful life of the software, which is generally over a three year period. Costs associated with preliminary stage software development, repair, maintenance or the development of website content are expensed as incurred.

Amortization of previously capitalized amounts in the years ended June 30, 2018, 2017 and 2016 was $31,332, $24,571 and $14,355, respectively, resulting in accumulated amortization of $84,279 and $59,554 at June 30, 2018 and 2017, respectively.

Leases

We categorize leases at their inception as either operating or capital leases. Costs for operating leases that include incentives such as payment escalations or rent abatements are recognized on a straight-line basis over the term of the lease. Additionally, inducements received are treated as a reduction of our costs over the term of the agreement. Leasehold improvements are capitalized at cost and amortized over the shorter of their expected useful life or the life of the lease, excluding renewal periods.

Capital leases are accounted for as an acquisition of an asset and incurrence of an obligation. Assets held under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the leased asset at the inception of the lease, and amortized over the useful life of the asset. The corresponding capital lease obligation is recorded at the present value of the minimum lease payments at inception of the lease.

For lease arrangements where we are deemed to be involved in the construction of structural improvements prior to the commencement of the lease or take some level of construction risk, we are considered the owner of the assets during the construction period. Accordingly, as the lessor incurs the construction project costs, the assets and corresponding financial obligation are recorded in our consolidated balance sheet. Once the construction is completed, if the lease meets certain “sale-leaseback” criteria, we will remove the asset and related financial obligation from the balance sheet and treat the building lease as either an operating or capital lease based on our assessment of the guidance. If, upon completion of construction, the project does not meet the “sale-leaseback” criteria, the lease will be treated as a financing obligation and we will depreciate the asset over its estimated useful life for financial reporting purposes.

Insurance Recoveries

Insurance proceeds related to incurred losses are recognized when recovery is probable, while business interruption recoveries follow the gain contingency model and are recognized when realized or realizable and earned. During the years ended June 30, 2018, 2017 and 2016, we received insurance proceeds of $327, $829 and $11,943, respectively, which were used to offset any incurred losses, relating to the write-off of the net book value of damaged machinery, equipment and inventory and property-related cleanup costs, as well as claim preparation costs. We also recognized net gains within other (expense) income, net of $675, $807 and $3,947, respectively, which includes the recovery of business interruption lost profits and the recovery of the replacement value of damaged machinery and equipment in excess of carrying value. As of June 30, 2018, all of these claims are closed.

Intangible Assets

We capitalize the costs of purchasing patents from unrelated third parties and amortize these costs over the estimated useful life of the patent. The costs related to patent applications, pursuing others who we believe infringe on our patents, and defending against patent-infringement claims are expensed as incurred.

We record acquired intangible assets at fair value on the date of acquisition using the income approach to value the trade names, customer relationships and customer network and a replacement cost approach to value developed technology and our print network. The income approach calculates fair value by discounting the forecasted after-tax cash flows back to a present value using an appropriate discount rate. The baseline data for this analysis was the cash flow estimates used to price the transaction. We amortize such assets using the straight-line method over the expected useful life of the asset, unless another amortization method is deemed to be more appropriate. In estimating the useful life of the acquired assets, we reviewed the expected use of the assets acquired, factors that may limit the useful life of an acquired asset or may enable the extension of the useful life of an acquired asset without substantial cost, the effects of obsolescence, demand, competition and other economic factors, and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

We evaluate the remaining useful life of intangible assets on a periodic basis to determine whether events and circumstances warrant a revision to the remaining useful life. If the estimate of an intangible asset's remaining useful life is changed, we amortize the remaining carrying value of the intangible asset prospectively over the revised remaining useful life.

Long-Lived Assets

Long-lived assets with a finite life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets might not be recoverable. Conditions that would necessitate an impairment assessment include a significant decline in the observable market value of an asset, a significant change in the extent or manner in which an asset is used, or any other significant adverse change that would indicate that the carrying amount of an asset or group of assets may not be recoverable. During the year ended June 30, 2017, we recognized a partial impairment charge for the acquired intangible assets of our Tradeprint reporting unit of $3,211. Refer to Note 8 for additional information. We recognized no impairment charges for acquired intangible assets in the other periods presented.

During the years ended June 30, 2017 and 2016 we committed to plans to abandon certain manufacturing equipment and recognized losses of $2,408 and $10,979, respectively. The related loss during the year ended June 30, 2017 was recognized in cost of revenue, technology and development expense, and restructuring expense for $1,119, $678, and $611, respectively, while the entire loss for the previous year was allocated to cost of revenue. We did not recognize any abandonment charges during the fiscal year ended June 30, 2018.

Business Combinations

We recognize the assets acquired and liabilities assumed in business combinations on the basis of their fair values at the date of acquisition. We assess the fair value of assets, including intangible assets, using a variety of methods and each asset is measured at fair value from the perspective of a market participant. The method used to estimate the fair values of intangible assets incorporates significant assumptions regarding the estimates a market participant would make in order to evaluate an asset, including a market participant's use of the asset and the appropriate discount rates. Assets acquired that are determined to not have economic use for us are expensed immediately. Any excess purchase price over the fair value of the net tangible and intangible assets acquired is allocated to goodwill. Transaction costs and restructuring costs associated with a business combination are expensed as incurred.

The consideration for our acquisitions often includes future payments that are contingent upon the occurrence of a particular event. For acquisitions that qualify as business combinations, we record an obligation for such contingent payments at fair value on the acquisition date. We estimate the fair value of contingent consideration obligations through valuation models that incorporate probability adjusted assumptions related to the achievement of the milestones and thus likelihood of making related payments or by using a Monte Carlo simulation model. We revalue these contingent consideration obligations each reporting period. Changes in the fair value of our contingent consideration obligations are recognized within general and administrative expense in our consolidated statements of operations.

Goodwill

The evaluation of goodwill for impairment is performed at a level referred to as a reporting unit. A reporting unit is either the "operating segment level" or one level below, which is referred to as a "component." The level at which the impairment test is performed requires an assessment as to whether the operations below the operating segment should be aggregated as one reporting unit due to their similarity or reviewed individually. Goodwill is evaluated for impairment on an annual basis or more frequently when an event occurs or circumstances change that indicate that the carrying value may not be recoverable. Goodwill is considered to be impaired when the carrying amount of a reporting unit exceeds its estimated fair value.

We have the option to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. If the results of this analysis indicate that the fair value of a reporting unit is less than its carrying value, the quantitative impairment test is required; otherwise, no further assessment is necessary. To perform the quantitative approach, we estimate the fair value of our reporting units using a discounted cash flow methodology. If the carrying value of the net assets assigned to the reporting unit exceeds the fair value of the reporting unit, then a second step of the impairment test is performed in order to determine the implied fair value of our reporting unit's goodwill. If the carrying value of a reporting unit's goodwill exceeds its implied fair value, then we record an impairment loss equal to the difference. Refer to Note 8 for additional information.

Debt Issuance Costs

Expenses associated with the issuance of debt instruments are capitalized and are amortized over the terms of the respective financing arrangement on a straight-line basis through the maturity date of the related debt instrument. During the years ended June 30, 2018 and 2017, we capitalized debt issuance costs related to the refinancing of our senior secured credit facility and senior unsecured notes of $11,666 and $229, respectively. Amortization expense and the write-off of costs related to debt modifications are included in interest expense, net in the consolidated statements of operations and amounted to $1,821, $1,578, and $1,588, for the years ended June 30, 2018, 2017 and 2016, respectively. During the year ended June 30, 2018, we also expensed $2,921 of unamortized costs related to the extinguishment of our senior unsecured notes, which has been presented separately in the consolidated statements of operations as part of loss on early extinguishment of debt. Refer to Note 10 for additional information.

Unamortized debt issuance costs were $12,585 and $5,661 as of June 30, 2018 and 2017, respectively. When we make changes to our financing arrangements, we re-evaluate the capitalization of these costs which could result in the immediate recognition of any unamortized debt issuance costs in our statement of operations.

Derivative Financial Instruments

We record all derivatives on the consolidated balance sheet at fair value. We apply hedge accounting to arrangements that qualify and are designated for hedge accounting treatment, which includes cash flow and net investment hedges. Hedge accounting is discontinued prospectively if the hedging relationship ceases to be effective or the hedging or hedged items cease to exist as a result of maturity, sale, termination or cancellation.

Derivatives designated and qualifying as hedges of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges which could include interest rate swap contracts and cross-currency swap contracts. In a cash flow hedging relationship, the effective portion of the change in the fair value of the hedging derivative is initially recorded in accumulated other comprehensive loss, while any ineffective portion is recognized directly in earnings, as a component of other (expense) income, net. The portion of gain or loss on the derivative instrument previously recorded in accumulated other comprehensive (loss) income remains in accumulated other comprehensive (loss) income until the forecasted transaction is recognized in earnings.

Derivatives designated and qualifying as hedges of currency exposure of a net investment in a foreign operation are considered net investment hedges which could include cross-currency swap and currency forward contracts. In hedging the currency exposure of a net investment in a foreign operation, the effective portion of gains and losses on the hedging instruments is recognized in accumulated other comprehensive (loss) income as part of currency translation adjustment, while any ineffective portion is recognized directly in earnings, as a component of other (expense) income, net. The portion of gain or loss on the derivative instrument previously recorded in accumulated other comprehensive (loss) income remains in accumulated other comprehensive (loss) income until we reduce our investment in the hedged foreign operation through a sale or substantial liquidation.

We also enter into derivative contracts that are intended to economically hedge certain of our risks, even though we may not elect to apply hedge accounting or the instrument may not qualify for hedge accounting. When hedge accounting is not applied, the changes in the fair value of the derivatives are recorded directly in earnings as a component of other (expense) income, net.

In accordance with the fair value measurement guidance, our accounting policy is to measure the credit risk of our derivative financial instruments that are subject to master netting agreements on a net basis by counterparty portfolio. We execute our derivative instruments with financial institutions that we judge to be credit-worthy, defined as institutions that hold an investment grade credit rating.

Mandatorily Redeemable Noncontrolling Interest

Noncontrolling interests held by third parties in consolidated subsidiaries are considered mandatorily redeemable when they are subject to an unconditional obligation to be redeemed by both parties. The redeemable noncontrolling interest must be required to be repurchased on a specified date or on the occurrence of a specified event that is certain to occur and are to be redeemed via the transfer of assets. Mandatorily redeemable noncontrolling interests are presented as liability-based financial instruments and are re-measured on a recurring basis to the expected redemption value. During the year ended June 30, 2017, the terms of our arrangement with the shareholders of Printi LLC were amended, resulting in the inclusion of a mandatory redemption feature as part of the amended arrangement. Refer to Note 15 for additional details.

Shareholders' Equity

Comprehensive Income (loss)

Comprehensive income (loss) is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. Comprehensive income (loss) is composed of net income (loss), unrealized gains and losses on marketable securities and derivatives, unrealized loss on pension benefit obligation, and cumulative foreign currency translation adjustments, which are included in the accompanying consolidated statements of comprehensive income.

Treasury Shares

Treasury shares are accounted for using the cost method and are included as a component of shareholders' equity. We reissue treasury shares as part of our share-based compensation programs and as consideration for some of our acquisition transactions. Upon issuance of treasury shares we determine the cost using the average cost method.

Revenue Recognition

Our businesses generate revenue primarily from the sale and shipping of customized manufactured products, as well as providing digital services, website design and hosting, email marketing services, order referral fees and other third party offerings. We recognize revenue arising from sales of products and services when we have persuasive evidence of an arrangement, the product has been shipped or service rendered with no significant post-delivery obligations on our part, the net sales price is fixed or determinable and collectability is reasonably assured. For subscription services we recognize revenue for the fees charged to customers ratably over the term of the service arrangement. Revenue is recognized net of discounts we offer to our customers as part of advertising campaigns. Revenue from sales of prepaid orders on our websites are deferred until shipment of fulfilled orders or until the prepaid service has been rendered.

For arrangements with multiple deliverables, we allocate revenue to each deliverable if the delivered item(s) has value to the customer on a standalone basis and, if the arrangement includes a general right of return relative to the delivered item, delivery or performance of the undelivered item(s) is considered probable and substantially within our control. The stand-alone selling price for a deliverable is determined using a hierarchy of (1) Company specific objective and reliable evidence, then (2) third-party evidence, then (3) best estimate of selling price. We allocate total arrangement fee to each of the deliverables based on their relative stand-alone selling prices.

Shipping, handling and processing costs billed to customers are included in revenue and the related costs are included in cost of revenue at the time of shipment or rendering of service. Sales and purchases in jurisdictions which are subject to indirect taxes, such as value added tax (“VAT”), are recorded net of tax collected and paid as we act as an agent for the government.

For promotions through discount voucher websites, we recognize revenue on a gross basis, as we are the primary obligor, when redeemed items are shipped. As the vouchers do not expire, any unredeemed vouchers are recorded as deferred revenue. We recognize revenue on the portion of unredeemed vouchers when the likelihood of redemption becomes remote (referred to as "breakage"), and we determine there is no legal obligation to remit the value of the unredeemed coupons to government agencies. We estimate the breakage rate based upon the pattern of historical redemptions.

Restructuring

Restructuring costs are recorded in connection with initiatives designed to improve efficiency or enhance competitiveness. Restructuring initiatives require us to make estimates in several areas, including expenses for severance and other employee separation costs and our ability to generate sublease income to enable us to terminate lease obligations at the estimated amounts. One-time termination benefits are expensed at the date we notify the employee, unless the employee must provide future service beyond the statutory minimum retention period, in which case the benefits are expensed ratably over the future service period. Liabilities for costs associated with a facility exit or disposal activity are recognized when the liability is incurred, as opposed to when management commits to an exit plan, and are measured at fair value. Restructuring costs are presented as a separate financial statement line within our consolidated statement of operations.

Advertising Expense

Our advertising costs are primarily expensed as incurred and included in marketing and selling expense. We capitalize direct response advertising, which consists of customized product sample mailings, and amortize over the expected future revenue stream. Amortization of capitalized advertising costs is determined using historical revenue data. The capitalized costs of direct response advertising are amortized, commencing with the date the product samples are mailed. Capitalized direct response advertising costs included in prepaid expenses and other current assets as of June 30, 2018 and June 30, 2017 was $4,220 and $4,861, respectively. These capitalized costs relate to direct response marketing initiatives of our National Pen business. As part of our adoption of Accounting Standards Update No. 2014-09, "Revenue from Contracts with Customers" (ASU 2014-09) in the first quarter of fiscal 2019, these costs will no longer be capitalized as direct response advertising costs, and will be expensed as incurred. Refer below to the recently issued or adopted accounting pronouncements section for additional details relating to the new standard.

Advertising expense for the years ended June 30, 2018, 2017 and 2016 was $432,546, $363,936, and $305,701, respectively, which consisted of external costs related to customer acquisition and retention marketing campaigns.

Research and Development Expense

Research and development costs are expensed as incurred and included in technology and development expense. Research and development expense for the years ended June 30, 2018, 2017 and 2016 was $41,451,

$51,811, and $35,449, respectively, which consisted of costs related to enhancing our manufacturing engineering and technology capabilities.

Income Taxes

As part of the process of preparing our consolidated financial statements, we calculate our income taxes in each of the jurisdictions in which we operate. This process involves estimating our current tax expense and deferred tax expense based on assessing temporary and permanent differences resulting from differing treatment of items for tax and financial reporting purposes. We recognize deferred tax assets and liabilities for the temporary differences using the enacted tax rates and laws that will be in effect when we expect temporary differences to reverse. We assess the ability to realize our deferred tax assets based upon the weight of available evidence both positive and negative. To the extent we believe that it is more likely than not that some portion or all of the deferred tax assets will not be realized, we establish a valuation allowance. In the event that actual results differ from our estimates or we adjust our estimates in the future, we may need to increase or decrease income tax expense, which could have a material impact on our financial position and results of operations.

We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities, based on the technical merits of the tax position. The tax benefits recognized in our financial statements from such positions are measured as the largest benefit that has a greater than 50% likelihood of being realized upon ultimate resolution. The unrecognized tax benefits will reduce our effective tax rate if recognized. Interest and, if applicable, penalties related to unrecognized tax benefits are recorded in the provision for income taxes.

Foreign Currency Translation

Our non-U.S. dollar functional currency subsidiaries translate their assets and liabilities denominated in their functional currency to U.S. dollars at current rates of exchange in effect at the balance sheet date, and revenues and expenses are translated at average rates prevailing throughout the period. The resulting gains and losses from translation are included as a component of accumulated other comprehensive loss. Transaction gains and losses and remeasurement of assets and liabilities denominated in currencies other than an entity's functional currency are included in other (expense) income, net in our consolidated statements of operations.

Other (expense) income, net

The following table summarizes the components of other (expense) income, net:

	Year Ended June 30,		
	2018	2017	2016
(Losses) gains on derivatives not designated as hedging instruments (1)	$ (2,687)	$ 936	$ 14,026
Currency-related (losses) gains, net (2)	(19,500)	5,577	6,864
Other gains (3)	1,155	3,849	5,208
Total other (expense) income, net	$ (21,032)	$ 10,362	$ 26,098

(1) Primarily relates to both realized and unrealized (losses) gains on derivative currency forward and option contracts not designated as hedging instruments.

(2) We have significant non-functional currency intercompany financing relationships that we may change at times and are subject to currency exchange rate volatility. The currency-related gains (losses), net for the years ended June 30, 2018 and 2017 are primarily driven by this intercompany activity. In addition, we have certain cross-currency swaps designated as cash flow hedges, which hedge the remeasurement of certain intercompany loans, both presented in the same component above. Unrealized losses related to cross-currency swaps were $2,722, $3,737 and $1,991 for the years ended June 30, 2018, 2017 and 2016, respectively.

(3) The gains recognized during the years ended June 30, 2018 and 2016, were primarily related to insurance recoveries of $675 and $3,947, respectively. During the year ended June 30, 2017, we recognized a gain of $2,268 related to the sale of Plaza Create Co. Ltd. available for sale securities.

Net Income (Loss) Per Share Attributable to Cimpress N.V.

Basic net income (loss) per share attributable to Cimpress N.V. is computed by dividing net income (loss) attributable to Cimpress N.V. by the weighted-average number of ordinary shares outstanding for the respective period. Diluted net income (loss) per share attributable to Cimpress N.V. gives effect to all potentially dilutive securities, including share options, restricted share units (“RSUs”), restricted share awards ("RSAs") and performance share units ("PSUs"), if the effect of the securities is dilutive using the treasury stock method. Awards with performance or market conditions are included using the treasury stock method only if the conditions would have been met as of the end of the reporting period and their effect is dilutive.

The following table sets forth the reconciliation of the weighted-average number of ordinary shares:

	Year Ended June 30,		
	2018	2017	2016
Weighted average shares outstanding, basic	30,948,081	31,291,581	31,656,234
Weighted average shares issuable upon exercise/vesting of outstanding share options/RSUs/RSAs (1)	1,272,320	—	1,393,220
Shares used in computing diluted net income (loss) per share attributable to Cimpress N.V.	32,220,401	31,291,581	33,049,454
Weighted average anti-dilutive shares excluded from diluted net income (loss) per share attributable to Cimpress N.V.	2,291	21,978	35,725

(1) In the periods we report a net loss, the impact of share options, RSUs, and RSAs is not included as they are anti-dilutive.

Compensation Expense

Share-based compensation

Compensation expense for all share-based awards is measured at fair value on the date of grant and recognized over the requisite service period. We recognize the impact of forfeitures as they occur. The fair value of share options is determined using the Black-Scholes valuation model, or lattice model for share options with a market condition or subsidiary share options. The fair value of RSUs and RSAs is determined based on the quoted price of our ordinary shares on the date of the grant. Such value is recognized ratably as expense over the requisite service period, or on an accelerated method for awards with a performance or market condition. For awards that are ultimately settleable in cash, we treat as liability awards and mark the award to market each reporting period, recognizing any gain or loss in our statements of operations. For awards with a performance condition vesting feature, compensation cost is recorded if it is probable that the performance condition will be achieved.

In addition to a service vesting and market condition (based on the three year moving average of the Cimpress share price) contained in our standard performance share units, we also issue awards that contain financial performance conditions. These awards with a discretionary performance condition are subject to mark-to-market accounting throughout the performance vesting period. The compensation expense for these awards is estimated at fair value using a Monte Carlo simulation valuation model and compensation costs are recorded only if it is probable that the performance condition will be achieved. We are required to reassess the probability each reporting period. If we determine the awards are not probable at some point during the performance vesting period we would reverse any expense recognized to date.

Sabbatical Leave

Compensation expense associated with a sabbatical leave, or other similar benefit arrangements, is accrued over the requisite service period during which an employee earns the benefit, net of estimated forfeitures, and is included in other liabilities on our consolidated balance sheets.

Concentrations of Credit Risk

We monitor the creditworthiness of our customers to which we grant credit terms in the normal course of business. We do not have any customers that accounted for greater than 10% of our accounts receivable as of June 30, 2018 and 2017. We do not have any customers that accounted for greater than 10% of our revenue for the years ended June 30, 2018, 2017 and 2016.

We maintain an allowance for doubtful accounts for potential credit losses based upon specific customer accounts and historical trends, and such losses to date in the aggregate have not materially exceeded our expectations.

Waltham Lease Arrangement

In July 2013, we executed a lease agreement to move our Lexington, Massachusetts, USA operations to a then yet to be constructed facility in Waltham, Massachusetts, USA. During the first quarter of fiscal 2016, the building was completed and we commenced lease payments in September 2015 and will make lease payments through September 2026.

For accounting purposes, we were deemed to be the owner of the Waltham building during the construction period, and accordingly we recorded the construction project costs incurred by the landlord as an asset with a corresponding financing obligation on our balance sheet. We evaluated the Waltham lease in the first quarter of fiscal 2016 and determined that the transaction did not meet the criteria for "sale-leaseback" treatment due to our planned subleasing activity over the term of the lease. Accordingly, we began depreciating the asset and incurring interest expense related to the financing obligation recorded on our consolidated balance sheet. We bifurcate the lease payments pursuant to the Waltham lease into (i) a portion that is allocated to the building and (ii) a portion that is allocated to the land on which the building was constructed. The portion of the lease obligations allocated to the land is treated as an operating lease that commenced in fiscal 2014.

Property, plant and equipment, net, included $111,926 and $116,045 as of June 30, 2018 and June 30, 2017, respectively, related to the building. The financing lease obligation and deferred rent credit related to the building on our consolidated balance sheets was $115,312 and $119,176 as of June 30, 2018 and June 30, 2017, respectively.

Recently Issued or Adopted Accounting Pronouncements

New Accounting Standards Adopted

In October 2016, the FASB issued Accounting Standards Update No. 2016-16, "Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory" (ASU 2016-16), which requires the recognition for income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. We elected to early adopt the new standard during the first quarter of fiscal 2018, and recognized a reduction to prepaid and other current assets of $24,573, an increase in deferred tax assets of $18,710 and a cumulative-effect adjustment to retained earnings of $5,863. If we had not early adopted, the fiscal 2018 tax expense would be lower by $8,363.

In February 2018, the FASB issued Accounting Standards Update No. 2018-02, "Income Statement - Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income" (ASU 2018-02), which allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the U.S. Tax Cuts and Jobs Act. We elected to early adopt the new standard during the fourth quarter of fiscal 2018, and reclassified the income tax effects from accumulated other comprehensive income to retained earnings in the amount of $116. We do not expect any additional impacts from the new standard.

Issued Accounting Standards to be Adopted

In August 2017, the FASB issued Accounting Standards Update No. 2017-12, "Derivatives and Hedging: Targeted Improvements to Accounting for Hedging Activities (Topic 815)," (ASU 2017-12), which better aligns a company's financial reporting for hedging activities with the economic objectives of those activities. The amendment is effective for us on July 1, 2019 and permits early adoption, including adoption in an interim period. The standard requires a modified retrospective transition approach, in which the Company will recognize the cumulative effect of the change on the opening balance of each affected component of equity in the statement of financial position as of the date of adoption. We do not expect this standard to have material impact on our consolidated financial statements.

In May 2017, the FASB issued Accounting Standards Update No. 2017-09, "Compensation - Stock Compensation (Topic 718)," (ASU 2017-09), which clarifies the application of Topic 718 when accounting for changes in the terms and conditions of a share-based payment award. The new standard requires changes to the terms or conditions of a share-based payment award to be accounted for under modification accounting unless there is no change to the fair value, vesting conditions and classification of the award after modification. The amendment is effective for us and will be adopted on July 1, 2018. The amendment is to be applied prospectively, and we do not expect it to have a material impact on our consolidated financial statements.

In November 2016, the FASB issued Accounting Standards Update No. 2016-18, "Statement of Cash Flows (Topic 230) Restricted Cash" (ASU 2016-18), which requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendment is effective for us and will be adopted on July 1, 2018. This amendment will affect the presentation of our statement of cash flows once adopted, and we do not expect it to have material impact on our consolidated financial statements.

In March 2016, the FASB issued Accounting Standards Update No. 2016-04, "Liabilities - Extinguishment of Liabilities (Subtopic 405-20): Recognition of Breakage for Certain Prepaid Stored-Value Products" (ASU 2016-04), which requires an entity to recognize breakage for a liability resulting from the sale of a prepaid stored-value product in proportion to the pattern of rights expected to be exercised by the product holder only to the extent that it is probable that a significant reversal of the recognized breakage amount will not subsequently occur. The new standard is effective for us on July 1, 2018. The standard permits early adoption and should be applied either retrospectively to each period presented or by means of a cumulative adjustment to retained earnings as of the beginning of the fiscal year adopted. We do not expect the effect of ASU 2016-04 to have a material impact on our consolidated financial statements.

In March 2016, the FASB issued Accounting Standards Update No. 2016-02, "Leases (Topic 842)" (ASU 2016-02), which requires the recognition of lease assets and lease liabilities by lessees for those leases currently classified as operating leases. The standard also retains a distinction between finance leases and operating leases. The new standard is effective for us on July 1, 2019 and we expect to adopt the new standard using the modified retrospective approach. We also plan to use the transition relief package, in which we will not reassess the classification of our existing leases, whether any expired or existing contracts contain leases and if our existing leases have any initial direct costs. We are currently evaluating the requirements of the standard and we have not yet determined the impact of adoption on our consolidated financial statements.

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, "Revenue from Contracts with Customers" (ASU 2014-09), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. This guidance will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The new standard is effective for fiscal years beginning after December 15, 2017, which would result in an effective date for us of July 1, 2018. The standard permits the use of either the retrospective or modified retrospective method. We will adopt the new standard in the first quarter of fiscal 2019, and we will apply the modified retrospective approach.

We have completed our impact assessment of the new standard, which was performed on a business by business basis through a review of contract terms and material revenue streams. We have identified an impact related to direct-response advertising costs, which are costs currently capitalized and expensed based on the guidance outlined in ASC 340 - "Other Assets and Deferred Assets". The guidance included in ASC 340 has been eliminated, and under the new revenue standard these costs will be expensed as incurred because they do not meet the requirements for capitalization since they are not direct and incremental to obtaining a contract. We expect this change to impact the timing for a portion of advertising expenses within our National Pen business, but we do not expect it to have a material impact on our consolidated results. By applying the modified retrospective approach for implementing the standard, we expect to adjust approximately $3,800 of capitalized costs as of June 30, 2018 to retained earnings during the first quarter of fiscal 2019.

We have also identified an impact related to customer loyalty programs that are offered by several of our businesses. Under the new revenue standard, the rewards associated with these programs will be recognized as an additional performance obligation, resulting in an allocation of the transaction price and deferral of revenue until the subsequent reward redemption. We do not expect this change to have a material impact on our consolidated results.

We are continuing to make changes to certain processes and internal controls, in order to address the impacts of the new standard, which we expect to finalize during the first quarter of fiscal 2019. Lastly, we are continuing to evaluate the disclosure requirements of the new standard.

3. Fair Value Measurements

We use a three-level valuation hierarchy for measuring fair value and include detailed financial statement disclosures about fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- *Level 1:* Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- *Level 2:* Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets in markets that are not active and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- *Level 3:* Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The following tables summarize our assets and liabilities that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy:

	June 30, 2018			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Interest rate swap contracts	$ 13,370	$ —	$ 13,370	$ —
Currency forward contracts	9,202	—	9,202	—
Currency option contracts	1,782	—	1,782	—
Total assets recorded at fair value	$ 24,354	$ —	$ 24,354	$ —
Liabilities				
Cross-currency swap contracts	$ (25,348)	$ —	$ (25,348)	$ —
Currency forward contracts	(14,201)	—	(14,201)	—
Currency option contracts	(85)	—	(85)	—
Total liabilities recorded at fair value	$ (39,634)	$ —	$ (39,634)	$ —

	June 30, 2017			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Interest rate swap contracts	$ 1,717	$ —	$ 1,717	$ —
Total assets recorded at fair value	$ 1,717	$ —	$ 1,717	$ —
Liabilities				
Interest rate swap contracts	$ (483)	$ —	$ (483)	$ —
Cross-currency swap contracts	(19,760)	—	(19,760)	—
Currency forward contracts	(14,700)	—	(14,700)	—
Currency option contracts	(651)	—	(651)	—
Contingent consideration	(5,453)	—	—	(5,453)
Total liabilities recorded at fair value	$ (41,047)	$ —	$ (35,594)	$ (5,453)

During the years ended June 30, 2018 and 2017, there were no significant transfers in or out of Level 1, Level 2 and Level 3 classifications.

The valuations of the derivatives intended to mitigate our interest rate and currency risk are determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each instrument. This analysis utilizes observable market-based inputs, including interest rate curves, interest rate volatility, or spot and forward exchange rates, and reflects the contractual terms of these instruments, including the period to maturity. We incorporate credit valuation adjustments to appropriately reflect both our own nonperformance risk and the respective counterparties' nonperformance risk in the fair value measurements. In adjusting the fair value of our derivative contracts for the effect of nonperformance risk, we have considered the impact of netting and any applicable credit enhancements.

Although we have determined that the majority of the inputs used to value our derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with our derivatives utilize Level 3 inputs, such as estimates of current credit spreads, to appropriately reflect both our own nonperformance risk and the respective counterparties' nonperformance risk in the fair value measurement. However, as of June 30, 2018, we have assessed the significance of the impact of the credit valuation adjustments on the overall valuation of our derivative positions and have determined that the credit valuation adjustments are not significant to the overall valuation of our derivatives. As a result, we have determined that our derivative valuations in their entirety are classified in Level 2 in the fair value hierarchy.

Contingent consideration obligations are measured at fair value and are based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy. The valuation of contingent consideration uses assumptions and estimates to forecast a range of outcomes and probabilities for the contingent consideration. Certain contingent consideration obligations are valued using a Monte Carlo simulation model. We assess these assumptions and estimates on a quarterly basis as additional data impacting the assumptions is obtained. Any changes in the fair value of contingent consideration related to updated assumptions and estimates will be recognized within general and administrative expenses in the consolidated statements of operations during the period in which the change occurs.

Our acquisition of WIRmachenDRUCK on February 1, 2016 included a variable contingent payment up to €40,000 based on the achievement of a cumulative gross profit target for calendar years 2016 and 2017. During the fourth quarter of fiscal 2017, we determined it was reasonably certain, based on recent performance, that the maximum earn-out would be achieved. On January 2, 2018, we paid the maximum amount of €40,000 ($48,069 based on the exchange rate on the day of payment) and $5,951 of the amount paid is considered contingent consideration and included in the table below.

The following table represents the changes in fair value of Level 3 contingent consideration:

		Total Contingent Consideration
Balance at June 30, 2016 (1)	$	1,212
Fair value adjustment		4,030
Foreign currency impact		211
Balance at June 30, 2017 (1)	$	5,453
Fair value adjustment		220
Cash payments		(5,951)
Foreign currency impact		278
Balance at June 30, 2018 (1)	$	—

(1) The contingent consideration relates to the WIRmachenDUCK earn-out arrangement, which was paid on January 2, 2018. As of June 30, 2017, contingent consideration was classified as a current liability on the consolidated balance sheet. As of June 30, 2016 the liability was classified as a long-term liability on the consolidated balance sheet.

As of June 30, 2018 and June 30, 2017, the carrying amounts of our cash and cash equivalents, accounts receivable, accounts payable, and other current liabilities approximated their estimated fair values. As of June 30, 2018 and June 30, 2017 the carrying value of our debt, excluding debt issuance costs and debt discounts, was $839,429 and $882,578, respectively, and the fair value was $847,520 and $906,744, respectively. Our debt at June 30, 2018 includes variable rate debt instruments indexed to LIBOR that resets periodically and fixed rate debt instruments. The estimated fair value of our debt was determined using available market information based on recent trades or activity of debt instruments with substantially similar risks, terms and maturities, which fall within Level 2 under the fair value hierarchy. The estimated fair value of assets and liabilities disclosed above may not be representative of actual values that could have been or will be realized in the future.

4. Derivative Financial Instruments

We use derivative financial instruments, such as interest rate swap contracts, cross-currency swap contracts, and currency forward and option contracts, to manage interest rate and foreign currency exposures. Derivatives are recorded in the consolidated balance sheets at fair value. If the derivative is designated as a cash flow hedge or net investment hedge, then the effective portion of changes in the fair value of the derivative is recorded in accumulated other comprehensive loss and is subsequently reclassified into earnings in the period the hedged forecasted transaction affects earnings. If a derivative is deemed to be ineffective, then the ineffective portion of the change in fair value of the derivative is recognized directly in earnings. The change in the fair value of derivatives not designated as hedges is recognized directly in earnings, as a component of other (expense) income, net.

Hedges of Interest Rate Risk

We enter into interest rate swap contracts to manage variability in the amount of our known or expected cash payments related to a portion of our debt. Our objective in using interest rate swaps is to add stability to interest expense and to manage our exposure to interest rate movements. We designate our interest rate swaps as cash flow hedges. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for us making fixed-rate payments over the life of the contract agreements without exchange of the underlying notional amount. Realized gains or losses from interest rate swaps are recorded in earnings, as a component of interest expense, net. A portion of six of our interest rate swap contracts was deemed to be ineffective during the year ended June 30, 2018 and during the year ended June 30, 2017 a portion of two of our interest rate swap contracts was deemed to be ineffective.

Amounts reported in accumulated other comprehensive loss related to interest rate swap contracts will be reclassified to interest expense as interest payments are accrued or made on our variable-rate debt. As of June 30, 2018, we estimate that $730 of income will be reclassified from accumulated other comprehensive loss to interest expense during the twelve months ending June 30, 2019. As of June 30, 2018, we had nine outstanding interest rate swap contracts indexed to USD LIBOR. These instruments were designated as cash flow hedges of interest rate risk and have varying start dates and maturity dates through December 2025.

Interest rate swap contracts outstanding:	Notional Amounts
Contracts accruing interest as of June 30, 2018	$ 115,000
Contracts with a future start date	300,000
Total	$ 415,000

Hedges of Currency Risk

Cross-Currency Swap Contracts

From time to time, we execute cross-currency swap contracts designated as cash flow hedges or net investment hedges. Cross-currency swaps involve an initial receipt of the notional amount in the hedge currency in exchange for our reporting currency based on a contracted exchange rate. Subsequently, we receive fixed rate payments in our reporting currency in exchange for fixed rate payments in the hedged currency over the life of the contract. At maturity, the final exchange involves the receipt of our reporting currency in exchange for the notional amount in the hedged currency.

Cross-currency swap contracts designated as cash flow hedges are executed to mitigate our currency exposure to the interest receipts as well as the principal remeasurement and repayment associated with certain intercompany loans denominated in a currency other than our reporting currency, the U.S. Dollar. As of June 30, 2018, we had two outstanding cross-currency swap contracts designated as cash flow hedges with a total notional amount of $120,011, both maturing during June 2019. We entered into the two cross-currency swap contracts to hedge the risk of changes in one Euro denominated intercompany loan entered into with one of our consolidated subsidiaries that has the Euro as its functional currency.

Amounts reported in accumulated other comprehensive loss will be reclassified to other (expense) income, net as interest payments are accrued or paid and upon remeasuring the intercompany loan. As of June 30, 2018, we estimate that $1,387 of income will be reclassified from accumulated other comprehensive loss to interest expense, net during the twelve months ending June 30, 2019.

Cross-currency swap contracts designated as net investment hedges are executed to mitigate our currency exposure of net investments in subsidiaries that have reporting currencies other than the U.S. Dollar. As of June 30, 2018, we had two outstanding cross-currency swap contracts designated as net investment hedges with a total notional amount of $122,969, both maturing during April 2019. We entered into the two cross-currency swap contracts to hedge the risk of changes in the U.S. Dollar equivalent value of a portion of our net investment in a consolidated subsidiary that has the Euro as its functional currency. Amounts reported in accumulated other comprehensive loss are recognized as a component of our cumulative translation adjustment.

We did not hold any ineffective cross-currency swaps during the years ended June 30, 2018, 2017 and 2016.

Other Currency Contracts

We execute currency forward and option contracts in order to mitigate our exposure to fluctuations in various currencies against our reporting currency, the U.S. Dollar.

As of June 30, 2018, we had six currency forward contracts designated as net investment hedges with a total notional amount of $175,262, maturing during various dates through October 2022. We entered into these contracts to hedge the risk of changes in the U.S. Dollar equivalent value of a portion of our net investment in two consolidated subsidiaries that have Euro as their functional currency. Amounts reported in accumulated other comprehensive loss are recognized as a component of our cumulative translation adjustment.

We have elected to not apply hedge accounting for all other currency forward and option contracts. During the years ended June 30, 2018, 2017 and 2016, we have experienced volatility within other (expense) income, net in our consolidated statements of operations from unrealized gains and losses on the mark-to-market of outstanding currency forward and option contracts. We expect this volatility to continue in future periods for contracts for which we do not apply hedge accounting. Additionally, since our hedging objectives may be targeted at non-GAAP financial metrics that exclude non-cash items such as depreciation and amortization, we may experience increased, not decreased, volatility in our GAAP results as a result of our currency hedging program.

As of June 30, 2018, we had the following outstanding currency derivative contracts that were not designated for hedge accounting and were used to hedge fluctuations in the U.S. Dollar value of forecasted transactions denominated in Australian Dollar, British Pound, Canadian Dollar, Danish Krone, Euro, Indian Rupee, Mexican Peso, New Zealand Dollar, Norwegian Krone, Philippine Peso and Swedish Krona:

Notional Amount	Effective Date	Maturity Date	Number of Instruments	Index
$606,461	March 2017 through June 2018	Various dates through June 2020	518	Various

Financial Instrument Presentation

The table below presents the fair value of our derivative financial instruments as well as their classification on the balance sheet as of June 30, 2018 and June 30, 2017. Our derivative asset and liability balances will fluctuate with interest rate and currency exchange rate volatility.

	June 30, 2018							
	Asset Derivatives				Liability Derivatives			
Derivatives designated as hedging instruments	Balance Sheet line item	Gross amounts of recognized assets	Gross amount offset in Consolidated Balance Sheet	Net amount	Balance Sheet line item	Gross amounts of recognized liabilities	Gross amount offset in Consolidated Balance Sheet	Net amount
Derivatives in cash flow hedging relationships								
Interest rate swaps	Other current assets / other assets	$ 13,374	$ (4)	$ 13,370	Other current liabilities / other liabilities	$ —	$ —	$ —
Cross-currency swaps	Other current assets	—	—	—	Other current liabilities	(10,659)	—	(10,659)
Derivatives in net investment hedging relationships								
Cross-currency swaps	Other current assets	—	—	—	Other current liabilities	(14,689)	—	(14,689)
Currency forward contracts	Other non-current assets	—	—	—	Other current liabilities / other liabilities	(13,387)	—	(13,387)
Total derivatives designated as hedging instruments		$ 13,374	$ (4)	$ 13,370		$ (38,735)	$ —	$ (38,735)
Derivatives not designated as hedging instruments								
Currency forward contracts	Other current assets / other assets	$ 10,433	$ (1,231)	$ 9,202	Other current liabilities / other liabilities	$ (1,080)	$ 266	$ (814)
Currency option contracts	Other current assets / other assets	1,782	—	1,782	Other current liabilities / other liabilities	(85)	—	(85)
Total derivatives not designated as hedging instruments		$ 12,215	$ (1,231)	$ 10,984		$ (1,165)	$ 266	$ (899)

	June 30, 2017							
	Asset Derivatives				Liability Derivatives			
Derivatives designated as hedging instruments	**Balance Sheet line item**	**Gross amounts of recognized assets**	**Gross amount offset in Consolidated Balance Sheet**	**Net amount**	**Balance Sheet line item**	**Gross amounts of recognized liabilities**	**Gross amount offset in Consolidated Balance Sheet**	**Net amount**
Derivatives in cash flow hedging relationships . . .								
Interest rate swaps	Other non-current assets	$ 2,072	$ (355)	$ 1,717	Other current liabilities / other liabilities	$ (483)	$ —	$ (483)
Cross-currency swaps. .	Other non-current assets	—	—	—	Other liabilities	(7,640)	—	(7,640)
Derivatives in net investment hedging relationships								
Cross-currency swaps. .	Other non-current assets	—	—	—	Other liabilities	(12,120)	—	(12,120)
Currency forward contracts	Other non-current assets	—	—	—	Other liabilities	(9,896)	—	(9,896)
Total derivatives designated as hedging instruments		$ 2,072	$ (355)	$ 1,717		$ (30,139)	$ —	$ (30,139)
Derivatives not designated as hedging instruments								
Currency forward contracts	Other current assets / other assets	$ —	$ —	$ —	Other current liabilities / other liabilities	$ (8,033)	$ 3,229	$ (4,804)
Currency option contracts	Other current assets / other assets . . .	—	—	—	Other current liabilities / other liabilities . . .	(651)	—	(651)
Total derivatives not designated as hedging instruments		$ —	$ —	$ —		$ (8,684)	$ 3,229	$ (5,455)

The following table presents the effect of the effective portion of our derivative financial instruments designated as hedging instruments and their classification within comprehensive income (loss) for the years ended June 30, 2018, 2017 and 2016:

Derivatives in Hedging Relationships	Amount of Gain (Loss) Recognized in Comprehensive Income (Loss) on Derivatives		
	Year Ended June 30,		
	2018	2017	2016
Derivatives in cash flow hedging relationships			
Interest rate swaps	$ 8,545	$ 2,287	$ (1,736)
Cross-currency swaps	2,976	(3,584)	(769)
Derivatives in net investment hedging relationships			
Cross-currency swaps	(1,476)	(3,721)	2,951
Currency forward contracts	(3,490)	(8,362)	(81)
	$ 6,555	$ (13,380)	$ 365

The following table presents reclassifications out of accumulated other comprehensive loss for the years ended June 30, 2018, 2017 and 2016:

Details about Accumulated Other Comprehensive Loss Components	Amount of Net Gain (Loss) Reclassified from Accumulated Other Comprehensive Income (Loss) into Income — Year Ended June 30, 2018	2017	2016	Affected line item in the Statement of Operations
Derivatives in cash flow hedging relationships				
Interest rate swaps	$ 70	$ (205)	$ (947)	Interest expense, net
Cross-currency swaps	(1,379)	(1,621)	(1,171)	Other (expense) income, net
Total before income tax	(1,309)	(1,826)	(2,118)	Income (loss) before income taxes
Income tax	349	457	531	Income tax expense
Total	$ (960)	$ (1,369)	$ (1,587)	

The following table presents the adjustment to fair value recorded within the consolidated statements of operations for derivative instruments for which we did not elect hedge accounting, as well as the effect of the ineffective portion and de-designated derivative financial instruments that no longer qualify as hedging instruments in the period:

	Amount of Gain (Loss) Recognized in Net Income (Loss) — Year Ended June 30, 2018	2017	2016	Location of Gain (Loss) Recognized in Income (Ineffective Portion)
Derivatives not designated as hedging instruments				
Currency contracts	$ (2,942)	$ 663	$ 14,037	Other (expense) income, net
Interest rate swaps	255	273	(11)	Other (expense) income, net
	$ (2,687)	$ 936	$ 14,026	

5. Accumulated Other Comprehensive Loss

The following table presents a roll forward of amounts recognized in accumulated other comprehensive loss by component, net of tax of $1,371, $(710), and $293 for the years ended June 30, 2018, 2017 and 2016:

	Gains (losses) on cash flow hedges (1)	Gains (losses) on available for sale securities	Gains (losses) on pension benefit obligation	Translation adjustments, net of hedges (2)	Total
Balance as of June 30, 2015	$ (1,405)	$ 2,971	$ (3,112)	$ (97,363)	$ (98,909)
Other comprehensive income (loss) before reclassifications	(2,504)	517	561	(9,267)	(10,693)
Amounts reclassified from accumulated other comprehensive loss to net income (loss)	1,587	—	—	—	1,587
Net current period other comprehensive income (loss)	(917)	517	561	(9,267)	(9,106)
Balance as of June 30, 2016	(2,322)	3,488	(2,551)	(106,630)	(108,015)
Other comprehensive income (loss) before reclassifications	(1,297)	(5,756)	2,194	(4,161)	(9,020)
Amounts reclassified from accumulated other comprehensive loss to net income (loss)	1,369	2,268	—	—	3,637
Net current period other comprehensive income (loss)	72	(3,488)	2,194	(4,161)	(5,383)
Balance as of June 30, 2017	(2,250)	—	(357)	(110,791)	(113,398)
Amounts reclassified from accumulated other comprehensive loss to retained earnings	(116)	—	—	—	(116)
Other comprehensive income (loss) before reclassifications	11,521	—	59	32,782	44,362
Amounts reclassified from accumulated other comprehensive loss to net income (loss)	(960)	—	298	—	(662)
Net current period other comprehensive income (loss)	10,561	—	357	32,782	43,700
Balance as of June 30, 2018	$ 8,195	$ —	$ —	$ (78,009)	$ (69,814)

(1) Gains (losses) on cash flow hedges include our interest rate swap and cross-currency swap contracts designated in cash flow hedging relationships.

(2) As of June 30, 2018, 2017 and 2016, the translation adjustment is inclusive of the effects of our net investment hedges, of which, unrealized losses of $22,014, $17,048, and $4,965 respectively, net of tax, have been included in accumulated other comprehensive loss.

6. Property, Plant, and Equipment, Net

Property, plant, and equipment, net consists of the following:

	Estimated useful lives	June 30, 2018	June 30, 2017
Land improvements	10 years	$ 3,440	$ 2,235
Building and building improvements	10 - 30 years	310,947	319,822
Machinery and production equipment	4 - 10 years	299,760	274,813
Machinery and production equipment under capital lease	4 - 10 years	67,702	54,673
Computer software and equipment	3 - 5 years	166,523	165,812
Furniture, fixtures and office equipment	5 - 7 years	43,010	41,612
Leasehold improvements	Shorter of lease term or expected life of the asset	53,753	51,582
Construction in progress		11,734	12,240
		956,869	922,789
Less accumulated depreciation, inclusive of assets under capital lease		(505,803)	(443,273)
		451,066	479,516
Land		32,598	32,431
Property, plant, and equipment, net		$ 483,664	$ 511,947

Depreciation expense, inclusive of assets under capital leases, totaled $87,956, $87,145, and $76,435 for the years ended June 30, 2018, 2017 and 2016, respectively.

7. Business Combinations and Divestitures

Fiscal 2018 divestiture

Divestiture of Albumprinter

On August 31, 2017 we sold our Albumprinter business, including FotoKnudsen AS, for a total of €78,382 ($93,071 based on the exchange rate as of the date of sale) in cash, net of transaction costs and cash divested (after $11,874 in pre-closing dividends). As a result of the sale, we recognized a gain of $47,545, net of transaction costs, within our consolidated statement of operations for the year ended June 30, 2018. In connection with the divestiture, we entered into an agreement with Albumprinter under which Albumprinter will continue to fulfill photo book orders for our Vistaprint business. Additionally, we agreed to provide Albumprinter with certain transitional support services for a period of up to one year from the date of the sale.

The transaction did not qualify for discontinued operations presentation, and as of June 30, 2017, the Albumprinter business assets and liabilities were presented as held-for-sale in our consolidated balance sheet.

Fiscal 2017 acquisition

Acquisition of National Pen Co. LLC

On December 30, 2016, we acquired 100% of the equity interests of National Pen Co. LLC, a manufacturer and marketer of custom writing instruments for small- and medium-sized businesses. At closing, we paid $214,573 in cash, subject to post closing adjustments based on acquired cash, debt and working capital balances. During the third quarter of fiscal 2017, we finalized and received payment for the post closing adjustment, which reduced the purchase price by $1,941. The acquisition supports our strategy to build competitively differentiated supply chain capabilities that we can make available via our mass customization platform, which we bring to market through a portfolio of focused brands. We expect National Pen will also complement our organic investments in technology and supply chain capabilities for promotional products, apparel and gift offerings.

The table below details the consideration transferred to acquire National Pen:

Cash consideration	$ 214,573
Final post closing adjustment	(1,941)
Total purchase price	$ 212,632

The excess purchase price over the fair value of National Pen's net assets was recorded as goodwill, which is primarily attributable to the value of its workforce, its manufacturing and marketing process and know-how, as well as synergies which include leveraging National Pen's scale-based sourcing channels, integrating into our mass customization platform, and supporting the development of its e-commerce platform. We attributed $34,520 of goodwill to the National Pen reportable segment, and allocated $23,200 of goodwill to the Vistaprint segment for certain synergies that are expected to be realized by the Vistaprint segment as a result of the acquisition. The amount of goodwill that is deductible for tax purposes is approximately $19,000.

The fair value of the assets acquired and liabilities assumed was:

	Amount	Weighted Average Useful Life in Years
Tangible assets acquired and liabilities assumed (1):		
Cash and cash equivalents	$ 8,337	n/a
Accounts receivable, net	20,921	n/a
Inventory	19,854	n/a
Other current assets	11,281	n/a
Property, plant and equipment, net	29,472	n/a
Other non-current assets	1,270	n/a
Accounts payable	(12,590)	n/a
Accrued expenses	(17,805)	n/a
Other current liabilities	(908)	n/a
Deferred tax liabilities	(3,255)	n/a
Long-term liabilities	(9,665)	n/a
Identifiable intangible assets:		
Developed Technology	19,000	6
Trade Name	33,000	11
Customer Relationships	56,000	7
Goodwill	57,720	n/a
Total purchase price	$ 212,632	

(1) National Pen has materially impacted our working capital balances post-acquisition, resulting in increased accounts receivable, inventory, accounts payable and accrued expenses balances in our consolidated balance sheet.

National Pen Pro Forma Financial Information

National Pen has been included in our consolidated financial statements starting on its acquisition date. The following unaudited pro forma financial information presents our results as if the National Pen acquisition had occurred on July 1, 2015. The pro forma financial information for all periods presented adjusts for the effects of material business combination items, including estimated amortization of acquired intangible assets and transaction related costs. The unaudited pro forma results are not necessarily indicative of what actually would have occurred had the acquisition been in effect for the periods presented as the pre-acquisition results include revenue and profit related to certain operations that are no longer active:

	Year Ended June 30,	
	2017	2016
Pro forma revenue	$ 2,294,347	$ 2,060,426
Pro forma net (loss) income attributable to Cimpress N.V.	(71,084)	41,370

We utilized proceeds from our credit facility in order to finance the acquisition. In connection with the acquisition, we incurred $2,005 in general and administrative expenses during the year ended June 30, 2017, primarily related to legal, financial, and other professional services.

Fiscal 2016 acquisitions

Acquisition of WIRmachenDRUCK GmbH

On February 1, 2016, we acquired 100% of the outstanding shares of WIRmachenDRUCK GmbH, a web-to-print business focused primarily on the German market. At closing, we paid €138,383 ($150,128 based on the exchange rate as of the date of acquisition) in cash and transferred €8,121 ($8,810 based on the exchange rate as of the date of acquisition) in ordinary shares of Cimpress N.V. We paid €1,850 in cash ($2,082 based on the exchange rate on the date of payment) during the fourth quarter of fiscal 2016 as a post-closing adjustment based on WIRmachenDRUCK's net cash and working capital position as of the acquisition date.

In addition, we agreed to a sliding scale earn-out of up to €40,000 ($43,395 based on the exchange rate as of the date of acquisition) based on the achievement of a cumulative gross profit target for calendar years 2016 and 2017. The maximum earn-out was paid in cash during the third quarter of 2018. Refer to Note 9 for additional discussion relating to the earn-out arrangement.

The acquisition supports our strategy to invest in and build customer-focused entrepreneurial, mass customization businesses for the long-term, which we manage in a decentralized and autonomous manner and complements similar previous investments in Europe. WIRmachenDRUCK brings internet-based capabilities that aggregate and route large numbers of small orders to a network of specialized production partners. Their outsourced supply chain model allows them to compete across a vast selection of product types, formats, sizes, finishing options and delivery choices.

Our consolidated financial statements include WIRmachenDRUCK from February 1, 2016, the date of acquisition. WIRmachenDRUCK's revenue included in our consolidated revenues for the year ended June 30, 2016 was $72,620. WIRmachenDRUCK's net income included in our consolidated net income attributable to Cimpress N.V. for the year ended June 30, 2016 was $3,420, inclusive of amortization of identifiable intangible assets but exclusive of earn-out related compensation expense and corporate level interest expense.

The table below details the consideration transferred to acquire WIRmachenDRUCK:

Cash consideration	$ 152,100
Cimpress N.V. shares transferred	8,810
Fair value of contingent consideration	1,185
Total consideration	$ 162,095

The excess of the purchase price paid over the fair value of WIRmachenDRUCK's net assets was recorded as goodwill, which is primarily attributed to expected expansion of the customer base and value of the workforce of WIRmachenDRUCK. Goodwill is not expected to be deductible for tax purposes, and has been attributed to our Upload and Print reportable segment. The fair value of the assets acquired and liabilities assumed was:

		Amount	Weighted Average Useful Life in Years
Tangible assets acquired and liabilities assumed			
Cash and cash equivalents	$	15,220	n/a
Other current assets		5,231	n/a
Other non-current assets		1,259	n/a
Accounts payable and other current liabilities		(17,566)	n/a
Deferred tax liability		(26,863)	n/a
Identifiable intangible assets:			
Customer relationships		24,952	7
Trade name		24,952	15
Print network		23,867	9
Referral network		10,849	7
Developed technology		8,679	3
Goodwill		91,515	n/a
Total purchase price	$	162,095	

Other fiscal 2016 acquisitions

During fiscal 2016, we acquired two businesses that were not material to our results either individually or in the aggregate. Complementing our Upload and Print segment, we acquired all of the outstanding capital stock of Tradeprint Distribution Limited (formerly known as Fairprint Distribution Limited) and Litotipografia Alcione S.r.l. on July 31, 2015 and July 29, 2015, respectively. The aggregate consideration for these two acquisitions was $25,547, net of cash acquired. The consideration was allocated to the fair value of the assets acquired and liabilities assumed based on estimated fair values as of the respective acquisition dates. The aggregate allocation to goodwill, intangible assets, and net tangible assets was $9,571, $14,359 and $1,617, respectively. During the third quarter of fiscal 2017 we recognized a charge for the full impairment of goodwill and a portion of the intangible assets related to the Tradeprint reporting unit. Refer to our discussion in Note 8 for additional details of the impairment loss.

Goodwill is calculated as the excess of the consideration over the fair value of the net assets, including intangible assets, and is primarily related to expected synergies from the transactions. The goodwill for these two acquisitions is not deductible for tax purposes, and has been attributed to our Upload and Print reportable segment. The results of these acquisitions have been included in the consolidated financial statements from the date of purchase and were not material for the year ended June 30, 2016. We utilized proceeds from our credit facility to finance our fiscal 2016 acquisitions. In connection with these acquisitions, we incurred transaction costs related to investment banking, legal, financial, and other professional services of $1,289 during the year ended June 30, 2016. We have not presented pro forma results of the operations of the companies we acquired in fiscal 2016 because the effects of the acquired companies are not material to our consolidated financial statements.

Form 10-K

8. Goodwill and Acquired Intangible Assets

Goodwill

The carrying amount of goodwill by reportable segment as of June 30, 2018 and June 30, 2017 is as follows:

	Vistaprint	Upload and Print	National Pen	All Other Businesses	Total
Balance as of June 30, 2016	$ 121,752	$ 319,373	$ —	$ 24,880	$ 466,005
Acquisitions (1)	—	—	57,720	—	57,720
Impairments (2)	—	(6,345)	—	—	(6,345)
Adjustments (3)(4)	23,200	(228)	(23,200)	(13,540)	(13,768)
Effect of currency translation adjustments (5)	2,255	9,005	—	91	11,351
Balance as of June 30, 2017	147,207	321,805	34,520	11,431	514,963
Adjustments	(58)	—	(86)	—	(144)
Effect of currency translation adjustments (5)	(942)	6,966	—	—	6,024
Balance as of June 30, 2018	$ 146,207	$ 328,771	$ 34,434	$ 11,431	$ 520,843

(1) Refer to Note 7 for additional details related to our acquisitions.

(2) In fiscal 2017 we recorded an impairment charge of $6,345 related to our Tradeprint reporting unit. See below for additional details.

(3) We allocated $23,200 of goodwill to the Vistaprint segment for certain synergies that are expected to be realized by the Vistaprint segment as a result of the National Pen acquisition. Refer to Note 7 for additional details.

(4) Our Albumprinter business, part of our All Other Businesses reportable segment, was reclassified as held for sale on the consolidated balance sheet at June 30, 2017. The Albumprinter business was sold during the first quarter of fiscal 2018. Refer to Note 7 for additional details.

(5) Related to goodwill held by subsidiaries whose functional currency is not the U.S. Dollar.

Impairment Review

Fiscal 2018

For our annual goodwill impairment test as of May 31, 2018, we evaluated each of our ten reporting units with goodwill individually. We considered the timing of our most recent fair value assessment and associated headroom, the actual operating results as compared to the cash flow forecasts used in those fair value assessments, the current long-term forecasts for each reporting unit, and the general market and economic environment of each reporting unit. After performing this qualitative assessment for seven of our reporting units, we determined that there was no indication the carrying values of those reporting units exceeded their respective fair values.

Some of our reporting units are early-stage businesses that are subject to high degrees of risk and their business models continually evolve as they seek to establish foundations in large markets, resulting in greater volatility in their actual results and forecasted future results. We have a number of investments that fit this profile and we expect this type of volatility to prompt a quantitative analysis in our goodwill impairment testing from time to time. We performed a quantitative analysis for three such reporting units during this testing cycle in order to gain additional assurance there were no impairments. We estimated the fair value of each reporting unit, using the income approach, which was determined based on the present value of estimated future cash flows. The cash flow projections are based on our estimates of revenue growth rates and operating margins, taking into consideration recent business and market trends. The discount rates used were based on the weighted-average cost of capital adjusted for the related business-specific risks. For each of these reporting units, we compared the estimated fair value to the carrying value, and considered the estimated level of headroom. Based on the substantial level of headroom associated with each of these reporting units, we concluded there was no impairment. As a result of these qualitative and quantitative tests, there have been no identified impairments for the year ended June 30, 2018.

Fiscal 2017

During the third quarter fiscal 2017, we changed the composition of our Tradeprint reporting unit (a part of our Upload and Print reportable segment). This change, when combined with an updated profit outlook that was lower than originally forecasted as of the acquisition date, indicated that it was more likely than not that the fair value of the reporting unit was below the carrying amount.

As required, prior to performing the quantitative goodwill impairment test, we first evaluated the recoverability of the Tradeprint long-lived assets as the change in expected long-term cash flows was indicative of a potential impairment. We performed the recoverability test using undiscounted cash flows for our Tradeprint asset group and concluded that an impairment of long-lived assets existed. We proceeded to estimate the fair value the assets, using an income and cost approach based on market participant assumptions and recognized a partial impairment charge for our acquired intangible assets of $3,211.

Subsequent to performing the long-lived asset impairment test, we performed our goodwill impairment test which resulted in an additional impairment charge of the total goodwill of the Tradeprint reporting unit of $6,345. In order to execute the quantitative goodwill impairment test, we compared the fair value of the Tradeprint reporting unit to its carrying value. We used the income approach, specifically the discounted cash flow method, to derive the fair value. This approach calculates fair value by estimating the after-tax cash flows attributable to a reporting unit and then discounting the after-tax cash flows to a present value using a risk-adjusted discount rate. We selected this method as being the most meaningful in preparing our goodwill assessment as we believed the income approach most appropriately measured our income producing assets. We considered using the market approach but concluded it was not appropriate in valuing this particular reporting unit given the lack of relevant market comparisons available for application of the market approach. The cash flow projections in the Tradeprint fair value analysis are based on management's estimates of revenue growth rates and operating margins, taking into consideration historical results, as well as industry and market conditions. The discount rate is based on a weighted average cost of capital ("WACC"), which represented the average rate a business must pay its providers of debt and equity, plus a risk premium. The WACC of 11.5% used to test the Tradeprint goodwill was derived from a group of comparable companies.

Acquired Intangible Assets

	June 30, 2018			June 30, 2017		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trade name	$ 99,102	$ (23,821)	$ 75,281	$ 97,728	$ (14,839)	$ 82,889
Developed technology	55,460	(39,218)	16,242	55,423	(28,943)	26,480
Customer relationships	182,545	(70,655)	111,890	179,715	(44,475)	135,240
Customer network and other	16,289	(8,312)	7,977	16,291	(6,185)	10,106
Print network	25,716	(6,905)	18,811	25,171	(3,962)	21,209
Total intangible assets	$ 379,112	$ (148,911)	$ 230,201	$ 374,328	$ (98,404)	$ 275,924

Acquired intangible assets amortization expense for the years ended June 30, 2018, 2017 and 2016 was $49,881, $46,145 and $40,563. During the year ended June 30, 2018, the increase in acquired intangible asset amortization is primarily related to our fiscal 2017 acquisition of National Pen. Estimated intangible assets amortization expense for each of the five succeeding fiscal years is as follows:

2019	$ 42,582
2020	37,967
2021	37,859
2022	36,297
2023	28,386
	$ 183,091

9. Other Balance Sheet Components

Accrued expenses included the following:

	June 30, 2018	June 30, 2017
Compensation costs	$ 57,024	$ 54,487
Income and indirect taxes	33,557	34,469
Advertising costs	28,140	26,641
Production costs	8,903	7,472
Shipping costs	5,241	6,651
Sales returns	5,076	4,474
Purchases of property, plant and equipment	4,489	3,786
Professional fees	3,802	3,021
Interest payable	1,653	5,263
Other	38,776	29,303
Total accrued expenses	$ 186,661	$ 175,567

Other current liabilities included the following:

	June 30, 2018	June 30, 2017
Short-term derivative liabilities	$ 31,054	$ 7,243
Current portion of lease financing obligation	12,569	12,569
Current portion of capital lease obligations	10,747	11,573
Contingent earn-out liability (1)	—	44,049
Mandatorily redeemable noncontrolling interest (2)	—	901
Other	601	2,100
Total other current liabilities	$ 54,971	$ 78,435

Other liabilities included the following:

	June 30, 2018	June 30, 2017
Long-term capital lease obligations	$ 16,883	$ 28,306
Long-term derivative liabilities	10,080	31,936
Mandatorily redeemable noncontrolling interest (2)	4,366	2,456
Other (3)	38,195	31,985
Total other liabilities	$ 69,524	$ 94,683

(1) On January 2, 2018, we paid the WIRmachenDRUCK contingent earn-out liability, refer to the summary below for additional details.
(2) Relates to the mandatorily redeemable noncontrolling interest of Printi LLC. The short-term liability as of June 30, 2017 was redeemed during the fourth quarter of fiscal 2018. Refer to Note 15 for additional details.
(3) As of June 30, 2018 and 2017, other liabilities includes $15,464 and $8,713, respectively, related to share-based compensation awards associated with our investment in Printi LLC. Refer to Note 15 for additional details.

Contingent earn-out liability

Under the original terms of the WIRmachenDRUCK earn-out arrangement, a portion of the earn-out attributed to the minority selling shareholders was included as a component of purchase consideration as of the acquisition date, with any subsequent changes to fair value recognized within general and administrative expense. This earn-out was previously calculated on a sliding scale, based on the achievement of cumulative gross profit against a predetermined target. The liability represented the present value of the agreed payment amount as of the respective date. We recognized $1,774, $32,550 and $1,961 of expense during the years ended June 30, 2018, 2017 and 2016, respectively, as part of general and administrative expense. We paid the maximum amount on January 2, 2018. Refer to Note 3 of the consolidated financial statements for additional details of this payment.

10. Debt

	June 30, 2018	June 30, 2017
Senior secured credit facility	$ 432,414	$ 600,037
7.0% Senior unsecured notes due 2026 (1)	400,000	—
7.0% Senior unsecured notes due 2022 (1)	—	275,000
Other	7,015	7,541
Debt issuance costs and debt discounts (2)	(12,585)	(5,922)
Total debt outstanding, net	826,844	876,656
Less: short-term debt (3)	59,259	28,926
Long-term debt	$ 767,585	$ 847,730

(1) On June 15, 2018, we completed a debt offering of $400,000 in aggregate principal amount of 7.0% senior notes due 2026. We used a portion of the net proceeds of this offering to extinguish the $275,000 of senior notes due 2022 and fund the satisfaction of the indenture governing those notes.

(2) During the year ended June 30, 2018, we capitalized $11,666 in debt issuance costs, which related to the private placement of our 7.0% senior unsecured notes due 2026, as well as the amendment to our senior secured credit facility. We wrote-off $3,164 of unamortized costs related to the redemption of our 7.0% Senior unsecured notes due 2022 and amendment to our senior unsecured credit facility. Refer below for additional details.

(3) Balances as of June 30, 2018 and June 30, 2017 are inclusive of short-term debt issuance costs and debt discounts of $2,012 and $1,693, respectively.

Our Debt

Our various debt arrangements described below contain customary representations, warranties and events of default. As of June 30, 2018, we were in compliance with all financial and other covenants related to our debt.

Indenture and Senior Unsecured Notes

On June 15, 2018, we completed a private placement of $400,000 in aggregate principal amount of 7.0% senior unsecured notes due 2026 (the “2026 Notes”). We issued the 2026 Notes pursuant to a senior notes indenture dated as of June 15, 2018, among Cimpress N.V., our subsidiary guarantors, and MUFG Union Bank, N.A., as trustee (the "Indenture"). We used a portion of the net proceeds from the 2026 Notes to redeem all of the outstanding 7.0% senior unsecured notes due 2022 at a redemption price equal to 105.25% of the principal amount and all accrued unpaid interest. As a result of the redemption, we incurred a loss on the extinguishment of debt of $17,359, which included the early redemption premium of $14,438 and the write-off of unamortized debt issuance costs of $2,921. The remaining proceeds were used to repay a portion of the indebtedness outstanding under our revolving credit facility and pay all related fees and expenses.

The 2026 Notes bear interest at a rate of 7.0% per annum and mature on June 15, 2026. Interest on the Notes is payable semi-annually on June 15 and December 15 of each year, commencing on December 15, 2018, to the holders of record of the 2026 Notes at the close of business on June 1 and December 1, respectively, preceding such interest payment date.

The 2026 Notes are senior unsecured obligations and rank equally in right of payment to all our existing and future senior unsecured debt and senior in right of payment to all of our existing and future subordinated debt. The Notes are effectively subordinated to any of our existing and future secured debt to the extent of the value of the assets securing such debt. Subject to certain exceptions, each of our existing and future subsidiaries that is a borrower under or guarantees our senior secured credit facilities will guarantee the 2026 Notes.

The indenture under which the 2026 Notes are issued contains various covenants, including covenants that, subject to certain exceptions, limit our and our restricted subsidiaries’ ability to incur and/or guarantee additional debt; pay dividends, repurchase shares or make certain other restricted payments; enter into agreements limiting dividends and certain other restricted payments; prepay, redeem or repurchase subordinated debt; grant liens on assets; enter into sale and leaseback transactions; merge, consolidate or transfer or dispose of substantially all of our consolidated assets; sell, transfer or otherwise dispose of property and assets; and engage in transactions with affiliates.

We have the right to redeem, at any time prior to June 15, 2021, some or all of the 2026 Notes at a redemption price equal to 100% of the principal amount redeemed, plus a make-whole amount as set forth in the Indenture, plus, in each case, accrued and unpaid interest to, but not including, the redemption date. In addition, we have the right to redeem, at any time prior to June 15, 2021, up to 40% of the aggregate outstanding principal amount of the 2026 Notes at a redemption price equal to 107% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the redemption date, with the net proceeds of certain equity offerings by Cimpress. At any time on or after June 15, 2021, we may redeem some or all of the Notes at the redemption prices specified in the Indenture, plus accrued and unpaid interest to, but not including, the redemption date.

Senior Secured Credit Facility

On June 14, 2018, we entered into an amendment to our senior secured credit facility resulting in an increase to aggregate loan commitments under the credit agreement to a total of $1,128,172. The amendment also extended the tenor of our borrowings to a maturity date of June 14, 2023 and changed some additional terms.

As of June 30, 2018, we have a committed credit facility of $1,124,422 as follows:

- Revolving loans of $839,422 with a maturity date of June 14, 2023
- Term loan of $285,000 amortizing over the loan period, with a final maturity date of June 14, 2023

Under the terms of our credit agreement, borrowings bear interest at a variable rate of interest based on LIBOR plus 1.375% to 2.0%. Interest rates prior to and after the amendment depend on our leverage ratio, which is the ratio of our consolidated total indebtedness to our consolidated EBITDA, as defined by the credit agreement. As of June 30, 2018, the weighted-average interest rate on outstanding borrowings was 3.77%, inclusive of interest rate swap rates. We are also required to pay a commitment fee on unused balances of 0.225% to 0.35% depending on our leverage ratio. We have pledged the assets and/or share capital of several of our subsidiaries as collateral for our outstanding debt as of June 30, 2018.

Our credit agreement contains financial and other covenants, including but not limited to limitations on (1) our incurrence of additional indebtedness and liens, (2) the consummation of certain fundamental organizational changes or intercompany activities, for example acquisitions, (3) investments and restricted payments including the amount of purchases of our ordinary shares or payments of dividends, and (4) the amount of consolidated capital expenditures that we may make in each of our fiscal years through June 30, 2023. The credit agreement also contains financial covenants calculated on a trailing twelve month, or TTM, basis that:

- our consolidated leverage ratio, which is the ratio of our consolidated indebtedness (*) to our TTM consolidated EBITDA (*), will not exceed 4.75, but may, on no more than three occasions during the term of the Credit Agreement, be increased to 5.00 for four consecutive quarters for certain permitted acquisitions;
- our senior secured leverage ratio, which is the ratio of our consolidated senior secured indebtedness (*) to our TTM consolidated EBITDA (*), will not exceed 3.25 to 1.00, but may, on no more than three occasions during the term of the Credit Agreement, be increased to 3.50 for four consecutive quarters for certain permitted acquisitions.
- our interest coverage ratio, which is the ratio of our consolidated EBITDA (*) to our consolidated interest expense, will be at least 3.00.

(*) The definitions of EBITDA and consolidated indebtedness are maintained in our credit agreement included as an exhibit to our Form 8-K filed on June 18, 2018.

Other debt

Other debt consists primarily of term loans acquired through our various acquisitions. As of June 30, 2018 and June 30, 2017 we had $7,015 and $7,541, respectively, outstanding for those obligations that are payable through September 2024.

11. Shareholders' Equity

Treasury shares

On March 22, 2017, we announced that our Supervisory Board authorized the purchase of up to 6,300,000 of our ordinary shares and during the year ended June 30, 2018, we purchased 452,820 shares under this authorization for a cost of $40,674. On November 14, 2017, our Supervisory Board authorized the repurchase of up to 6,300,000 of our ordinary shares, which replaced the previous authorization. During the year ended June 30, 2018, we purchased 442,557 shares under this authorization for a cost of $54,036.

Share-based awards

The 2016 Performance Equity Plan (the "2016 Plan") became effective upon shareholder approval on May 27, 2016 and allows us to grant PSUs, entitling the recipient to receive Cimpress ordinary shares based upon continued service to Cimpress and the achievement of objective, predetermined appreciation of Cimpress' three-year moving average share price. We may grant PSUs under the 2016 Plan to our employees, officers, directors (including members of the Management and Supervisory Boards), consultants, and advisors. Subject to adjustment in the event of stock splits, stock dividends and other similar events, we may make awards under the 2016 Plan for up to 8,000,000 of our ordinary shares.

The 2011 Equity Incentive Plan (the “2011 Plan”) became effective upon shareholder approval on June 30, 2011 and allows us to grant share options, share appreciation rights, restricted shares, restricted share units and other awards based on our ordinary shares to our employees, officers, non-employee directors, consultants and advisors. Among other terms, the 2011 Plan requires that the exercise price of any share option or share appreciation right granted under the 2011 Plan be at least 100% of the fair market value of the ordinary shares on the date of grant; limits the term of any share option or share appreciation right to a maximum period of 10 years; provides that shares underlying outstanding awards under the Amended and Restated 2005 Equity Incentive Plan that are canceled, forfeited, expired or otherwise terminated without having been issued in full will become available for the grant of new awards under the 2011 Plan; and prohibits the repricing of any share options or share appreciation rights without shareholder approval. In addition, the 2011 Plan provides that the number of ordinary shares available for issuance under the plan will be reduced by (i) 1.56 ordinary shares for each share subject to a restricted share or other share-based award with a per share or per unit purchase price lower than 100% of the fair market value of the ordinary shares on the date of grant and (ii) one ordinary share for each share subject to any other award under the 2011 Plan.

Our 2005 Non-Employee Directors' Share Option Plan allows us to grant share options to our non-employee directors upon initial appointment as a director and annually thereafter in connection with our annual general meeting of shareholders if they are continuing to serve as a director at such time. We also have two additional plans with outstanding awards from which we will not grant any additional awards.

An aggregate of 8,771,434 ordinary shares were available for future awards under all of our share-based award plans as of June 30, 2018. For PSUs under our 2016 Plan, we assumed that we would issue ordinary shares equal to 250% of the outstanding PSUs, which is the maximum potential share issuance. A combination of new shares and treasury shares has historically been used in fulfillment of our share based awards.

Share options

We have granted options to purchase ordinary shares at prices that are at least equal to the fair market value of the shares on the date the option is granted and have a contractual term of approximately eight to ten years. Options generally vest over 3 years for non-employee supervisory directors and over 4 years for employees.

The fair value of each option award subject only to service period vesting is estimated on the date of grant using the Black-Scholes option pricing model and is recognized as expense on a straight-line basis over the requisite service period. Use of a valuation model requires management to make certain assumptions with respect to inputs. The expected volatility assumption is based upon historical volatility of our share price. The expected term assumption is based on the contractual and vesting term of the option and historical experience. The risk-free interest rate is based on the U.S. Treasury yield curve with a maturity equal to the expected life assumed at the grant date. We value share options with a market condition using a lattice model with compensation expense recorded on an accelerated basis over the requisite service period.

We did not grant any share options in fiscal 2018 or 2017. Weighted-average values used for option awards in fiscal 2016 were as follows:

	Year Ended June 30, 2016
Risk-free interest rate	1.84%
Expected dividend yield	—%
Expected term (years)	6.00
Expected volatility	47%
Weighted average fair value of options granted	$ 38.18

A summary of our share option activity and related information for the year ended June 30, 2018 is as follows:

	Shares Pursuant to Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Outstanding at the beginning of the period	2,138,426	$ 46.68	2.6	
Granted	—	—		
Exercised	(485,323)	39.63		
Forfeited/expired	(1,795)	57.67		
Outstanding at the end of the period	1,651,308	$ 48.74	1.9	$ 158,887
Exercisable at the end of the period	1,563,489	$ 48.64	1.9	$ 150,589

The intrinsic value in the table above represents the total pre-tax amount, net of exercise price, which would have been received if all option holders exercised in-the-money options on June 30, 2018. The total intrinsic value of options exercised during the fiscal years ended June 30, 2018, 2017 and 2016 was $46,853, $25,566, and $5,494, respectively.

Performance share units - 2016 Performance Equity Plan

We began granting PSUs under our 2016 Plan during the first quarter of fiscal 2017. The PSU awards entitle the recipient to receive Cimpress ordinary shares between 0% and 250% of the number of units, based upon continued service to Cimpress and the achievement of a compounded annual growth rate target based on Cimpress' three-year moving average share price that will be assessed annually in years 6 - 10 following the grant date. The fair value of the PSUs is based on a Monte Carlo simulation, and the resulting expense is recognized on an accelerated basis over the requisite service period.

During the first quarter of fiscal 2018, we issued supplemental performance share unit awards to certain members of management. In addition to a service vesting and market condition (based on the three year moving average of the Cimpress share price) contained in our PSUs, these supplemental awards also contain a multi-year financial performance condition. The evaluation of achievement of the performance condition is at the discretion of the Compensation Committee and, therefore, the awards are subject to mark-to-market accounting throughout the three year performance vesting period. As of June 30, 2018, we concluded that the achievement of the performance condition is probable.

A summary of our PSU activity and related information for the fiscal year ended June 30, 2018 is as follows:

	PSUs	Weighted-Average Grant Date Fair Value	Aggregate Intrinsic Value
Outstanding at the beginning of the period	375,038	$ 123.06	
Granted	361,582	115.02	
Vested and distributed	—	—	
Forfeited	(55,857)	120.04	
Outstanding at the end of the period	680,763	$ 119.04	$ 98,683

The weighted average fair value of PSUs granted during the fiscal years ended June 30, 2018 and 2017, was $115.02 and $123.51, respectively. The total intrinsic value of PSUs outstanding at the fiscal years ended June 30, 2018 and 2017, was $98,683 and $35,452, respectively. As of June 30, 2018, the number of shares subject to PSUs included in the table above assumes the issuance of one share for each PSU, but based on actual performance that amount delivered can range from zero shares to a maximum of 1,701,908 shares.

Restricted share units

The fair value of an RSU award is equal to the fair market value of our ordinary shares on the date of grant and the expense is recognized on a straight-line basis over the requisite service period. RSUs generally vest over 2 years for non-employee directors and over 4 years for employees. For awards with a performance condition, we recognize compensation cost on an accelerated basis over the requisite service period when achievement of the performance condition is deemed probable. As of June 30, 2018, we had 156,000 RSUs outstanding that were subject to various performance conditions. In July 2018, 140,000 of these RSUs were forfeited and the remaining shares vested during that period.

A summary of our RSU activity and related information for the fiscal year ended June 30, 2018 is as follows:

	RSUs	Weighted-Average Grant Date Fair Value	Aggregate Intrinsic Value
Unvested at the beginning of the period	334,370	$ 74.57	
Granted	—	—	
Vested and distributed	(98,039)	69.03	
Forfeited	(26,463)	78.39	
Unvested at the end of the period	209,868	$ 76.67	$ 30,422

The weighted average fair value of RSUs granted during the fiscal years ended June 30, 2017 and 2016 was $97.25 and $75.63, respectively. We did not grant any RSUs during the fiscal year ended June 30, 2018. The total intrinsic value of RSUs vested during the fiscal years ended June 30, 2018, 2017 and 2016 was $11,581, $21,130 and $21,810, respectively.

Restricted share awards

As part of our acquisition of Tradeprint during the first quarter of fiscal 2016, we issued 65,050 restricted ordinary shares. The fair value of the RSAs was determined based on our share price on the date of grant and is recognized as share-based compensation expense over the applicable service period. These awards generally vest over a 2 to 4 year period.

A summary of our RSA activity and related information for the fiscal year ended June 30, 2018 is as follows:

	RSAs	Weighted-Average Grant Date Fair Value	Aggregate Intrinsic Value
Unvested at the beginning of the period	12,437	$ 64.53	
Granted	—	—	
Vested and distributed	(4,146)	64.53	
Forfeited	—	—	
Unvested at the end of the period	8,291	$ 64.53	$ 1,202

Share-based compensation

Total share-based compensation costs were $50,466, $48,627 and $23,828 for the years ended June 30, 2018, 2017 and 2016, respectively, and we elected to recognize the impact of forfeitures as they occur. During the year ended June 30, 2018, we recognized $13,503 of share-based compensation expense related to the supplemental performance units issued during fiscal 2018.

From time to time we issue awards that are considered liability-based awards as they are settleable in cash. As of June 30, 2018, we have a liability-based award associated with our Printi LLC investment, accrued as part of other liabilities in the amount of $15,464. Refer to Note 15 for additional details.

Share-based compensation costs capitalized as part of software and website development costs were $1,607, $1,546 and $832 for the years ended June 30, 2018, 2017 and 2016, respectively.

As of June 30, 2018, there was $36,213 of total unrecognized compensation cost related to non-vested, share-based compensation arrangements. This cost is expected to be recognized over a weighted average period of 1.6 years.

12. Employees' Savings Plans

Defined contribution plans

We maintain certain government-mandated and defined contribution plans throughout the world. Our most significant defined contribution retirement plans are in the U.S. and comply with Section 401(k) of the Internal Revenue Code. We offer eligible employees in the U.S. the opportunity to participate in one of these plans and match most employees' eligible contributions at various rates subject to service vesting as specified in each of the related plan documents.

We expensed $11,723, $11,691 and $9,073 for our government-mandated and defined contribution plans in the years ended June 30, 2018, 2017 and 2016, respectively.

Defined benefit plan

We currently have a defined benefit plan that covers substantially all of our employees in Switzerland. Our Swiss plan is a government-mandated retirement fund with benefits generally earned based on years of service and compensation during active employment; however, the level of benefits varies within the plan. Eligibility is determined in accordance with local statutory requirements. Under this plan, both we and certain of our employees with annual earnings in excess of government determined amounts are required to make contributions into a fund managed by an independent investment fiduciary. Employer contributions must be in an amount at least equal to the employee's contribution. Minimum employee contributions are based on the respective employee's age, salary, and gender. As of June 30, 2018 and 2017, the plan had an unfunded net pension obligation of approximately $1,268 and $1,658, respectively, and plan assets which totaled approximately $3,050 and $3,920, respectively. For the years ended June 30, 2018, 2017 and 2016 we recognized expense totaling $55, $1,191, and $1,820, respectively, related to our Swiss plan.

13. Income Taxes

The following is a summary of our income (loss) before income taxes by geography:

	Year Ended June 30,		
	2018	2017	2016
U.S.	$ 9,183	$ 13,390	$ 23,057
Non-U.S.	57,183	(92,707)	43,038
Total	$ 66,366	$ (79,317)	$ 66,095

The components of the provision (benefit) for income taxes are as follows:

	Year Ended June 30,		
	2018	2017	2016
Current:			
U.S. Federal	$ 446	$ (1,144)	$ 7,915
U.S. State	(117)	1,344	116
Non-U.S.	33,065	26,191	23,164
Total current	33,394	26,391	31,195
Deferred:			
U.S. Federal	(6,673)	(1,999)	(2,353)
U.S. State	2,306	(1,497)	13
Non-U.S.	(9,449)	(30,013)	(13,171)
Total deferred	(13,816)	(33,509)	(15,511)
Total	$ 19,578	$ (7,118)	$ 15,684

The following is a reconciliation of the standard U.S. federal statutory tax rate and our effective tax rate:

	Year Ended June 30,		
	2018	2017	2016
U.S. federal statutory income tax rate	28.0%	35.0%	35.0%
State taxes, net of federal effect	(2.4)	(0.1)	0.1
Tax rate differential on non-U.S. earnings	(1.3)	(15.5)	(35.7)
Goodwill impairment	—	(1.6)	16.1
Gain on sale of subsidiary	4.0	0.4	—
Compensation related items	(15.1)	7.4	(2.2)
Change in valuation allowance	6.7	(21.9)	26.9
Nondeductible acquisition-related payments	3.6	(18.0)	4.0
U.S. tax reform	10.4	—	—
Notional interest deduction (Italy)	(1.9)	5.0	(5.3)
Net tax benefit on intellectual property transfer	—	13.8	(17.7)
Bonus depreciation	(1.9)	0.5	—
Tax on unremitted earnings	0.7	(1.6)	4.6
Nondeductible interest expense	2.9	(1.3)	0.2
Tax credits and incentives	(4.8)	7.1	(4.0)
Other	0.6	(0.2)	1.7
Effective income tax rate	29.5%	9.0%	23.7%

For the year ended June 30, 2018, our U.S. federal statutory tax rate was reduced from 35% to 28% as a result of the passage of U.S. tax reform during our second quarter of fiscal year 2018. Our effective tax rate for the year was slightly above our U.S. federal statutory tax rate primarily as a result of one-time tax adjustments described below. Excluding these adjustments, our effective tax rate would have been lower than the U.S. federal statutory tax rate primarily due to the majority of our pretax income being earned in jurisdictions outside the U.S. where the applicable tax rates are lower than the U.S. federal statutory tax rate. The jurisdictions that have the most significant impact to our non-U.S. tax provision include Australia, Canada, France, Germany, Ireland, Italy, the Netherlands, Spain and Switzerland. The applicable tax rates in these jurisdictions range from 10% - 34%. The total tax rate benefit from operating in non-U.S. jurisdictions is included in the line “Tax rate differential on non-U.S. earnings” in the above tax rate reconciliation table.

For the year ended June 30, 2018, our effective tax rate was 29.5% as compared to the prior year effective tax rate of 9.0%. The increase in our effective tax rate as compared to the prior year is primarily due to a less favorable geographic mix on increased profits, the unfavorable impact to our deferred tax assets as a result of U.S. tax reform, and the adoption of ASU 2016-16 that is described further below. If we had not adopted ASU 2016-16 in fiscal year 2018, tax expense would have been lower by $8,363. In addition, we recognized a reduction to our deferred tax assets of $4,908 related to expected future changes to our U.S. state apportionment. These impacts were offset by increased share based compensation tax benefits of $12,802 as compared to $8,003 in fiscal 2017. Our fiscal year 2017 effective tax rate was lower than fiscal year 2016 due primarily to a consolidated loss and more favorable geographical mix of earnings in fiscal 2017 as compared to fiscal 2016. In addition, we recorded a larger goodwill impairment charge in fiscal year 2016 as compared to fiscal year 2017, which is non-deductible for tax purposes. This was offset by increased nondeductible acquisition-related charges in fiscal year 2017 as compared to fiscal year 2016.

On December 22, 2017, H.R.1, originally known as the Tax Cuts and Jobs Act, ("The Act"), was signed into law, resulting in significant changes to U.S. federal tax law for corporations. Among these changes was the immediate reduction in the federal statutory tax rate from 35% to 21%. The impact of The Act to our fiscal 2018 tax provision was $5,752 of additional tax expense, primarily due to a one-time reduction to our existing U.S. deferred tax assets. In addition, we expect some impact on our future taxes as it relates to certain other aspects of The Act, including limitations on the deductibility of executive share-based compensation awards, U.S. interest expense and meals and entertainment expenses as well as immediate expensing of certain fixed assets. Due to our current operating structure, we expect many of the international aspects of The Act will have little to no effect on our tax balances in the future including, but not limited to, the mandatory one-time deemed repatriation tax on accumulated non-U.S. earnings ("Transition Tax") and the base-erosion anti-avoidance tax on excessive payments to non-U.S. related parties ("BEAT").

In response to The Act, the Securities and Exchange Commission issued Staff Accounting Bulletin 118 ("SAB 118"), to address the application of U.S. GAAP in situations where a company does not have the necessary information available, prepared, or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of The Act. SAB 118 allows us to record provisional amounts during a measurement period not to extend beyond one year of the enactment date. Our tax balances have been adjusted based upon our interpretation of The Act, although the final impact on our tax balances may change due to the issuance of additional guidance, changes in our interpretation of The Act, changes in assumptions made by Cimpress, and actions Cimpress may take as a result of The Act. There have been no material changes to our tax balances as of June 30, 2018 as a result of changes to our interpretation of nor the issuance of new guidance on The Act. We will continue to review and assess the potential impact of any new information on our financial statement positions.

In the first quarter of fiscal year 2018, we elected to early adopt ASU 2016-16, "Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory," which requires the immediate recognition for income tax consequences of an intra-entity transfer of assets other than inventory when the transfer occurs. Under the prior accounting rules, any resulting gain or loss and immediate tax impact on an intra-entity transfer is eliminated and not recognized in the consolidated financial statements. Instead, the tax effects are deferred and recognized over the economic lives of the transferred assets. The adoption of ASU 2016-16 has a significant impact to our tax balances, primarily as it relates to transfers of intellectual property from subsidiaries within the Cimpress group to our subsidiary based in Switzerland. Our subsidiary based in Switzerland is entitled to amortize the fair market value of the intellectual property received over five years for Swiss tax purposes. Following the adoption of ASU 2016-16, we eliminated $24,573 of tax assets associated with the deferred tax costs of the transferor entities and recorded $18,710 of deferred tax asset for the unamortized value of intellectual property of our subsidiary in Switzerland, with a cumulative-effect adjustment to retained earnings of $5,863. The intellectual property amortization will reduce our deferred tax asset and will no longer impact our effective tax rate in fiscal 2018 and beyond. The net tax benefit recognized under the prior accounting associated with the amortization of the intellectual property was $12,926 and $12,764 in fiscal years 2017 and 2016, respectively and is included in the line "Net tax benefit on intellectual property transfer" in the above tax rate reconciliation table.

In fiscal 2016 we adopted ASU No. 2016-09, "Compensation - Stock Compensation (Topic 718): Improvement to Employee Share-Based Payment Accounting." This resulted in tax benefits of $12,802, $8,003 and $3,456 recognized in income tax expense (benefit) in the consolidated statement of operations for the years ended June 30, 2018, 2017 and 2016, respectively, which previously would have been recognized in additional paid-in capital in the consolidated balance sheet.

In fiscal 2012, one of our subsidiaries purchased certain intellectual property and intangible assets of Webs, Inc. We elected to fund the transfer of these assets using an installment obligation payable over a 7.5-year period, and accordingly we recorded a deferred tax liability for the entire tax liability owed but not yet paid as of the date of the transaction. Refer to Note 17 for additional information regarding this obligation.

Significant components of our deferred income tax assets and liabilities consisted of the following at June 30, 2018 and 2017:

	Year Ended June 30,	
	2018	2017
Deferred tax assets:		
Net operating loss carryforwards	$ 94,925	$ 85,728
Depreciation and amortization	3,211	2,331
Accrued expenses	6,023	6,478
Share-based compensation	17,194	20,999
Credit and other carryforwards	6,649	2,688
Derivative financial instruments	7,552	7,121
Other	3,206	3,060
Subtotal	138,760	128,405
Valuation allowance	(58,716)	(56,953)
Total deferred tax assets	80,044	71,452
Deferred tax liabilities:		
Depreciation and amortization	(54,102)	(71,477)
IP installment obligation	(2,103)	(6,460)
Tax on unremitted earnings	(4,592)	(4,374)
Derivative financial instruments	(1,034)	—
Other	(2,369)	(1,880)
Total deferred tax liabilities	(64,200)	(84,191)
Net deferred tax assets (liabilities)	$ 15,844	$ (12,739)

In assessing the realizability of deferred tax assets, we consider whether it is more likely than not that some or all of the deferred tax assets will not be realized. The increase in the valuation allowance from the prior year relates primarily to losses incurred in certain jurisdictions (mainly Brazil, China, India, and Japan) for which management has determined, based on current profitability projections, that it is more likely than not that these losses will not be utilized within the applicable carryforward periods available under local law. In addition, we recognized a decrease in our valuation allowance related to the utilization of Dutch net operating losses against the taxable gain from the sale of our Albumprinter business.

We have not recorded a valuation allowance against $44,092 of deferred tax asset associated with current and prior year tax losses generated in Switzerland. Management believes there is sufficient positive evidence in the form of historical and future projected profitability to conclude that it is more likely than not that all of the losses in Switzerland will be utilized against future taxable profits within the available carryforward period. Our assessment is reliant on the attainment of our future operating profit goals. Failure to achieve these operating profit goals may change our assessment of this deferred tax asset, and such change would result in an additional valuation allowance and an increase in income tax expense to be recorded in the period of the change in assessment. We will continue to review our forecasts and profitability trends on a quarterly basis.

We have recorded a full valuation allowance against $7,552 of deferred tax asset related to an interest rate derivative instrument for which management has determined, based on current profitability projections, that it is more likely than not that the deferred tax asset will not be recognized in the foreseeable future. The impact of this deferred tax asset and associated valuation allowance has been recorded in accumulated other comprehensive loss on the balance sheet. Additionally, we have recorded a partial valuation allowance of $2,311 against a deferred tax asset related to U.S. state research and development credits for which management has determined that it is more likely than not that these credits will not be utilized within the applicable carryforward periods available under local law.

No valuation allowance has been recorded against the $17,194 deferred tax asset associated with share-based compensation charges at June 30, 2018. However, in the future, if the underlying awards expire, are released or are exercised with an intrinsic value less than the fair value of the awards on the date of grant, some or all of the benefit may not be realizable.

Based on the weight of available evidence at June 30, 2018, management believes that it is more likely than not that all other net deferred tax assets will be realized in the foreseeable future. We will continue to assess the realization of the deferred tax assets based on operating results on a quarterly basis.

A reconciliation of the beginning and ending amount of the valuation allowance for the year ended June 30, 2018 is as follows:

Balance at June 30, 2017	$ 56,953
Charges to earnings (1)	3,171
Charges to other accounts (2)	(1,408)
Balance at June 30, 2018	$ 58,716

(1) Amount is primarily related to U.S. state research and development credits and non-U.S. net operating losses.

(2) Amount is primarily related to unrealized gains on cross-currency swap contracts included in other comprehensive income (loss) and a decrease in deferred tax assets on non-U.S. net operating losses due to currency exchange rate changes.

The increase in net deferred tax assets during fiscal 2018 is primarily attributable to the adoption of ASU 2016-16 and increased tax losses in Switzerland, offset by the impact of U.S. tax reform.

As of June 30, 2018, we had gross U.S. federal and state net operating losses of approximately $2,348 that expire on various dates from fiscal 2030 through fiscal 2038. We had gross non-U.S. net operating loss and other carryforwards of $621,297, a significant amount of which begin to expire in fiscal 2021, with the remaining amounts expiring on various dates from fiscal 2019 through fiscal 2038 or with unlimited carryforward. In addition, we have $6,649 of tax credit carryforwards primarily related to U.S. federal and state research and development credits expiring on various dates beginning in fiscal 2030. The benefits of these carryforwards are dependent upon the generation of taxable income in the jurisdictions where they arose.

We consider the following factors, among others, in evaluating our plans for indefinite reinvestment of our subsidiaries' earnings: (i) the forecasts, budgets and financial requirements of both our parent company and its subsidiaries, both for the long term and for the short term; and (ii) the tax consequences of any decision to reinvest earnings of any subsidiary. As of June 30, 2018, no tax provision has been made for $29,406 of undistributed earnings of certain of our subsidiaries as these earnings are considered indefinitely reinvested. If, in the future, we decide to repatriate the undistributed earnings from these subsidiaries in the form of dividends or otherwise, we could be subject to withholding taxes payable in the range of $7,000 to $8,000 at that time. A cumulative deferred tax liability of $4,592 has been recorded attributable to undistributed earnings that we have deemed are no longer indefinitely reinvested. The remaining undistributed earnings of our subsidiaries are not deemed to be indefinitely reinvested and can be repatriated at no tax cost. Accordingly, there has been no provision for income or withholding taxes on these earnings.

A reconciliation of the gross beginning and ending amount of unrecognized tax benefits is as follows:

Balance June 30, 2015	$ 5,710
Additions based on tax positions related to the current tax year	328
Additions based on tax positions related to prior tax years	132
Reductions based on tax positions related to prior tax years	(363)
Reductions due to audit settlements	(1,129)
Reductions due to lapse of statute of limitations	(429)
Balance June 30, 2016	4,249
Additions based on tax positions related to the current tax year	632
Additions based on tax positions related to prior tax years	1,580
Reductions based on tax positions related to prior tax years	(30)
Reductions due to audit settlements	(1,048)
Balance June 30, 2017	5,383
Additions based on tax positions related to the current tax year	612
Additions based on tax positions related to prior tax years	93
Reductions based on tax positions related to prior tax years	(261)
Reductions due to audit settlements	(31)
Reductions due to lapse of statute of limitations	(1,105)
Cumulative translation adjustment	14
Balance June 30, 2018	$ 4,705

For the year ended June 30, 2018, the amount of unrecognized tax benefits (exclusive of interest) that, if recognized, would impact the effective tax rate is $4,442. We recognize interest and, if applicable, penalties related to unrecognized tax benefits in income tax expense. The accrued interest and penalties recognized as of June 30, 2018, 2017 and 2016 were $448, $384 and $142, respectively. It is reasonably possible that a further change in unrecognized tax benefits in the range of $700 to $900 may occur within the next twelve months related to the settlement of one or more audits or the lapse of applicable statutes of limitations. We believe we have appropriately provided for all tax uncertainties.

We conduct business in a number of tax jurisdictions and, as such, are required to file income tax returns in multiple jurisdictions globally. The years 2015 through 2017 remain open for examination by the United States Internal Revenue Service ("IRS") and the years 2012 through 2017 remain open for examination in the various states and non-US tax jurisdictions in which we file tax returns.

We are currently under income tax audit in certain jurisdictions globally. We believe that our income tax reserves are adequately maintained taking into consideration both the technical merits of our tax return positions and ongoing developments in our income tax audits. However, the final determination of our tax return positions, if audited, is uncertain and therefore there is a possibility that final resolution of these matters could have a material impact on our results of operations or cash flows.

14. Noncontrolling Interests

In certain of our strategic investments we own a controlling equity stake, but a third party owns a minority portion of the equity. The balance sheet and operating activity of these entities are included in our consolidated financial statements and we adjust the net income in our consolidated statement of operations to exclude the noncontrolling interests' proportionate share of results. We present the proportionate share of equity attributable to the redeemable noncontrolling interests as temporary equity within our consolidated balance sheet and the proportionate share of noncontrolling interests not subject to a redemption provision that is outside of our control as equity.

Redeemable noncontrolling interests

On April 15, 2015, we acquired 70% of the outstanding shares of Exagroup SAS. The remaining 30% is considered a redeemable noncontrolling equity interest, as it is redeemable in the future and not solely within our control. The Exagroup noncontrolling interest, redeemable at a fixed amount of €39,000, was recorded at its fair value as of the acquisition date and will be adjusted to its redemption value on a periodic basis, if that amount exceeds its carrying value. As of June 30, 2018, the redemption value was less than the carrying value, and therefore no adjustment was required.

On August 23, 2017, we sold approximately 12% of the outstanding shares of our WIRmachenDRUCK subsidiary for a total of €30,000 ($35,390 based on the exchange rate on the date we received the proceeds). The minority equity interest is considered a redeemable noncontrolling interest, as it is redeemable for cash based on future financial results through put and call rights and not solely within our control. The noncontrolling interest was recorded at its fair value as of the sale date and will be adjusted to its redemption value on a periodic basis, with an offset to retained earnings, if that amount exceeds its carrying value. If the formulaic redemption value exceeds the fair value of the noncontrolling interest, then the accretion to redemption value will be offset to the net (income) loss attributable to noncontrolling interest in our consolidated statement of operations. As of June 30, 2018, the redemption value was less than the carrying value, and therefore no adjustment was required.

The following table presents the reconciliation of changes in our noncontrolling interests:

	Redeemable noncontrolling interests	Noncontrolling interest
Balance as of June 30, 2016	$ 65,301	$ 351
Capital contribution from noncontrolling interest	1,404	—
Accretion to redemption value recognized in net loss attributable to noncontrolling interest (1)	372	—
Net (loss) income attributable to noncontrolling interest	(864)	4
Purchase of noncontrolling interests (2)	(20,299)	—
Sale of noncontrolling interest	—	(90)
Foreign currency translation	(502)	(52)
Balance as of June 30, 2017	45,412	213
Net income attributable to noncontrolling interest	2,983	72
Proceeds from sale of noncontrolling interest	35,390	—
Foreign currency translation	2,366	—
Balance as of June 30, 2018	$ 86,151	$ 285

(1) Accretion to redemption value recognized in net loss attributable to noncontrolling interest is the result of the redemption amount estimated to be greater than both the carrying value and fair value of the noncontrolling interest.
(2) During fiscal 2017, we purchased the Pixartprinting and Japanese joint venture noncontrolling interests for $10,947 and $9,352, respectively.

15. Variable Interest Entity ("VIE")

On August 7, 2014, we made a capital investment in Printi LLC, which operates in Brazil. This investment provided us access to a new market and the opportunity to drive longer-term growth in Brazil and other geographies as Printi expands internationally in the future. The shareholders of Printi share profits and voting control on a pro-rata basis. While we do not manage the day-to-day operations of Printi, we do have the unilateral ability to exercise participating voting rights for specific transactions, and as such no one shareholder is considered to be the primary beneficiary. Based upon the level of equity investment at risk, Printi is considered a variable interest entity. Due to certain unilateral participating voting rights for certain transactions and the presence of a de facto agency relationship, we concluded that we were most exposed to the variability of the economics and therefore considered the primary beneficiary.

During fiscal 2018, we purchased an additional 3.7% economic interest for $1,144, resulting in a 53.69% equity interest as of June 30, 2018. In addition, we will acquire the remaining equity interest in Printi through a reciprocal put and call structure, exercisable from March 31, 2021 through a mandatory redemption date of July 31, 2023. As the remaining equity interests are mandatorily redeemable by all parties no later than a specified future date, the noncontrolling interest is within the scope of ASC 480 - "Distinguishing Liabilities from Equity" and is required to be presented as a liability on our consolidated balance sheet. As of June 30, 2018 and 2017, we adjusted the liability to fair value of $4,366 and $3,357, respectively, using an option pricing model. The offsetting adjustments were recognized within interest expense, net during the year ended June 30, 2018 and additional paid in capital during the year ended June 30, 2017. During the year ended June 30, 2018, we recognized $2,153 within interest expense, net. We will continue to adjust the liability to its estimated redemption value each reporting period and recognize any changes within interest expense, net in our consolidated statement of operations.

We also have liability-based awards for Printi restricted stock held by Printi employees that are fully vested and marked to fair value each reporting period until cash settlement. As of June 30, 2018, through the use of an option pricing model, we estimated the current fair value of the restricted stock to be $15,464 and we have recognized $6,792, $5,803 and $1,517 in general and administrative expense for the years ended June 30, 2018, 2017 and 2016.

We also have an arrangement to lend two Printi equity holders up to $24,000 that is payable on the date the put or call option is exercised, which will occur no later than July 31, 2023. As of June 30, 2018, the long-term loan receivable, including accrued interest, is $22,234 and classified within other assets in our consolidated balance sheets. We did not have a long-term loan receivable as of June 30, 2017. The loans carry 8.5% annual interest, and are not contingent upon continued employment. We expect that the loan proceeds will be used to offset our purchase of the remaining noncontrolling interest in the future.

16. Segment Information

Our operating segments are based upon the manner in which our operations are managed and the availability of separate financial information reported internally to the Chief Executive Officer, who is our Chief Operating Decision Maker (“CODM”) for purposes of making decisions about how to allocate resources and assess performance. As of June 30, 2018, we have numerous operating segments under our management reporting structure which are reported in the following four reportable segments:

- *Vistaprint* - Includes the operations of our Vistaprint websites focused on the North America, Europe, Australia and New Zealand markets, and our Webs-branded business, which is managed with the Vistaprint-branded digital business in the previously listed geographies.

- *Upload and Print* - Includes the results of our druck.at, Easyflyer, Exagroup, Pixartprinting, Printdeal, Tradeprint, and WIRmachenDRUCK businesses.

- *National Pen* - Includes the global operations of our National Pen businesses, which manufacture and market custom writing instruments and promotional products, apparel and gifts.

- *All Other Businesses* - Includes the operations of our Printi, Vistaprint India, Vistaprint Japan and Corporate Solutions businesses. Printi is an online print business that operates primarily in the Brazil market, but is also expanding into the U.S. market. In Japan and India, we primarily operate under close derivatives of the Vistaprint business model and technology, albeit with decentralized, locally managed cross-functional operations in each country, and with product, content and service offerings which we tailor to the Japanese and Indian markets. Our Vistaprint Corporate Solutions business serves medium-sized businesses and larger corporations, as well as our legacy business with retail partners and franchise businesses, primarily through the "Vistaprint Corporate" brand. Our All Other Businesses segment also includes Albumprinter results through the divestiture date of August 31, 2017.

Central and corporate consists primarily of the team of software engineers that is building our mass customization platform; shared service organizations such as global procurement; technology services such as hosting and security; administrative costs of our Cimpress India offices where numerous Cimpress businesses have dedicated business-specific team members; and corporate functions including our Supervisory Board, CEO, and the team members necessary for managing corporate activities, such as treasury, tax, capital allocation, financial consolidation, internal audit and legal. These costs also include certain unallocated share-based compensation costs.

During the first quarter of fiscal 2018, we began presenting inter-segment fulfillment activity as revenue for the fulfilling business for purposes of measuring and reporting our segment financial performance. Any historical inter-segment fulfillment transactions were previously recognized as cost relief for the fulfilling business unit in our presentation to the CODM. We now recognize these transactions as inter-segment revenue for presentation to the CODM; for example, a third-party customer order received by our Corporate Solutions business that is fulfilled at one of our Vistaprint production facilities is recognized as inter-segment revenue for our Vistaprint business based on pricing and terms agreed upon between segment management. Inter-segment revenues are recognized only for transactions between our reportable segments and do not include any transactions between businesses within a reportable segment, which are eliminated within each reportable segment. Intercompany revenues are eliminated in our consolidated results.

As part of these changes, we also recast historical segment results to ensure the consistent application of our current inter-segment revenue presentation. For the years ended June 30, 2017 and 2016, we increased revenue for our Vistaprint business by $5,690 and $3,589, respectively, with a corresponding increase to inter-segment eliminations. We also recast historical segment profitability for the allocation of certain IT costs, which previously burdened our Vistaprint business, but have now been allocated to each of our businesses. For the year ended June 30, 2017, the cost allocation change resulted in an increase to Vistaprint segment profit of $2,494, with a corresponding decrease to segment profit for Upload and Print of $644, and All Other Businesses of $560, and an increase to our Central and corporate cost center of $1,290. For the year ended June 30, 2016, the cost allocation change increased Vistaprint segment profit by $1,919, decreased Upload and Print segment profit by $436, and decreased All Other Businesses segment profit by $402. The Central and corporate cost center absorbed an additional $1,080 of costs for the year ended June 30, 2016 as a result of the cost allocation change.

For awards granted under our 2016 Performance Equity Plan, the PSU expense value is based on a Monte Carlo fair value analysis and is required to be expensed on an accelerated basis. In order to ensure comparability in measuring our businesses' results, we allocate the straight-line portion of the fixed grant value to our businesses. Any expense in excess of the amount as a result of the fair value measurement of the PSUs and the accelerated expense profile of the awards is recognized within Central and corporate costs.

Segment profit (loss) is the primary profitability metric by which our CODM measures segment financial performance and allocates resources. Certain items are excluded from segment profit (loss), such as acquisition-related amortization and depreciation, expense recognized for contingent earn-out related charges, including the changes in fair value of contingent consideration and compensation expense related to cash-based earn-out mechanisms dependent upon continued employment, share-based compensation related to investment consideration, certain impairment expense, and restructuring charges. A portion of the interest expense associated with our Waltham lease is included as expense in segment profit (loss) and allocated based on headcount to the appropriate business or corporate and global function. The interest expense represents a portion of the cash rent payment and is considered an operating expense for purposes of measuring our segment performance. We do not allocate non-operating income to our segment results.

Our All Other Businesses reportable segment includes our Printi, Vistaprint India, Vistaprint Japan and Vistaprint Corporate Solutions businesses that have operating losses as they are in the early stage of investment relative to the scale of the underlying businesses, which may limit its comparability to other segments regarding profit (loss).

Our balance sheet information is not presented to the CODM on an allocated basis, and therefore we do not present asset information by segment. We do present other segment information to the CODM, which includes purchases of property, plant and equipment and capitalization of software and website development costs, and therefore include that information in the tables below.

Revenue by segment is based on the business-specific websites or sales channel through which the customer’s order was transacted. The following tables set forth revenue, segment profit (loss), total income from operations and total income before income taxes.

	Year Ended June 30,		
	2018	2017	2016
Revenue:			
Vistaprint (1)	$ 1,462,686	$ 1,310,975	$ 1,220,751
Upload and Print (2)	730,010	588,613	432,638
National Pen (3)	333,266	112,712	—
All Other Businesses (4)	87,583	128,795	138,244
Total segment revenue	2,613,545	2,141,095	1,791,633
Inter-segment eliminations	(21,004)	(5,690)	(3,589)
Total consolidated revenue	$ 2,592,541	$ 2,135,405	$ 1,788,044

(1) Vistaprint segment revenues include inter-segment revenue of $10,542, $5,690 and $3,589 for the years ended June 30, 2018, 2017 and 2016.
(2) Upload and Print segment revenues include inter-segment revenue of $1,521 for the year ended June 30, 2018. No inter-segment revenue was recognized in the prior comparable periods.
(3) National Pen segment revenues include inter-segment revenue of $2,956 for the year ended June 30, 2018. No inter-segment revenue was recognized in the prior comparable periods.
(4) All Other Businesses segment revenues include inter-segment revenue of $5,985 for the year ended June 30, 2018. No inter-segment revenue was recognized in the prior comparable periods.

	Year Ended June 30,		
	2018	2017	2016
Segment profit (loss):			
Vistaprint	$ 241,479	$ 167,687	$ 214,947
Upload and Print	79,310	63,189	58,207
National Pen	22,165	(2,225)	—
All Other Businesses	(34,620)	(31,307)	(9,328)
Total segment profit	308,334	197,344	263,826
Central and corporate costs	(131,400)	(118,093)	(97,672)
Acquisition-related amortization and depreciation	(50,149)	(46,402)	(40,834)
Earn-out related charges (1)	(2,391)	(40,384)	(6,378)
Share-based compensation related to investment consideration	(6,792)	(9,638)	(4,835)
Certain impairments (2)	—	(9,556)	(41,820)
Restructuring-related charges	(15,236)	(26,700)	(381)
Interest expense for Waltham, MA lease	7,489	7,727	6,287
Gain on the purchase or sale of subsidiaries (3)	47,945	—	—
Total income (loss) from operations	157,800	(45,702)	78,193
Other (expense) income, net	(21,032)	10,362	26,098
Interest expense, net	(53,043)	(43,977)	(38,196)
Loss on early extinguishment of debt	(17,359)	—	—
Income (loss) before income taxes	$ 66,366	$ (79,317)	$ 66,095

(1) Includes expense recognized for the change in fair value of contingent consideration and compensation expense related to cash-based earn-out mechanisms dependent upon continued employment.
(2) Includes the impact for certain impairments or abandonments of goodwill and other long-lived assets as defined by ASC 350 - "Intangibles - Goodwill and Other" or ASC 360 - "Property, Plant, and Equipment."
(3) Includes the impact of the gain on the sale of Albumprinter, as well as a bargain purchase gain as defined by ASC 805-30 - "Goodwill or Gain from Bargain Purchase" for an acquisition in which the identifiable assets acquired and liabilities assumed are greater than the consideration transferred, that was recognized in general and administrative expense in our consolidated statement of operations during the year ended June 30, 2018.

	Year Ended June 30,		
	2018	2017	2016
Depreciation and amortization:			
Vistaprint	$ 65,311	$ 63,923	$ 40,686
Upload and Print	59,599	56,073	47,696
National Pen	21,546	10,269	—
All Other Businesses	9,609	15,074	18,111
Central and corporate costs	12,940	13,061	25,425
Total depreciation and amortization	$ 169,005	$ 158,400	$ 131,918

	Year Ended June 30,		
	2018	2017	2016
Purchases of property, plant and equipment:			
Vistaprint	$ 35,265	$ 38,434	$ 32,028
Upload and Print	16,212	14,875	15,652
National Pen	6,565	3,714	—
All Other Businesses	1,680	12,735	19,160
Central and corporate costs	1,208	4,399	13,595
Total purchases of property, plant and equipment	$ 60,930	$ 74,157	$ 80,435

	Year Ended June 30,		
	2018	2017	2016
Capitalization of software and website development costs:			
Vistaprint	$ 24,794	$ 23,624	$ 11,390
Upload and Print	4,010	4,173	3,000
National Pen	1,482	—	—
All Other Businesses	2,336	1,568	2,032
Central and corporate costs	8,225	7,942	9,902
Total capitalization of software and website development costs	$ 40,847	$ 37,307	$ 26,324

Enterprise Wide Disclosures:

The following tables set forth revenues by geographic area and groups of similar products and services:

	Year Ended June 30,		
	2018	2017	2016
United States	$ 1,078,544	$ 901,061	$ 781,335
Germany (1)	340,881	256,069	125,356
Other (2)	1,173,116	978,275	881,353
Total revenue	$ 2,592,541	$ 2,135,405	$ 1,788,044

	Year Ended June 30,		
	2018	2017	2016
Physical printed products and other (3)	$ 2,537,201	$ 2,076,564	$ 1,724,676
Digital products/services	55,340	58,841	63,368
Total revenue	$ 2,592,541	$ 2,135,405	$ 1,788,044

(1) Our revenues within the German market exceeded 10% of our total consolidated revenue. Therefore we have presented Germany as a significant geographic area.

(2) Our other revenue includes the Netherlands, our country of domicile.

(3) Other revenue includes miscellaneous items which account for less than 1% of revenue.

The following tables set forth long-lived assets by geographic area:

	June 30, 2018	June 30, 2017
Long-lived assets (1):		
Netherlands	$ 109,556	$ 83,223
Canada	81,334	85,926
Switzerland	52,523	49,017
United States	45,709	64,034
Italy	42,514	44,423
Australia	22,418	22,961
Jamaica	21,720	21,492
France	20,131	22,794
Japan	19,117	20,686
Other	67,842	64,377
Total	$ 482,864	$ 478,933

(1) Excludes goodwill of $520,843 and $514,963, intangible assets, net of $230,201 and $275,924, the Waltham lease asset of $111,926 and $116,045, and deferred tax assets of $67,087 and $48,004 as of June 30, 2018 and June 30, 2017, respectively.

17. Commitments and Contingencies

Lease Commitments

We have commitments under operating leases for our facilities that expire on various dates through 2026, including the Waltham lease arrangement discussed in Note 2. Total lease expense, net of sublease income, for the years ended June 30, 2018, 2017 and 2016 was $14,231, $13,959 and $12,943, respectively.

We lease certain machinery and plant equipment, as well as buildings, under both capital and operating lease agreements that expire at various dates through 2027. The aggregate carrying value of the leased buildings and equipment under capital leases included in property, plant and equipment, net in our consolidated balance sheet at June 30, 2018, is $31,032, net of accumulated depreciation of $36,670; the present value of lease installments not yet due included in other current liabilities and other liabilities in our consolidated balance sheet at June 30, 2018 amounts to $27,630.

	Operating lease obligations	Build-to-suit lease obligation (1)	Capital lease obligation	Total lease obligations
2019	$ 22,623	$ 12,569	$ 10,850	$ 46,042
2020	18,562	12,569	7,527	38,658
2021	13,143	12,569	4,037	29,749
2022	8,282	12,569	1,869	22,720
2023	6,526	10,788	1,026	18,340
Thereafter	7,702	35,616	2,287	45,605
Total	$ 76,838	$ 96,680	$ 27,596	$ 201,114

(1) Minimum payments relate to our Waltham lease obligation, refer to Note 2 for additional details.

Purchase Obligations

At June 30, 2018, we had unrecorded commitments under contract of $57,291 including commitments for third-party web services of $21,000. In addition, we had purchase commitments for production and computer equipment purchases of approximately $8,231, inventory and third-party fulfillment purchase commitments of $8,361, commitments for advertising campaigns of $2,153, professional and consulting fees of $3,559, and other unrecorded purchase commitments of $13,987.

Debt

The required principal payments due during the next five fiscal years and thereafter under our outstanding long-term debt obligations at June 30, 2018 are as follows:

2019	$	61,225
2020		31,405
2021		38,713
2022		45,902
2023		261,775
Thereafter		400,409
Total	$	839,429

On June 14, 2018, we executed an amendment to our senior secured credit facility, and we expanded the total capacity to $1,128,172, which included $839,422 of revolving loans and $288,750 of term loans. The amendment also extended the maturity date of the senior secured credit facility to June 14, 2023. Refer to Note 10 for additional details related to the amendment.

Other Obligations

We have an outstanding installment obligation of $2,103 related to the fiscal 2012 intra-entity transfer of the intellectual property of our subsidiary Webs, Inc., which results in tax being paid over a 7.5 year term and has been classified as a deferred tax liability in our consolidated balance sheet as of June 30, 2018. In addition, we have deferred payments related to our other acquisitions of $3,457 in aggregate.

Legal Proceedings

We are not currently party to any material legal proceedings. Although we cannot predict with certainty the results of litigation and claims to which we may be subject from time to time, we do not expect the resolution of any of our current matters to have a material adverse impact on our consolidated results of operations, cash flows or financial position. In all cases, at each reporting period, we evaluate whether or not a potential loss amount or a potential range of loss is probable and reasonably estimable under the provisions of the authoritative guidance that addresses accounting for contingencies. We expense the costs relating to our legal proceedings as those costs are incurred.

18. Restructuring Charges

Restructuring costs include one-time employee termination benefits, acceleration of share-based compensation, and other related costs including third-party professional and outplacement services. The restructuring charges included in our consolidated statement of operations for the years ended June 30, 2018, 2017 and 2016 were $15,236, $26,700 and $381, respectively.

During the year ended June 30, 2018, we recognized restructuring charges of $15,236, which included $12,112 related to our Vistaprint reorganization for reductions in headcount and other operating costs. These changes simplified operations and more closely aligned functions to increase the speed of execution. We also recognized $2,249 of restructuring charges within the central and corporate group, as well as $819 of expense for an initiative within our All Other Businesses reportable segment. During the year ended June 30, 2018, we recognized changes in estimates of $56 from our January 2017 restructuring initiative. We do not expect any material charges to be incurred in future periods related to each of these initiatives.

During the year ended June 30, 2017, the Supervisory Board of Cimpress N.V. approved a plan to restructure the company and implement organizational changes that decentralized the company's operations in order to improve accountability for customer satisfaction and capital returns, simplify decision-making, and improve the speed of execution. This restructuring event resulted in additional costs, within our corporate and global functions cost center of $25,584 for the year ended June 30, 2017. In addition, for the year ended June 30, 2017 we recognized $1,116 of restructuring costs within our National Pen business related to a separate initiative. These restructuring initiatives were completed during fiscal 2017.

The following table summarizes the restructuring activity during the years ended June 30, 2018 and 2017:

	Severance and Related Benefits	Other Restructuring Costs	Total
Accrued restructuring liability as of June 30, 2016	$ —	$ —	$ —
Restructuring charges	24,020	2,680	26,700
Cash payments	(13,161)	(1,861)	(15,022)
Non-cash charges (1)	(6,257)	(611)	(6,868)
Accrued restructuring liability as of June 30, 2017 (1)	4,602	208	4,810
Restructuring charges	15,236	—	15,236
Cash payments	(17,136)	(206)	(17,342)
Non-cash charges (1)	(1,317)	—	(1,317)
Accrued restructuring liability as of June 30, 2018	$ 1,385	$ 2	$ 1,387

(1) Non-cash charges include acceleration of share-based compensation expenses.

19. Quarterly Financial Data (unaudited)

Year Ended June 30, 2018	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	$ 563,284	$ 762,054	$ 636,069	$ 631,134
Cost of revenue	283,755	360,285	319,209	316,550
Net income (loss)	23,406	30,623	(1,602)	(5,639)
Net income (loss) attributable to Cimpress N.V.	23,363	29,935	(2,265)	(7,300)
Net income (loss) per share attributable to Cimpress N.V.:				
Basic	$ 0.75	$ 0.96	$ (0.07)	$ (0.24)
Diluted	$ 0.72	$ 0.93	$ (0.07)	$ (0.24)

Year Ended June 30, 2017	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	$ 443,713	$ 576,851	$ 550,585	$ 564,256
Cost of revenue	213,050	276,366	268,482	279,077
Net income (loss)	(30,030)	35,022	(42,678)	(34,513)
Net income (loss) attributable to Cimpress N.V.	(29,103)	35,028	(42,934)	(34,702)
Net income (loss) per share attributable to Cimpress N.V.:				
Basic	$ (0.92)	$ 1.12	$ (1.38)	$ (1.11)
Diluted	$ (0.92)	$ 1.07	$ (1.38)	$ (1.11)

Basic and diluted net income (loss) per share attributable to Cimpress N.V. are computed independently for each of the quarters presented. Therefore, the sum of quarterly basic and diluted per share information may not equal annual basic and diluted net income per share.

20. Subsequent Events

On July 2, 2018, we invested $29,000 in exchange for approximately 74% in VIDA Group Co., a rapidly growing startup that brings manufacturing access and an e-commerce marketplace to artists, thereby enabling artists to convert ideas into beautiful, original products for customers, ranging from custom fashion, jewelry and accessories to home accent pieces.

Item 9. *Changes in and Disagreement with Accountants on Accounting and Financial Disclosure*

None.

Item 9A. *Controls and Procedures*

Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2018. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, or the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of June 30, 2018, our chief executive officer and chief financial officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There were no significant changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended June 30, 2018 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the company. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, the company’s chief executive officer and chief financial officer and effected by the company’s supervisory board, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of June 30, 2018. In making this assessment, our management used the criteria set forth in the Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our assessment, management concluded that, as of June 30, 2018, our internal control over financial reporting is effective based on criteria in Internal Control - Integrated Framework (2013) issued by the COSO. PricewaterhouseCoopers LLP, our independent registered public accounting firm, has audited the effectiveness of our internal control over financial reporting as of June 30, 2018, as stated in their report included on pages 53 - 54.

Item 9B. ***Other Information***

None.

PART III

Item 10. ***Directors, Executive Officers and Corporate Governance***

The information required by this item is incorporated by reference to the information in the sections captioned “Information about our Supervisory Board members and Executive Officers,” “Corporate Governance” and “Section 16(a) Beneficial Ownership Reporting Compliance” contained in our definitive proxy statement for our 2018 Annual General Meeting of Shareholders, which we refer to as our 2018 Proxy Statement.

We have adopted a written code of business conduct and ethics that applies to all of our employees, including our principal executive officer and principal financial and accounting officer, and is available on our website at www.cimpress.com. We did not waive any provisions of this code during the fiscal year ended June 30, 2018. If we amend, or grant a waiver under, our code of business conduct and ethics that applies to our principal executive, financial or accounting officers, or persons performing similar functions, we will post information about such amendment or waiver on our website at www.cimpress.com.

Item 11. ***Executive Compensation***

The information required by this item is incorporated by reference to the information contained in the sections of our 2018 Proxy Statement captioned “Compensation Discussion and Analysis," "Summary Compensation Tables", “Compensation of Supervisory Board Members” and “Compensation Committee Interlocks and Insider Participation.”

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The information required by this item is incorporated by reference to the information contained in the sections of our 2018 Proxy Statement captioned “Security Ownership of Certain Beneficial Owners and Management” and “Securities Authorized for Issuance Under Equity Compensation Plans.”

Item 13. ***Certain Relationships and Related Transactions, and Director Independence***

The information required by this item is incorporated by reference to the information contained in the sections of our 2018 Proxy Statement captioned “Certain Relationships and Related Transactions” and “Corporate Governance.”

Item 14. ***Principal Accountant Fees and Services***

The information required by this item is incorporated by reference to the information contained in the section of our 2018 Proxy Statement captioned “Independent Registered Public Accounting Firm Fees and Other Matters.”

PART IV

Item 15. *Exhibits and Financial Statement Schedules*

(a) Consolidated Financial Statements.

For a list of the consolidated financial information included herein, see Index to the Consolidated Financial Statements on page 52 of this Report.

(b) Exhibits.

Exhibit No.	Description
3.1	Articles of Association of Cimpress N.V., as amended
4.1	Senior Notes Indenture (including form of Notes), dated as of June 15, 2018, between Cimpress N.V., certain subsidiaries of Cimpress N.V. as guarantors thereto, and MUFG Union Bank, N.A., as trustee, is incorporated by reference to our Current Report on Form 8-K filed with the SEC on June 18, 2018
10.1*	2005 Non-Employee Directors' Share Option Plan, as amended, is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2010
10.2*	Form of Nonqualified Share Option Agreement under our 2005 Non-Employee Directors' Share Option Plan is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2009
10.3*	Amended and Restated 2005 Equity Incentive Plan, as amended, is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2010
10.4*	Form of Nonqualified Share Option Agreement under our Amended and Restated 2005 Equity Incentive Plan is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2009
10.5*	2011 Equity Incentive Plan is incorporated by reference to Appendix A to our Definitive Proxy Statement on Schedule 14A dated and filed with the SEC on June 8, 2011
10.6*	Form of Nonqualified Share Option Agreement under our 2011 Equity Incentive Plan is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2011
10.7*	Form of Restricted Share Unit Agreement for employees and executives under our 2011 Equity Incentive Plan is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2011
10.8*	2016 Performance Equity Plan, as amended, is incorporated by reference to our Current Report on Form 8-K filed with the SEC on November 16, 2016
10.9*	Form of Performance Share Unit Agreement for employees and executives under our 2016 Performance Equity Incentive Plan is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2016
10.10*	Form of Performance Share Unit Agreement for our Chief Executive Officer under our 2016 Performance Equity Incentive Plan is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2016
10.11*	Form of Performance Share Unit Agreement for Supervisory Board members under our 2016 Performance Equity Incentive Plan is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2016
10.12*	Form of Supplemental Performance Share Unit Agreement for employees and executives under our 2016 Performance Equity Incentive Plan is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2017
10.13*	2015 Inducement Share Plan is incorporated by reference to our Annual Report on Form 10-K for the fiscal year ended June 30, 2015
10.14*	Form of Restricted Share Award Agreement under 2015 Inducement Share Plan is incorporated by reference to our Annual Report on Form 10-K for the fiscal year ended June 30, 2015
10.15*	Form of Indemnification Agreement between Cimpress N.V. and each of our executive officers and members of our Supervisory Board and Management Board is incorporated by reference to our Current Report on Form 8-K filed with the SEC on August 31, 2009
10.16*	Amended and Restated Executive Retention Agreement between Cimpress N.V. and Robert Keane dated as of October 23, 2009 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2009
10.17*	Form of Amended and Restated Executive Retention Agreement between Cimpress N.V. and Katryn Blake is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2009
10.18*	Form of Executive Retention Agreement between Cimpress N.V. and each of Donald LeBlanc and Sean Quinn is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2016
10.19*	Employment Agreement between Cimpress USA Incorporated and Robert Keane effective September 1, 2009 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2010

10.20*	Amendment No. 1 to Employment Agreement between Cimpress USA Incorporated and Robert Keane dated June 14, 2010 is incorporated by reference to our Annual Report on Form 10-K for the fiscal year ended June 30, 2010
10.21*	Amendment No. 2 to Employment Agreement between Cimpress USA Incorporated and Robert Keane dated September 28, 2011 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2011
10.22*	Amendment No. 3 to Employment Agreement between Cimpress USA Incorporated and Robert Keane dated July 25, 2012 is incorporated by reference to our Annual Report on Form 10-K for the fiscal year ended June 30, 2012
10.23*	Amendment No. 4 to Employment Agreement between Cimpress USA Incorporated and Robert Keane dated September 1, 2013 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2013
10.24*	Amendment No. 5 to Employment Agreement between Cimpress USA Incorporated and Robert Keane dated September 30, 2014 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2014
10.25*	Amendment No. 6 to Employment Agreement between Cimpress USA Incorporated and Robert Keane dated September 30, 2015 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2015
10.26*	Amendment No. 7 to Employment Agreement between Cimpress USA Incorporated and Robert Keane dated August 23, 2016 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2016
10.27*	Amendment No. 8 to Employment Agreement between Cimpress USA Incorporated and Robert Keane dated September 30, 2017 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2017
10.28*	Amendment No. 9 to Employment Agreement between Cimpress USA Incorporated and Robert Keane dated July 31, 2018
10.29*	Memorandum clarifying relative precedence of agreements between Cimpress N.V. and Robert Keane dated May 6, 2010 is incorporated by reference to our Annual Report on Form 10-K for the fiscal year ended June 30, 2010
10.30*	Agreement Limiting PSU Awards dated May 13, 2016 between Cimpress N.V. and Robert Keane is incorporated by reference to our Current Report on Form 8-K filed with the SEC on May 17, 2016
10.31*	Employment Agreement between Cimpress N.V. and Cornelis David Arends dated November 1, 2015 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2016
10.32*	Amendment to Employment Agreement between Cimpress N.V. and Cornelis David Arends dated December 18, 2017 is incorporated by reference to our Current Report on Form 8-K filed with the SEC on December 20, 2017
10.33*	Long Term International Assignment Agreement between Cimpress N.V. and Cornelis David Arends dated December 9, 2015 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2016
10.34*	Amendment to Long Term Assignment Agreement between Cimpress N.V. and Cornelis David Arends dated December 18, 2017 is incorporated by reference to our Current Report on Form 8-K filed with the SEC on December 20, 2017
10.35*	Form of Invention and Non-Disclosure Agreement between Cimpress and each of Robert Keane, Katryn Blake, Donald LeBlanc, and Sean Quinn is incorporated by reference to our Registration Statement on Form S-1, as amended
10.36*	Form of Non-Competition and Non-Solicitation Agreement between Cimpress and each of Robert Keane, Katryn Blake, Donald LeBlanc, and Sean Quinn is incorporated by reference to our Registration Statement on Form S-1, as amended
10.37*	Summary of Compensatory Arrangements with Members of the Supervisory Board is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2016
10.38	Call Option Agreement between Cimpress N.V. and Stichting Continuïteit Cimpress (formerly Stichting Continuïteit Vistaprint) dated November 16, 2009 is incorporated by reference to our Current Report on Form 8-K filed with the SEC on November 19, 2009
10.39	Amendment and Restatement Agreement dated as of July 13, 2017 among Cimpress N.V., Vistaprint Limited, Cimpress Schweiz GmbH, Vistaprint B.V., and Cimpress USA Incorporated, as borrowers (the "Borrowers"); the lenders named therein as lenders; and JPMorgan Chase Bank N.A., as administrative agent for the lenders (the "Administrative Agent"), which amends and restates the senior Credit Agreement dated as of October 21, 2011, as amended and restated as of February 8, 2013, among the Borrowers, the lenders named therein, and the Administrative Agent, is incorporated by reference to our Current Report on Form 8-K filed with the SEC on July 14, 2017
10.40	Amendment No. 1, dated as of June 14, 2018, among Cimpress N.V., Vistaprint Limited, Cimpress Schweiz GmbH, Vistaprint B.V., and Cimpress USA Incorporated, as borrowers (the "Borrowers"); the lenders named therein as lenders; and JPMorgan Chase Bank N.A., as administrative agent for the lenders (the "Administrative Agent"), to the senior Credit Agreement dated as of October 21, 2011, as amended and restated as of February 8, 2013, and as further amended and restated as of July 13, 2017, among the Borrowers, the lenders named therein, and the Administrative Agent, is incorporated by reference to our Current Report on Form 8-K filed with the SEC on June 18, 2018

10.41	Second Amended and Restated Guaranty dated as of July 13, 2017 between Cimpress' subsidiary guarantors named therein as guarantors (the "Subsidiary Guarantors") and the Administrative Agent, which amends and restates the Amended and Restated Guaranty dated as of February 8, 2013 between the Subsidiary Guarantors and the Administrative Agent, is incorporated by reference to our Current Report on Form 8-K filed with the SEC on July 14, 2017
10.42	Amended and Restated Pledge and Security Agreement dated as of July 13, 2017 between Cimpress USA Incorporated, Vistaprint Limited, Cimpress Schweiz GmbH, and Vistaprint B.V., as Borrowers, and Cimpress USA Manufacturing Incorporated, National Pen Co. LLC, National Pen Tennessee LLC, NP Corporate Services LLC, Pixartprinting USA Incorporated, Vistaprint Corporate Solutions Incorporated, and Webs, Inc., as Subsidiary Guarantors, on one hand, and the Administrative Agent, on the other hand, which amends and restates the Pledge and Security Agreement dated as of February 8, 2013, between such Borrowers and Subsidiary Guarantors and the Administrative Agent, is incorporated by reference to our Current Report on Form 8-K filed with the SEC on July 14, 2017
21.1	Subsidiaries of Cimpress N.V.
23.1	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm
31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, Rule 13a-14(a)/15d-14(a), by Chief Executive Officer
31.2	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, Rule 13a-14(a)/15d-14(a), by Chief Financial Officer
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, by Chief Executive Officer and Chief Financial Officer
101	The following materials from this Annual Report on Form 10-K, formatted in Extensible Business Reporting Language (XBRL): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Statements of Shareholder's Equity, (iv) Condensed Consolidated Statements of Cash Flows and (v) Notes to Condensed Consolidated Financial Statements.

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* Management contract or compensatory plan or arrangement

(c) Financial Statement Schedules.

All schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the accompanying consolidated financial statements or notes thereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

August 10, 2018 Cimpress N.V.

By: /s/ Robert S. Keane

Robert S. Keane

Founder & Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Robert S. Keane Robert S. Keane	Founder & Chief Executive Officer (Principal executive officer)	August 10, 2018
/s/ Sean E. Quinn Sean E. Quinn	Chief Financial Officer (Principal financial and accounting officer)	August 10, 2018
/s/ Paolo De Cesare Paolo De Cesare	Member, Supervisory Board	August 10, 2018
/s/ Sophie A. Gasperment Sophie A. Gasperment	Member, Supervisory Board	August 10, 2018
/s/ John J. Gavin Jr. John J. Gavin Jr.	Member, Supervisory Board	August 10, 2018
/s/ Richard T. Riley Richard T. Riley	Chairman, Supervisory Board	August 10, 2018
/s/ Nadia Shouraboura Nadia Shouraboura	Member, Supervisory Board	August 10, 2018
/s/ Zachary Sternberg Zachary Sternberg	Member, Supervisory Board	August 10, 2018
/s/ Mark T. Thomas Mark T. Thomas	Member, Supervisory Board	August 10, 2018
/s/ Scott Vassalluzzo Scott Vassalluzzo	Member, Supervisory Board	August 10, 2018

Cimpress

NOTICE AND PROXY STATEMENT
2018

CIMPRESS N.V.

Hudsonweg 8
5928 LW Venlo
The Netherlands

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Cimpress N.V. will hold its 2018 Annual General Meeting of Shareholders:

on Tuesday, November 13, 2018
at 6:45 p.m. Central European Time
at the offices of Stibbe N.V.
Beethovenplein 10
1077 WM Amsterdam
The Netherlands

MATTERS TO BE ACTED UPON AT THE ANNUAL GENERAL MEETING:

(1) Approve the amendment and restatement of our articles of association to replace our current two-tier board structure (consisting of a Supervisory Board and a separate Management Board) with a single-tier Board of Directors

(2) Appoint Robert S. Keane as an executive director to our Board of Directors to serve for a term of one year ending on the date of our annual general meeting of shareholders in 2019

(3) Appoint Scott Vassalluzzo as a non-executive director to our Board of Directors to serve for a term of one year ending on the date of our annual general meeting of shareholders in 2019

(4) Appoint Sophie A. Gasperment as a non-executive director to our Board of Directors to serve for a term of two years ending on the date of our annual general meeting of shareholders in 2020

(5) Appoint John J. Gavin, Jr. as a non-executive director to our Board of Directors to serve for a term of three years ending on the date of our annual general meeting of shareholders in 2021

(6) Appoint Zachary S. Sternberg as a non-executive director to our Board of Directors to serve for a term of three years ending on the date of our annual general meeting of shareholders in 2021

(7) Following a discussion on the application of the remuneration policy over the fiscal year ended June 30, 2018, hold a non-binding, advisory “say on pay” vote regarding the compensation of our named executive officers, as described in the Compensation Discussion and Analysis, executive compensation tables, and accompanying narrative disclosures in this proxy statement

(8) Adopt our statutory annual accounts, as prepared in accordance with Dutch law, for the fiscal year ended June 30, 2018

(9) Discharge the members of our Management Board from liability with respect to the exercise of their duties during the fiscal year ended June 30, 2018

(10) Discharge the members of our Supervisory Board from liability with respect to the exercise of their duties during the fiscal year ended June 30, 2018

(11) Authorize our Board of Directors until May 13, 2020 to repurchase up to 6,200,000 of our issued and outstanding ordinary shares (which represents approximately 20% of our 30.9 million shares outstanding as of June 30, 2018) on the open market (including block trades that satisfy the safe harbor provisions of Rule 10b-18 pursuant to the United States Securities Exchange Act of 1934, or the Exchange Act), through privately negotiated transactions, or in one or more self-tender offers at prices per share between €0.01 and an amount equal to 120% of the market price of our ordinary shares on the Nasdaq Global Select Market, or Nasdaq, or any other securities exchange where our shares are then traded (the market price being deemed to be the average of the closing price

on each of the consecutive days of trading during a period no shorter than one trading day and no longer than 10 trading days immediately preceding the date of repurchase, as reasonably determined by the Board of Directors)

(12) Authorize our Board of Directors until May 13, 2020 to issue ordinary shares or grant rights to subscribe for ordinary shares up to a maximum of (i) 10% of our outstanding share capital at the time of issue for general corporate purposes including but not limited to equity compensation, acquisitions, and financings, and (ii) an additional 10% of our outstanding share capital at the time of issue in connection with our acquisition of all or a majority of the equity or assets of another entity

(13) Authorize our Board of Directors until May 13, 2020 to resolve to exclude or restrict our shareholders' preemptive rights under Dutch law with respect to ordinary shares and rights to subscribe for ordinary shares that the Board of Directors may issue or grant pursuant to any authorization of our shareholders

(14) Appoint PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending June 30, 2019

(15) Approve a remuneration policy for our Board of Directors

(16) Approve the grant of ordinary share awards as severance to the members of our Supervisory Board who were not nominated for appointment to our Board of Directors

(17) Approve an amendment to our 2016 Performance Equity Plan

(18) Transact other business, if any, that may properly come before the meeting or any adjournment of the meeting

Our Management Board and Supervisory Board have no knowledge of any other business to be transacted at the annual general meeting.

Shareholders of record at the close of business on October 16, 2018 are entitled to vote at the annual general meeting. Your vote is important regardless of the number of shares you own. Whether or not you expect to attend the meeting, please complete and promptly return the enclosed proxy card or voter instruction form in accordance with the instructions that we or your bank or brokerage firm have provided. Your prompt response will ensure that your shares are represented at the annual general meeting. You can change your vote and revoke your proxy by following the procedures described in this proxy statement.

All shareholders are cordially invited to attend the annual general meeting.

By order of the Management Board,

Chairman of the Management Board, Founder, President and Chief Executive Officer
October 22, 2018

Dear Fellow Shareholder:

In addition to routine annual subjects such as approving our annual accounts, our audit firm and share repurchase authorizations, we are also proposing some structural governance and incentive changes as follows:

- Move from our current two-tier board structure to a single Board of Directors
- Reduction in shares authorized for issuance under the 2016 Performance Equity Plan
- Modification of provisions of our 2016 Performance Equity Plan that relate to employees other than our CEO and Board of Directors

The proxy statement following this letter includes more detail on each of these; below is an overview of the thinking behind the proposals.

Move to a Single-Tier Board

When we re-domiciled from Bermuda to the Netherlands in 2009, we moved from a single board of directors to a two-tier board structure consisting of a Supervisory Board and a Management Board. The two-tier structure is the traditional Dutch board structure and, until recently, was the only choice available to Dutch public companies. However, changes in Dutch law now allow for a single-tier board structure.

We are proposing to move our governance structure to a single board of directors because we believe doing so will help us operate in a more effective and efficient manner and because this board structure is more typical of companies whose shares are listed in the United States.

We are proposing a slate of five candidates to serve as directors on the newly constituted, single Board of Directors: four non-executive directors (Sophie Gasperment, John Gavin, Scott Vassalluzzo and Zach Sternberg) and one executive director (Robert Keane). Four members of the current Supervisory Board (Rich Riley, Mark Thomas, Nadia Shouraboura and Paolo De Cesare) and two members of the current Management Board (Sean Quinn and Katryn "Trynka" Blake) would not join the new single-tier Board of Directors. Sean and Trynka will continue in their executive roles of CFO and Vistaprint CEO, respectively.

We believe that reducing from two boards comprising eleven members to a single board comprising five directors will further the progress we have made over the past several years to be more effective and efficient. In the past two years we have challenged many prior assumptions about how we operate, and we have taken difficult actions to eliminate many top executive roles. Likewise, we believe that a leaner board will be better for our stakeholders, including long-term share and debt holders, because it will engender more frequent, direct and full debate about important topics and maintain strong representation from long-term shareholders. Importantly, from the very top of our organization, we will practice what we preach about being lean, efficient and effective.

Although the titles and roles of directors under a single-tier board are not subject to a vote by shareholders, we expect the board would designate Sophie Gasperment as *voorzitter* for Dutch law purposes with the title of Lead Non-Executive Director and me (Robert Keane) as CEO and Chairman. Some shareholders may ask if naming the CEO as the chairman might impede good governance. Our current Supervisory Board, which consists exclusively of independent directors, does not believe so because four strong independent directors will complement and balance me in my role as Chairman. Speaking personally, I will continue to welcome the diverse opinions and counsel of our board because it strengthens our decision-making and performance. That same belief is why, over the years, I have invited two of our largest shareholders (Scott and Zach) to join the Supervisory Board, and why we propose that they both, along with two other highly experienced independent directors (Sophie and John), join the new Board of Directors.

Besides serving as an advisory body to me, the board must also fulfill duties in matters of statutory and regulatory compliance, fiduciary and stakeholder representation, independence, and an ongoing assessment of my performance as CEO. We are confident that the candidates we are proposing will comprise a board that robustly fulfills these criteria.

I would like to thank our departing Supervisory Board members for their years of service to Cimpress. Each has played a role in guiding this company through both successes and challenges and I am proud of what we have accomplished together. The Supervisory and Management Boards acknowledge that it is unusual to downsize a board as much as we are proposing. We want our shareholders to know that this was not the result of a disagreement about governance, our strategic direction, or other topics. It is simply driven by a belief that we should be lean, effective and efficient across all parts of Cimpress.

In this proxy statement, you will see that we also ask you to vote in favor of a proposal to grant 1,500 Cimpress ordinary shares, subject to a 3-year lockup, to each departing Supervisory Board member as severance with a value approximately equal to one year of compensation that they would have received if we were to have continued with our prior board structure. Our Supervisory Board has voted to make this proposal given the unusual nature of the anticipated changes.

Reduction in Authorized Shares Under the 2016 Performance Equity Plan

Our shareholders approved our 2016 Performance Equity Plan within a prior strategic and organizational context in which we believed the best way to build value in Cimpress was via significant centralization. However, starting in early 2017, we reversed direction and moved to our current structure of decentralized, autonomous businesses. The following two characteristics stemming from our decentralization mean that we do not expect to use the 8.0 million shares that are currently authorized for use under the plan:

- Our decentralization and restructuring activities of the past several years have materially reduced the number of senior executive roles that would have otherwise received PSUs.
- Looking forward, as another logical continuation of our decentralization, we are exploring long-term incentive plans for the leadership teams of our businesses (e.g., Pixartprinting, Vistaprint, and National Pen) that are tied directly to the long-term performance and value creation of each business. This could further reduce the number of PSU recipients.

As a result, we propose to reduce the number of ordinary shares authorized under the 2016 Performance Equity Plan to 6.0 million shares.

Modification of our 2016 Performance Equity Plan

We expect the performance share units (PSUs) from our 2016 Performance Equity Plan to be our long-term incentive vehicle of choice for many years to come for our executives and senior team members throughout our organization. However, for team members other than me as the CEO and the Board of Directors, we believe it is important to have more flexibility with respect to the terms of awards than our 2016 Performance Equity Plan currently affords.

As a result, we are asking our shareholders to approve changes to our 2016 Performance Equity Plan to give us flexibility to grant PSUs with measurement dates, performance goals relating to the compound annual growth rate of the three-year moving average of our share price, and payout ratios that are different from those currently mandated in the plan. Given highly competitive markets for talent, we want to align more closely with the time frames other companies use for their long-term incentives, while still maintaining what we consider to be a suitable multi-year performance threshold. For example, we may want to grant PSUs with a first measurement date for a potential PSU pay out four years post-grant instead of the six years currently mandated by the plan, and we would likely make corresponding increases to the performance criteria and/or reductions to the payout ratio in the fourth and fifth years following grant, although those details will not be included in the amended 2016 Performance Equity Plan. However, there would be no change to the core performance metric in the plan, which would remain the compound annual growth rate of the three-year moving average of our share price for all PSU awards. To be clear, the proposed changes would not apply to PSU grants to me as the CEO or PSU grants to our Board of Directors.

The proposed changes to the plan would apply only to future PSU awards, not awards that we previously granted. These changes require shareholder approval because there is currently a significant amount of detail with respect to the measurement periods, performance goals, and payout ratios that is locked into the 2016 Performance Equity Plan. We have included as an appendix to this proxy statement a version of the 2016 Performance Equity Plan marked with our proposed changes.

There are other areas where we expect to make changes in our long-term incentive practices relative to what we previously communicated that don't require shareholder approval. For example, for team members in our autonomous businesses, we may grant a mix of long-term incentives that include cash-based incentives based upon the value creation of their business. Additionally, we expect to increase the minimum requirement for the percentage allocation to PSUs (versus cash retention bonuses) at certain levels within the organization.

We are collecting questions from shareholders about the proposals in this proxy statements and plan to publish our responses in a supplemental filing with the SEC.

Conclusion

I believe these proposals are logical continuations of the changes that we have been making over the past several years to make our company as effective and efficient as possible. We ask for your support by voting in favor of these proposals, as well as the more routine ones, detailed throughout this proxy statement.

Thank you in advance,

CIMPRESS N.V.

Hudsonweg 8
5928 LW Venlo
The Netherlands

PROXY STATEMENT FOR ANNUAL GENERAL MEETING OF SHAREHOLDERS

to be held on November 13, 2018

This proxy statement contains information about the 2018 Annual General Meeting of Shareholders of Cimpress N.V., which we refer to in this proxy statement as the annual meeting or the meeting. We will hold the annual meeting on Tuesday, November 13, 2018 at the offices of Stibbe N.V., Beethovenplein 10, 1077 WM Amsterdam, the Netherlands. The meeting will begin at 6:45 p.m. Central European Time.

We are furnishing this proxy statement to you in connection with the solicitation of proxies by the Management Board of Cimpress N.V. (which is also referred to as we, us, the company, or Cimpress in this proxy statement) for use at the annual meeting and at any adjournment of the annual meeting.

We are first mailing the Notice of Annual General Meeting, this proxy statement, and our Annual Report to Shareholders for the fiscal year ended June 30, 2018 on or about October 22, 2018.

Important Notice Regarding the Availability of Proxy Materials for the 2018 Annual General Meeting of Shareholders:

This Proxy Statement and the 2018 Annual Report to Shareholders are available for viewing, printing and downloading at *http://proxy.ir.cimpress.com*. In addition, our statutory annual accounts and accompanying annual report, as prepared in accordance with Dutch law and including biographical information about the candidates nominated for appointment as members of our Board of Directors, are available at our offices at the address above and for viewing, printing, and downloading at *http://proxy.ir.cimpress.com.*

We will furnish without charge a copy of this proxy statement and our Annual Report on Form 10-K for the fiscal year ended June 30, 2018, as filed with the United States Securities and Exchange Commission, or SEC, to any shareholder who requests it by emailing ir@cimpress.com or writing to Cimpress N.V., c/o Cimpress USA Incorporated, Attention: Investor Relations, 275 Wyman Street, Waltham, MA 02451, USA. This proxy statement and our Annual Report on Form 10-K are also available on the SEC's website at *www.sec.gov.*

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INFORMATION ABOUT OUR SUPERVISORY BOARD MEMBERS AND EXECUTIVE OFFICERS

We currently have a two-tier board structure consisting of a Supervisory Board and a separate Management Board, and we are asking our shareholders to approve an amendment and restatement of our articles of association to move to a single-tier board structure consisting of a Board of Directors, as described in Proposal 1 of this proxy statement.

Our Supervisory Board:

The current Supervisory Board of Cimpress N.V. consists of eight independent, non-employee directors who serve for rotating terms of up to four years. We are asking our shareholders to appoint four of our current Supervisory Board members to the new single-tier Board of Directors, as described in Proposals 3 through 6 of this proxy statement.

Name	*Age*	*Cimpress Director Since*	*Proposed New Term to Expire at our Annual General Meeting In:*	*Independent Director*
Paolo De Cesare	58	March 2013	N/A	Yes
Sophie A. Gasperment	54	November 2016	2020	Yes
John J. Gavin, Jr.	63	August 2006	2021	Yes
Richard T. Riley	62	February 2005	N/A	Yes
Nadia Shouraboura	48	January 2015	N/A	Yes
Zachary S. Sternberg	33	November 2017	2021	Yes
Mark T. Thomas	64	November 2009	N/A	Yes
Scott Vassalluzzo	46	January 2015	2019	Yes

Supervisory Board members who have been nominated for appointment to the new Board of Directors

SOPHIE A. GASPERMENT has served as Group General Manager, Financial Communication and Strategic Prospective of L'Oréal, the world's leading beauty company, since January 2014. She has held multiple marketing and general management positions at L'Oréal since joining the company in September 1986, including Chief Executive Officer and Executive Chairman of The Body Shop International, the iconic British retailer spanning 60 countries and ca. 20,000 people strong, from July 2008 to October 2013, as well as Managing Director, L'Oréal UK and Ireland, from January 2004 to January 2008. Since June 2010, Ms. Gasperment also serves on the board of AccorHotels, a publicly traded company and a world leader in hospitality, and is currently Chair of that board's Appointments, Compensation and CSR Committee and a member of the Audit and Compliance Committee. Since May 2018, Ms. Gasperment has also served on the Supervisory Board of D'Ieteren, a Euronext-listed global company, and is a member of the Appointments and Compensation Committee. Ms. Gasperment brings to the Supervisory Board her leadership and strategy skills and perspective, her international brand-building and go-to-market expertise, her experience of businesses undergoing digital transformation, her experience on the boards of other public companies, and her acumen in both consumer goods and retail, as well as her broader business experience in multi-cultural environments.

JOHN J. GAVIN, JR. serves on the board of Varonis Systems, Inc., a provider of data governance solutions for unstructured data. Mr. Gavin previously served as Chief Financial Officer of BladeLogic, Inc., a provider of data center automation software, from January 2007 through June 2008, when it was acquired by BMC Software, and as Chief Financial Officer of Navisite, Inc., a provider of information technology hosting, outsourcing and professional services, from April 2004 through December 2006. Prior to Navisite, Mr. Gavin served as the Chief Financial Officer of Cambridge Technology Partners and Data General Corporation. Mr. Gavin also spent ten years at Price Waterhouse LLP (now PricewaterhouseCoopers LLP), an accounting firm, in various accounting and audit positions including as Senior Manager in charge of multi-national audits. In addition to serving on the Supervisory Board of Cimpress N.V., Mr. Gavin also serves on the supervisory board of Vistaprint B.V., a wholly owned Dutch subsidiary of Cimpress. Mr. Gavin brings to the Supervisory Board his extensive experience as chief financial officer of several growing companies, his experience on the boards of other public companies, and ten years as an independent auditor. Mr. Gavin is a certified public accountant.

ZACHARY S. STERNBERG is the co-founder and Managing Member of the General Partner of The Spruce House Partnership, a New York-based investment partnership. Spruce House invests in public and private companies globally and seeks to partner with management teams that are focused on growing the per share value of their companies over the long-term. Mr. Sternberg graduated from The Wharton School at The University of Pennsylvania with a concentration in accounting. Spruce House holds 7.6% of Cimpress' outstanding shares and has been a shareholder of Cimpress since 2011. Mr. Sternberg brings to the Supervisory Board his perspective as a material and long-term shareholder of Cimpress with a deep understanding of the importance of long-term stewardship of capital informed by more than a decade of successful investment experience.

SCOTT VASSALLUZZO is a Managing Member of Prescott General Partners LLC ("PGP"), an investment adviser registered with the U.S. Securities and Exchange Commission that holds 15.1% of Cimpress' outstanding shares. PGP serves as the general partner of three private investment limited partnerships, including Prescott Associates L.P. (together, the "Prescott Partnerships"). Mr. Vassalluzzo joined the Prescott organization in 1998 as an equity analyst, became a general partner of the Prescott Partnerships in 2000, and transitioned to Managing Member of PGP following Prescott's reorganization in January 2012. Prior to 1998, Mr. Vassalluzzo worked in public accounting at Coopers & Lybrand (now PricewaterhouseCoopers LLP) and was a certified public accountant. Mr. Vassalluzzo serves on the boards of directors of Credit Acceptance Corporation, an auto finance company providing automobile loans and other related financial products, and World Acceptance Corporation, a personal installment loan company. Mr. Vassalluzzo brings to the Supervisory Board his advocacy for the priorities of long-termism and intrinsic value per share, his appreciation and understanding of the perspectives of our other long-term shareholders, and his experience on the boards and board committees of other publicly traded companies.

Supervisory Board members who have not been nominated for appointment to the new Board of Directors

PAOLO DE CESARE has served as Chief Executive Officer of Printemps Department Store Paris, a retailer dedicated to fashion and luxury brands with department stores in France, since September 2007. Previously, Mr. De Cesare served in various executive capacities at Procter & Gamble from 1983 to 2007, most recently as President of Procter & Gamble Global Skin Care and, prior to that, as Vice President of Procter & Gamble Far East and President Max Factor KK, the Cosmetic division of Procter in Japan. Mr. De Cesare also served on the board of Indesit Company, a publicly traded company and leading European manufacturer and distributor of domestic appliances, from 2009 until 2013. Mr. De Cesare brings to the Supervisory Board his strong knowledge of brand and marketing strategy, his international business experience and perspective, and his operational, executive, and board experience in a variety of roles worldwide.

RICHARD T. RILEY, *Chairman of the Supervisory Board,* served in various capacities at LoJack Corporation, a publicly traded provider of tracking and recovery systems, during the period from 2005 until 2013, including Chairman of the Board of Directors from November 2006 to May 2012; Chief Executive Officer from November 2006 to February 2008 and again from May 2010 to November 2011; and President, Chief Operating Officer and a director from February 2005 through November 2006 and again from May 2010 to November 2011. From 1997 through 2004, Mr. Riley held a variety of positions with New England Business Service, Inc., a publicly traded provider of products and services to small businesses, most recently serving as Chief Executive Officer, President, Chief Operating Officer and director. Mr. Riley also serves on the boards of Dorman Products, Inc., a supplier of original equipment automotive replacement parts, and Tupperware Brands Corporation, a direct-to-consumer marketer of various products across a range of brands and categories worldwide. In addition to serving on the Supervisory Board of Cimpress N.V., Mr. Riley also serves on the supervisory board of Vistaprint B.V., a wholly owned Dutch subsidiary of Cimpress. Mr. Riley brings to the Supervisory Board his extensive experience of leading companies as a chief executive officer and board member, including 22 years leading a publicly traded company providing products and services to small businesses.

NADIA SHOURABOURA has served as the Founder and Chief Executive Officer of Hointer, Inc., a technology company that brings together the best features of virtual shopping with in-store shopping, since August 2012. Before founding Hointer, Dr. Shouraboura served on the senior management team responsible for overall direction and operations at Amazon.com, Inc. from April 2004 to August 2012, including as Technology Vice President, Global Supply Chain and Fulfillment Platform from 2008 to August 2012. Before joining Amazon.com, Dr. Shouraboura served in technology and leadership roles at Diamond Technology Partners, Mobilicity, and Exelon Corporation. Dr. Shouraboura also currently serves on the board of directors of Ferguson plc, a world-leading specialist distributor of plumbing and heating products, and X5 Retail Group N.V., a leading Russian food retailer. Dr. Shouraboura brings to the Supervisory Board her strong advocacy and experience with building customer-centric company cultures and her experience in operations and technology.

MARK T. THOMAS has served as a Founder and Partner of Monitor Clipper Partners, a middle market private equity firm, since December 1997 and also serves as a member of Monitor Clipper Partners' Investment Committee and as a director of several of its portfolio companies. In addition, Mr. Thomas was a co-founder of Monitor Company Group LP, a global strategy and marketing consulting firm, where he served in various leadership positions from 1983 to November 2012. Monitor Company Group LP was sold to Deloitte Consulting in January 2013. In June 2016, Roger Garments LLC, a portfolio company of MCP Fund III and of which Mr. Thomas was a director at the time, assigned all its assets for the benefit of creditors. Mr. Thomas also serves as Executive Chairman and Advisory Board member of Agero, Inc., the leading provider of B2B roadside assistance and accident management services in the United States. In addition to serving on the Supervisory Board of Cimpress N.V., Mr. Thomas serves on the supervisory board of Vistaprint B.V., a wholly owned Dutch subsidiary of Cimpress. Mr. Thomas brings to the Supervisory Board his extensive strategy, investment, and international experience, which includes more than 30 years of building companies, serving on boards, and providing advice to top executives on strategic matters.

Our Management Board and Executive Officers:

Our Management Board: The current Management Board of Cimpress N.V. consists of three of our executive officers. If our shareholders approve an amendment and restatement of our articles of association to move to a single-tier board structure consisting of a Board of Directors, as described in Proposal 1 of this proxy statement, then Katryn Blake and Sean Quinn would step down as directors but would continue in their roles as executive officers of Cimpress. We are asking our shareholders to appoint Robert Keane to the new single-tier Board of Directors, as described in Proposal 2 of this proxy statement.

ROBERT S. KEANE, ***Founder, President, Chief Executive Officer, and Chairman of the Management Board,*** age 55, has served as our President and Chief Executive Officer since he founded Cimpress in January 1995. Mr. Keane served as the Chairman of our Board of Directors from January 1995 to August 2009 and was appointed Chairman of the Management Board in September 2009. From 1988 to 1994, Mr. Keane was an executive at Flex-Key Corporation, an original equipment manufacturer of keyboards, displays and retail kiosks used for desktop publishing. Mr. Keane holds a Bachelor of Arts in economics from Harvard College and a Masters of Business Administration from INSEAD in Fontainebleau, France.

KATRYN "TRYNKA" S. BLAKE (née Shineman), ***Executive Vice President and Chief Executive Officer, Vistaprint,*** age 44, has served as our Executive Vice President and Chief Executive Officer, Vistaprint since February 2017. Ms. Blake previously served in a variety of positions since joining Cimpress in March 2004, including President, Vistaprint Business Unit from July 2014 to January 2017, Executive Vice President, Global Marketing from July 2012 to June 2014, Chief Customer Officer from June 2011 to June 2014, and President of Vistaprint's North American business unit from November 2010 to June 2012. Before joining Cimpress, she served as a director and senior manager for PreVision Marketing from 1996 to March 2004. Ms. Blake also serves on the board of directors of Ally Financial Inc., a leading digital financial services company. Ms. Blake holds a Bachelor of Arts in psychology from Cornell University and a Masters of Business Administration from Columbia Business School.

SEAN E. QUINN, ***Executive Vice President and Chief Financial Officer,*** age 39, has served as our Chief Financial Officer since October 2015 and as Executive Vice President since July 2016. Mr. Quinn previously served as Senior Vice President from October 2015 to July 2016, as Chief Accounting Officer from November 2014 to October 2015, as Vice President, Corporate Finance from January 2014 to October 2015, as Global Controller from April 2012 to November 2014, and in various other financial roles from October 2009 to April 2012. Before joining Cimpress, Mr. Quinn was a Certified Public Accountant with KPMG LLP from September 2001 to October 2009 in the firm's Philadelphia, London, and Boston offices, most recently as an Audit Senior Manager. Mr. Quinn holds a Bachelor of Science in accounting from Saint Joseph's University.

Other Executive Officers: We have two additional executive officers who do not serve on our current Management Board.

CORNELIS DAVID ("KEES") ARENDS, ***Executive Vice President and President, Upload and Print Businesses,*** age 58, has served as our Executive Vice President and President, Upload and Print Businesses since July 2016. Mr. Arends previously served as our President, European Business Units from November 2015 to July 2016. Before joining Cimpress, Mr. Arends was an entrepreneur and founder of various companies. His relationship with Cimpress goes back to 2011 when he was Chief Executive Officer and one of the shareholders of AlbumPrinter B.V. which was sold to Cimpress in October of that year, and he served as Managing Director of AlbumPrinter until November 2012. From December 2013 to January 2015, Mr. Arends was Chief Executive Officer of NPM Capital NV. Before joining Cimpress' executive team he served as interim Chief Executive Officer of Drukwerkdeal.nl B.V., a Cimpress company, from March 2015 to January 2016. Mr. Arends studied at Nijenrode Business School in Breukelen, the Netherlands.

DONALD LEBLANC, ***Executive Vice President and President, Vistaprint Corporate Solutions,*** age 50, has served as our President, Vistaprint Corporate Solutions since October 2015 and as Executive Vice President since July 2016. Mr. LeBlanc previously served as our Chief Marketing Officer for the Vistaprint brand from May 2011 to October 2015. Before joining Cimpress, Mr. LeBlanc held various senior roles at Staples, including Senior Vice President of Retail Marketing and Vice President of Strategy. Mr. LeBlanc holds a Bachelor of Science from Worcester Polytechnic Institute and a Masters of Business Administration from the Tuck School at Dartmouth College.

There are no family relationships among any of the Supervisory Board members and executive officers of Cimpress. No arrangements or understandings exist between any Supervisory Board member and any other person pursuant to which such person is to be selected for appointment to the Supervisory Board or Board of Directors.

PROPOSAL 1 - APPROVE AN AMENDMENT AND RESTATEMENT OF OUR ARTICLES OF ASSOCIATION

By the proposal of our Management Board, which has been approved by our Supervisory Board, at the annual meeting, we are asking our shareholders to approve an amendment and restatement of our articles of association to move to a single-tier Board of Directors comprising executive and non-executive directors. Under our current articles of association, we have a two-tier board structure consisting of a Supervisory Board and a separate Management Board, as was traditionally common for publicly traded companies incorporated in the Netherlands. Changes to Dutch law in recent years have made it possible for Cimpress to adopt a single-tier board structure, which we believe will help simplify and streamline our corporate governance.

Throughout this proxy statement, we use the terms "Supervisory Board" and "Management Board" when we are describing our current two-tier board structure and "Board of Directors" when we are describing the proposed single-tier board structure that will result if shareholders approve this proposal.

We believe that moving to a single-tier board will improve the effectiveness and efficiency of our governance structure by eliminating the distinction and complexity of operating separate management and supervisory boards. Furthermore, in light of the fact that our shares are listed exclusively on a U.S. stock market, the change will align our governance structure with the single-tier structure of public company boards that is most common for firms listed in the United States.

The proposed amended and restated articles of association marked to show the changes from our current articles of association are attached as Appendix A to the electronic copy of this proxy statement filed with the SEC. You may access the amended and restated articles by viewing our proxy statement on the SEC's web site at *www.sec.gov*, or you may obtain a copy by sending a written request to Cimpress N.V., c/o Cimpress USA Incorporated, Attention: Investor Relations, 275 Wyman Street, Waltham, MA 02451, USA. The changes in the amended and restated articles as compared to our current articles include:

- replacing all references to our Management Board and Supervisory Board with references to our Board of Directors throughout the articles and deleting duplicative provisions
- provisions for the appointments of executive and non-executive directors to the Board of Directors
- provisions authorizing the Board of Directors to assign roles and responsibilities to directors, including designating a Chief Executive Officer, Chairman, and Lead Non-Executive Director
- some immaterial, "clean up" changes to reflect changes in Dutch law and practice

As described in Proposals 2 through 6 of this proxy statement, we are asking our shareholders to appoint Robert Keane to the Board of Directors as an executive director and four of the eight members of our current Supervisory Board as non-executive directors. Following the amendment to our articles of association to move to a single-tier Board of Directors, the Board of Directors will establish new board rules and form three committees composed exclusively of independent, non-executive directors: Audit, Compensation, and Nominating and Corporate Governance.

If our shareholders approve this proposal, then the amendment and restatement of our articles of association will be effected by the execution of the notarial deed of amendment to our articles of association, or Deed of Amendment. By voting in favor of this proposal, our shareholders:

1. Acknowledge and confirm that any authorization to repurchase shares, issue shares, or exclude or limit preemptive rights previously granted by shareholders to our Management Board with the approval of our Supervisory Board that is still in force as of the execution of the Deed of Amendment is deemed to be granted to our Board of Directors acting singly as of the execution of the Deed of Amendment; and

2. Designate each member of our Management Board and each civil-law notary (*notaris*), prospective civil-law notary (*kandidaat-notaris*) notarial paralegal of Stibbe N.V. in Amsterdam, our Dutch law firm, to make any adjustments that are necessary as well as to sign and execute the Deed of Amendment and to undertake all other activities as the authorized person deems necessary or useful.

If this proposal is not approved, then we will not amend our articles of association, and our current articles and current two-tier board structure will remain unchanged.

The Management Board and Supervisory Board recommend that you vote FOR the amendment and restatement of our articles of association.

PROPOSALS 2 THROUGH 6 - APPOINT THE MEMBERS OF OUR BOARD OF DIRECTORS

In Proposal 1 above, we are asking our shareholders to approve an amendment and restatement of our articles of association to move to a single-tier board structure consisting of a Board of Directors. In Proposals 2 through 6, we are asking our shareholders to appoint four of the current members of our Supervisory Board and Robert Keane, our Founder, President, and Chief Executive Officer, to the new Board of Directors, subject to Proposal 1 being approved and effective immediately following the execution of the Deed of Amendment. If our shareholders do not approve Proposal 1, then our current Management Board and Supervisory Board will remain in place, the current members of our Management Board will continue to serve for their current terms as directors, the approval of any of Proposals 3 through 6 appointing non-executive directors to our Board of Directors will be deemed to be appointments of those directors to our current Supervisory Board, and we would expect the members of our Supervisory Board who have not been nominated for appointment to the new Board of Directors to resign as directors.

Pursuant to the invitation of our Management Board, the Supervisory Board has adopted resolutions to make binding nominations of the directors listed below for the initial terms listed below. We intend that the members of our new Board of Directors will serve for rotating three-year terms, and when each director's initial term below expires, we intend to seek his or her reappointment for another three-year term.

One-year term ending on the date of our annual general meeting of shareholders in 2019:

- **Robert S. Keane**, Executive Director - The Supervisory Board recommends the appointment of Mr. Keane to the Board of Directors as an executive director because of his experience growing Cimpress from inception in 1995 to $2.6 billion of revenue in our 2018 fiscal year, his understanding of the drivers of intrinsic value per share, and his knowledge of Cimpress' customer needs, business model and markets.

- **Scott Vassalluzzo**, Non-Executive Director - The Supervisory Board recommends the appointment of Mr. Vassalluzzo to the Board of Directors as a non-executive director because of his advocacy for the priorities of long-termism and intrinsic value per share, his appreciation and understanding of the perspectives of our other long-term shareholders, and his experience on the boards and board committees of other publicly traded companies.

Two-year term ending on the date of our annual general meeting of shareholders in 2020:

- **Sophie A. Gasperment**, Non-Executive Director - The Supervisory Board recommends the appointment of Ms. Gasperment to the Board of Directors as a non-executive director because of her leadership and strategy skills and perspective, her international brand-building and go-to-market expertise, her experience of businesses undergoing digital transformation, and her acumen in both consumer goods and retail, her broad business experience in multi-cultural environments and her experience on the boards and board committees of other publicly traded companies.

Three-year term ending on the date of our annual general meeting of shareholders in 2021:

- **John J. Gavin, Jr.**, Non-Executive Director - The Supervisory Board recommends the appointment of Mr. Gavin to the Board of Directors as a non-executive director because of his extensive experience as chief financial officer or board member of numerous growing public companies including extensive Audit Committee experience, as well as ten years as an independent auditor.

- **Zachary S. Sternberg**, Non-Executive Director - The Supervisory Board recommends the appointment of Mr. Sternberg to the Board of Directors as a non-executive director because of his perspective as a material and long-term shareholder of Cimpress with a deep understanding of the importance of long-term stewardship of capital informed by more than a decade of successful investment experience.

You can find more information about the nominees for the Board of Directors in the section of this proxy statement entitled "INFORMATION ABOUT OUR SUPERVISORY BOARD MEMBERS AND EXECUTIVE OFFICERS."

The Management Board and Supervisory Board recommend that you vote FOR the appointments of all nominees to the Board of Directors.

PROPOSAL 7 - ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

At the annual meeting, we are asking our shareholders to approve the compensation of our named executive officers, as described in the Compensation Discussion and Analysis, or CD&A, executive compensation tables, and accompanying narrative disclosures below. This is an advisory vote, meaning that this proposal is not binding on us, but our Compensation Committee values the opinions expressed by our shareholders and will carefully consider the outcome of the shareholder vote when making future compensation decisions for our named executive officers.

As required by Dutch law, we have a shareholder-approved remuneration policy that applies to our Management Board members, which you can find on the Corporate Governance page of our Investor Relations website *ir.cimpress.com*, and the compensation of our named executive officers is in accordance with the current remuneration policy. At this annual meeting, we are asking our shareholders to approve an amended remuneration policy for our Board of Directors, as described in Proposal 15 of this proxy statement, but the advisory vote on executive compensation pursuant to this Proposal 7 does not amend our current remuneration policy in any way.

This proposal provides, pursuant to Section 2:135(5a) of the Dutch Civil Code, for a discussion regarding the implementation of the remuneration policy for the Management Board as in effect for fiscal year 2018. The discussion takes place on the basis of the information referred to in Section 2:383c up to and including Section 2:383e of the Dutch Civil Code, as included in the explanatory notes to the financial statements included in our Dutch statutory annual accounts for the fiscal year ended June 30, 2018.

At our annual general meeting in 2017, a majority of our shareholders voted to hold the advisory vote to approve our executive compensation on an annual basis. Therefore, we intend to put forth at each annual general meeting of shareholders an advisory vote on the compensation of our named executive officers for the immediately preceding fiscal year.

Our Management Board and Supervisory Board recommend that you vote FOR the approval of the compensation of our named executive officers, as described below.

COMPENSATION DISCUSSION AND ANALYSIS

Executive Overview

Our success depends on our ability to attract and retain top talent in a competitive marketplace, and to motivate that talent to achieve outstanding performance. In determining the compensation of our executive officers, our Compensation Committee begins with an analysis of the competitiveness of our executive compensation program and, as a starting point, seeks to pay our executives total compensation (including base salary and long-term incentive awards) at the 75th percentile of our peer group for extraordinary performance by Cimpress. The Compensation Committee then applies its own discretion to take into account any other factors it may deem relevant in any given fiscal year, such as general economic conditions, the internal equity of compensation among our executives, each executive's experience and role, and individual performance. The Committee does not assign specific weights to particular factors but considers them together in determining compensation.

Incentive compensation redesign. In fiscal year 2016, under the leadership of our Compensation Committee and with input from our shareholders, we significantly redesigned our compensation program for executives and employees. We now use the following two long-term incentive, or LTI, compensation vehicles:

1. Performance share units, or PSUs, granted under our 2016 Performance Equity Plan, or 2016 Plan. Each PSU represents a right to receive between 0 and 2.5 ordinary shares of Cimpress N.V. upon the satisfaction of both service-based vesting over time and performance conditions relating to the compound annual

growth rate, or CAGR, of the three-year moving average of the daily closing share price of Cimpress' ordinary shares, or 3YMA, over a 6- to 10-year period.

2. Cash retention bonus awards for employees other than Robert Keane, who receives 100% of his LTI compensation in the form of PSUs. These bonus awards are focused on retention and pay the employee a fixed amount in equal payments over several years (typically four years) so long as Cimpress continues to employ the recipient.

As described in more detail below, we give employees other than Robert Keane an opportunity to elect the percentage of their LTI compensation that will be allocated to PSUs versus cash retention bonuses, subject to minimum thresholds depending on each employee's level within the organization.

In addition, beginning in fiscal year 2017, we incorporated the annual cash incentive component of our previous compensation program into the base salary for our executive officers and most of the broader employee population, in order to reduce incentives to take actions that enhance short-term financial performance at the expense of long-term value creation and to support a culture of long-termism.

Pay for performance. Cimpress' uppermost financial objective is to maximize our intrinsic value per share, or IVPS. We define IVPS as (a) the unlevered free cash flow per diluted share that, in our best judgment, will occur between now and the long-term future, appropriately discounted to reflect our cost of capital, minus (b) net debt per diluted share. We define unlevered free cash flow as free cash flow plus cash interest expense related to borrowing. Extending our history of success into the next decade and beyond in line with this top-level objective is important to us, and we have designed our compensation program to encourage our executives and employees to manage to a long-term time horizon and to forgo short-term actions and metrics except to the extent those short-term actions and metrics support our long-term goals. Accordingly, the PSUs we grant to our executives and employees are based on Cimpress' performance over a period of six to ten years, and the earliest that Cimpress may issue shares under a PSU award, and therefore the earliest that executives and employees could receive any value from the PSUs, is six years from grant (unless there is an earlier change in control), and only if Cimpress' 3YMA meets or exceeds our CAGR targets.

The total compensation package for our executive officers is weighted heavily toward compensation based on Cimpress' long-term performance. For example, 76% of the total compensation granted to our Chief Executive Officer for fiscal year 2018 was at risk through our LTI program.

Shareholder engagement. Our executive compensation program has received more than 99% approval from our shareholders at each of our last five annual general meetings of shareholders, and we believe that our collaboration with shareholders on executive compensation design and our emphasis on long-term, performance-based compensation are major contributors to these results. When our Compensation Committee redesigned our compensation program for executives and employees during fiscal year 2016, we reached out to our major shareholders during the planning phase, and the Compensation Committee took shareholders' feedback into account in the design process. When we sought shareholder approval of our 2016 Plan that is the lynchpin of the redesigned compensation program, we listened to the constructive feedback of our major, long-term shareholders and made several changes to the compensation program to address shareholders' concerns, which we believe contributed to our shareholders' voting to approve the plan in 2016. The Compensation Committee intends to continue to consider the outcome of the say-on-pay vote when making future compensation decisions for our named executive officers.

Compensation Committee Approach

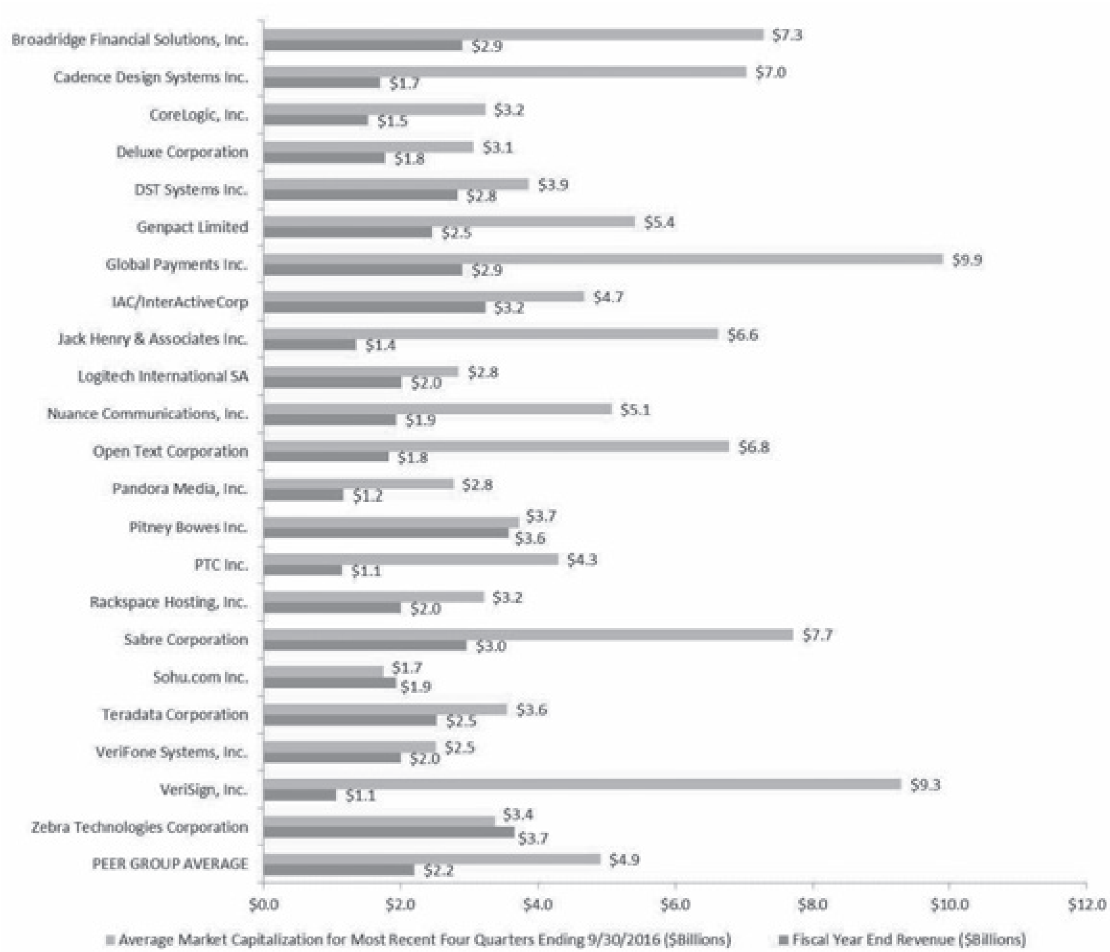
In determining the competitiveness of our executive compensation program for fiscal year 2018, our Compensation Committee took into account the analysis and recommendations of the Committee's independent compensation consultant (Willis Towers Watson), data from the comparison peer group described below, published compensation survey data, and detailed tally sheets summarizing our executive officers' current and historical compensation.

Our Compensation Committee worked with Willis Towers Watson to update its comparison peer group for fiscal year 2018, which consists of the 22 publicly traded companies listed below that have characteristics that are currently comparable to Cimpress or comparable to where Cimpress expects to be in the near future. The

Committee considered the following characteristics, although not all companies in the peer group have all of these characteristics:

- annual revenue in the range of $1.8 billion to $4.8 billion
- market capitalization between $2.4 billion and $6.5 billion (utilizing a 75% to 200% criteria range for both revenue and market capitalization)
- same general industry as Cimpress
- high growth

Because the Compensation Committee determined the peer group in December 2016, before the beginning of our fiscal year 2018, the Committee used the most recent information that was available at that time for each peer group company.



The Compensation Committee engaged and managed the relationship with Willis Towers Watson with respect to its work for fiscal year 2018, which took place during fiscal year 2017, and determined at the time of the engagement that the firm was independent. Willis Towers Watson did not provide any services to the Compensation Committee during fiscal year 2018.

Compensation Components for Executives

For fiscal year 2018, the principal elements of our compensation program for our executive officers included:

Base Salary

Beginning with fiscal year 2017, we incorporated the annual cash incentive component of our previous compensation program into base salary

Health and Welfare Benefits

Standard benefits that are applicable to all of our employees in each executive's geographic location

Severance/CIC

We have severance and change in control arrangements with most of our executive officers

Expat Benefits

From time to time we provide expatriate benefits for executives who are assigned to work in geographic locations outside of their home countries

LTI Awards

Reward executives based on the creation of value for our shareholders over the long term, as well as Cimpress' achievement of longer-term financial objectives:

- PSUs with performance conditions tied to the appreciation of our 3-year moving average share price over a 6- to 10-year period
- Supplemental PSUs with the same performance conditions as "regular" PSUs listed above, plus an additional performance condition tied to a cumulative unlevered free cash flow target over 3 years
- Cash retention bonuses and performance cash awards for executives who elected to allocate less than 100% of their LTI awards to PSUs (subject to minimum thresholds)
- Legacy long-term cash incentives for Messrs. LeBlanc and Quinn, who received these awards in previous years before they became executive officers

Under our pay-for-performance philosophy, the compensation of our executives and other employees at higher levels in the organization is more heavily weighted towards variable compensation based on our performance, and base salary generally accounts for a smaller portion of these employees' total compensation packages. The percentiles of our peer group that we use to evaluate the compensation of our named executive officers are designed to ensure that our executive officers will receive total compensation significantly below the median of our peer group if Cimpress does not perform well and significantly above the median for Cimpress' extraordinary performance. In accordance with this philosophy, the Compensation Committee initially allocates the compensation of our executive officers within the percentiles listed below, and then may use its discretion to adjust each executive officer's compensation to reflect other factors such as general economic conditions, the internal equity of compensation among our executives, and the executive's experience, role, and performance.

- Annual cash compensation at the 50th percentile of our peer group and published compensation surveys
- Total compensation (annual cash compensation plus LTI awards) at the 75th percentile of our peer group and published compensation surveys

Base Salary (Annual Cash Compensation)

In fiscal year 2017 in connection with the launch of our redesigned LTI program, we eliminated our annual cash incentive program and incorporated the annual incentive component of our previous program into the base salary for our executive officers and most of the broader employee population to help our executives and employees focus on maximizing long-term value creation. We want to encourage our executives to make investment decisions that they believe are right for the long term even if they impact near-term financial performance, and we do not want to financially reward or penalize employees for those near-term impacts other than those that are also beneficial to enhancing our IVPS.

Accordingly, for fiscal years 2017 and 2018, the base salary of each of our executive officers other than Cornelis Arends included the amount of his or her fiscal year 2016 annual cash incentive at the target level. For fiscal year 2018, the Compensation Committee increased the base salaries of all our executive officers other than Mr. Arends by 4% - 10% to more closely align their salaries with the percentiles described above and also to reflect each executive's performance, changes in responsibility, and internal equity with other Cimpress executives.

Mr. Arends has an employment agreement and a long-term assignment agreement with Cimpress that set his compensation, and therefore the Compensation Committee did not make any changes to his contractual base salary for fiscal year 2018.

Long-Term Incentive Program

Our LTI program is designed to focus our executives and employees on long-term performance and value creation for the company and our shareholders. In fiscal year 2018, we used the LTI compensation vehicles described below for our executive officers. In Proposal 17, we are asking our shareholders to approve changes to our 2016 Plan, but this Compensation Discussion and Analysis section describes our current 2016 Plan in effect during fiscal year 2018, without the proposed changes.

Performance Share Units (PSUs) under our 2016 Plan

Each PSU represents a right to receive between 0 and 2.5 ordinary shares of Cimpress N.V. upon the satisfaction of both service-based vesting over time and performance conditions relating to the 3YMA CAGR over a 6- to 10-year period. We refer to the issuance of Cimpress ordinary shares pursuant to a PSU upon satisfaction of both conditions as the Performance Dependent Issuance.

First condition to a Performance Dependent Issuance: Service-based Vesting
PSUs granted to employees generally vest no faster than 25% per year over four years so long as the employee remains employed by Cimpress. However, service-based vesting is not sufficient for payout; PSU service-based vesting events are the dates after which the participant gains the future right to a Performance Dependent Issuance with respect to their then-vested PSUs, subject to achievement of the relevant performance conditions.

If a participant resigns or is terminated other than for cause, they retain all PSUs that have satisfied the service-based vesting condition as of their resignation or termination date. If Cimpress achieves the performance thresholds described below, the former participant would receive Cimpress ordinary shares upon settlement of the PSUs, even though they no longer have an employment, director, or other service relationship with Cimpress.

Second condition to a Performance Dependent Issuance: 3YMA Performance
For each PSU award, we calculate a baseline 3YMA as of a specified date at the time of grant for two purposes: to establish the number of units to be granted and to establish the baseline for future performance measurement. Beginning on the sixth anniversary of this baseline measurement date, and on each anniversary thereafter through year nine, we will calculate the 3YMA as of such date. On the first of these measurement dates that the 3YMA equals or exceeds a CAGR of 11%, the 3YMA performance condition would be satisfied, and we would issue to the participant the number of Cimpress ordinary shares determined by multiplying the number of PSUs subject to the award by the applicable performance-based multiplier set forth in Table 1 below.

TABLE 1:

3YMA CAGR	Multiplier to the number of PSUs subject to the award
11 to 11.99%	125.0%
12 to 12.99%	137.5%
13 to 13.99%	150.0%
14 to 14.99%	162.5%
15 to 15.99%	175.0%
16 to 16.99%	187.5%
17 to 17.99%	200.0%
18 to 18.99%	212.5%
19 to 19.99%	225.0%
20% to 25.8925%	250.0%
Above 25.8925%	Variable Cap (defined below)

If the 3YMA has not reached at least 11% on any of the sixth through ninth anniversaries of the baseline measurement date for the PSU award and thus a Performance Dependent Issuance has not yet occurred, then the threshold CAGR level for 3YMA performance at the tenth anniversary of the baseline measurement date is lowered to a 7% CAGR for participants other than Robert Keane and members of our Supervisory Board. If the 3YMA performance meets or exceeds a 7% CAGR on the tenth anniversary, recipients other than Mr. Keane and Supervisory Board members would still receive Cimpress ordinary shares, but at a significantly declining multiple, as set forth in Table 2 below. Table 2 does not apply to PSUs granted to Mr. Keane or members of the Supervisory Board, and we will use Table 1 for all measurement dates for PSUs granted to Mr. Keane and the Supervisory Board members.

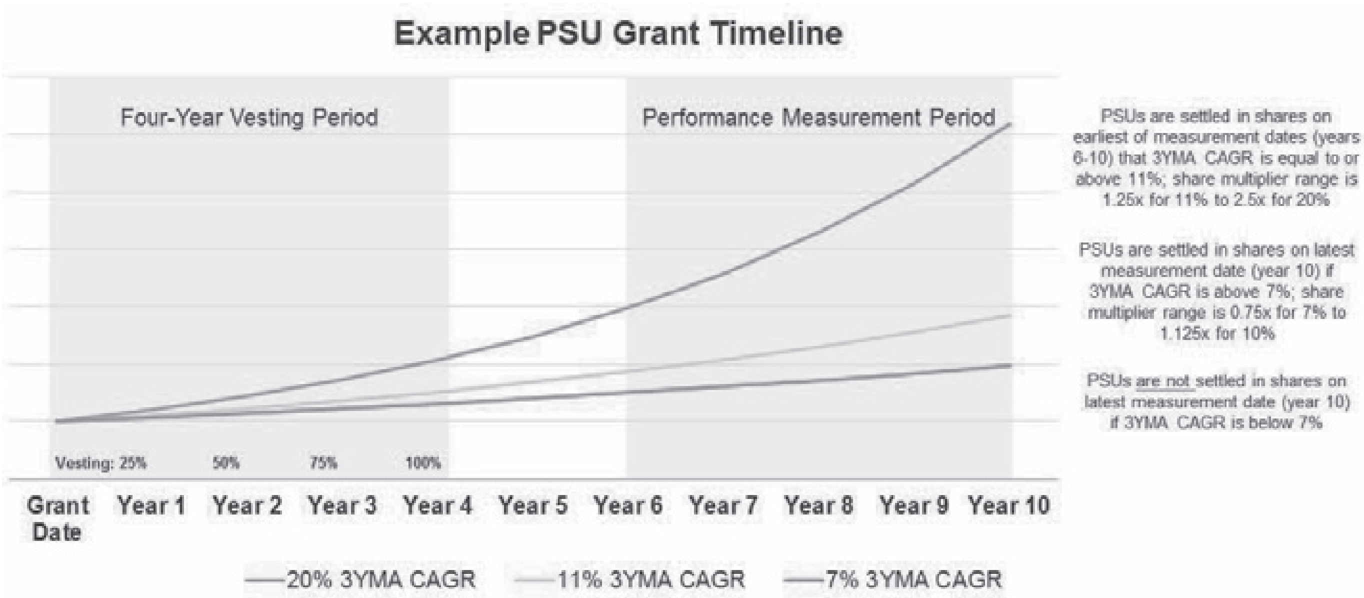
TABLE 2:

3YMA CAGR	Multiplier to the number of PSUs subject to the award
11% & higher	Same as Table 1 above
10 to 10.99%	112.5%
9 to 9.99%	100.0%
8 to 8.99%	87.5%
7 to 7.99%	75.0%
Less than 7%	0%

If none of the 3YMA CAGR performance goals are achieved by the tenth anniversary of the baseline measurement date for the PSU award, then the PSU award would be terminated and no Cimpress ordinary shares would be issued with respect to the award.

The 2016 Plan limits the 3YMA value of the share issuance (defined as the number of Cimpress ordinary shares to be issued multiplied by the 3YMA at the measurement date on which the Performance Dependent Issuance is triggered) to a maximum of ten times the 3YMA grant value of the PSU award (defined as the number of PSUs granted multiplied by the baseline 3YMA used for the initial grant). Therefore, in cases of a 3YMA CAGR above 25.8925%, a "Variable Cap," which is less than 250.0%, will be applied in order to achieve the fixed ten times maximum 3YMA value of the share issuance.

The actual closing price of the Cimpress shares issued upon the Performance Dependent Issuance may be higher or lower than the 3YMA used to calculate the number of shares issued at such time.



Cash Retention Bonuses

Cash retention bonuses pay the employee a fixed amount in equal payments over several years (typically four years) so long as Cimpress continues to employ the recipient. Since PSU awards are more risky than cash retention bonuses, we allow our executive officers other than our Chief Executive Officer to choose the levels of risk and reward they wish to undertake by choosing the percentage of their LTI compensation that will be allocated to cash retention bonuses and PSU awards, subject to a minimum threshold of 60% of the value of their LTI award allocated to PSUs. Broader-based employees eligible for long-term incentives make a similar choice, with minimum thresholds allocated to PSUs decreasing at lower levels in the organization. This approach recognizes that different employees have a broad spectrum of personal circumstances and attitudes regarding the tradeoff between risk and reward. Because life events can change an individual's risk appetite, employees are allowed to make these choices annually for the following year's LTI award but always subject to the applicable minimum threshold.

The following table shows the amount of the annual LTI award received by each of our executive officers for fiscal year 2018, the minimum percentage that we require them to allocate to PSUs, and the actual percentage that each executive allocated to PSUs. Cornelis Arends did not receive an annual LTI award for fiscal year 2018 in line with the terms of his employment agreement.

Executive Officer	LTI award value FY2018	Minimum percentage of LTI award value required to be allocated to PSUs	Actual percentage of LTI award value allocated to PSUs (per each executive's election)
Robert Keane*	$5,250,000	100%	100%
Katryn Blake	$2,000,000	60%	60%
Donald LeBlanc	$1,100,000	60%	100%
Sean Quinn	$1,800,000	60%	75%

* Mr. Keane is not eligible to make an election and receives 100% of his LTI awards in the form of PSUs. The number of PSUs he may receive in any fiscal year is capped at a maximum of 75,000.

Supplemental PSUs and Performance Cash Awards

In fiscal year 2018, in addition to the annual LTI awards of PSUs and cash retention bonuses (as applicable) described above, the Compensation Committee decided to grant a one-time, supplemental LTI award to a small group of key leaders who we believe will be most critical to achieving a cumulative unlevered free cash flow goal over the period from July 1, 2017 through June 30, 2020. For purposes of this supplemental LTI award, we define unlevered free cash flow, or UFCF, as Cimpress' free cash flow plus cash interest expense related to borrowing, subject to adjustment by the Compensation Committee based on its assessment of Cimpress' performance. If Cimpress does not meet the three-year cumulative UFCF goal set by the Committee, then the supplemental awards would expire in their entirety promptly after June 30, 2020 and no Cimpress shares would be issued or cash paid with respect to the awards. The Committee believes that achieving the UFCF goal is feasible but difficult and will require our key leaders to reinvigorate Cimpress' entrepreneurial culture, master cash-flow-focused management skills, and make tough decisions that avoid sacrificing long-term value in favor of short-term benefits.

All of our named executive officers other than Mr. Keane received a supplemental LTI award consisting of the following:

1. Supplemental PSUs granted under the 2016 Plan with the same performance conditions relating to the CAGR of our 3YMA as described above, plus the additional performance condition relating to our three-year cumulative UFCF goal. A portion of each supplemental PSU award vests at the end of each fiscal year 2018 through 2020 so long as the executive has an employment, director, or other service relationship with Cimpress on each vesting date. However, satisfying the service-based vesting condition and achieving the three-year cumulative UFCF goal are not sufficient for a payout: As is the case with the "regular" PSUs described above, Cimpress will issue ordinary shares pursuant to a supplemental PSU award only if the 3YMA meets or exceeds the applicable CAGR thresholds on a measurement date six to ten years after the supplemental PSU award was granted (unless there is an earlier change in control).

2. For executives who elected to allocate a portion of the LTI awards they received during fiscal year 2018 to cash retention bonuses, a performance cash award that will be paid only if (1) Cimpress achieves the UFCF goal and (2) the executive is still employed by Cimpress or one of its subsidiaries on June 30, 2020.

Our named executive officers other than Mr. Keane received supplemental LTI awards in the following amounts, and each supplemental award was allocated between supplemental PSUs and a performance cash award at the same percentages as the executive's annual LTI award described above.

Executive Officer	Supplemental LTI award value	Percentage of LTI award value allocated to supplemental PSUs	Percentage of LTI award value allocated to performance cash award
Cornelis Arends	$515,000	100%	0%
Katryn Blake	$2,000,000	60%	40%
Donald LeBlanc	$1,100,000	100%	0%
Sean Quinn	$1,800,000	75%	25%

Proxy Statement

Legacy Long-Term Cash Incentive Awards and Restricted Share Units

Donald LeBlanc and Sean Quinn became executive officers within the last three fiscal years, and because they participated in our long-term incentive program for non-executive employees before their promotions, they received fiscal year 2018 payouts under the four-year cash incentive awards they received in fiscal years 2015 and 2016. For fiscal years 2016 and before, we granted long-term cash incentive awards to our non-executive employees to reflect our pay-for-performance culture and philosophy, enhance our ability to manage the number of shares available under our equity compensation plans, and balance the focus on share price appreciation created through equity awards with cash awards based on the achievement of financial metrics that drive long-term company and shareholder value creation. Each of these long-term cash incentive awards has a performance cycle of four fiscal years, and each employee is eligible to receive 25% of his or her total award for each fiscal year in the performance cycle based on Cimpress' achievement of specified goals. For awards vesting in fiscal year 2018, the performance goal was based upon Cimpress’ fiscal year 2018 unlevered free cash flow prior to working capital and cash taxes, as this was the primary metric used for budgeting with our businesses in the transition to using unlevered free cash flow throughout the company as our primary financial performance metric. This metric excludes the impact of currency.

We measure performance on an annual basis and make payments for each fiscal year in the performance cycle based on the level of goal achievement for that fiscal year. Cimpress' fiscal year 2018 adjusted unlevered cash flow calculated in accordance with the incentive cash awards was $225,588,984, which was between our medium and high goals, and accordingly we paid employees 112.4% of their fiscal year 2018 targets for the cash incentive awards granted in fiscal year 2015 and 109.9% of their fiscal year 2018 targets for the cash incentive awards granted in fiscal year 2016.

In addition, for fiscal years 2016 and before, we granted restricted share units, or RSUs, to our employees to help align employees' interests with the long-term interests of both the company and our shareholders. The RSUs also serve as a retention tool, as the RSUs vest over four years only if the employee continues to be employed by us on each vesting date. Ms. Blake and Messrs. LeBlanc and Quinn hold RSUs that were granted to them before fiscal year 2017 and that continued to vest during fiscal year 2018.

Benefit Programs

The Compensation Committee believes that all employees based in the same geographic location should have access to similar levels of health and welfare benefits, and therefore our executive officers are eligible for the same health and welfare benefits, including medical, dental, vision, and disability plans, group life and accidental death and disability insurance and other benefit plans, as those offered to other employees in their location. We do, however, from time to time enter into arrangements with some of our named executive officers to reimburse them for living and relocation expenses relating to their work outside of their home countries.

U.S. based employees may participate in a 401(k) plan that provides a company match of up to 50% on the first 6% of the participant’s eligible compensation that is contributed, subject to certain limits under the United States

Internal Revenue Code of 1986, or US Tax Code, with company matching contributions vesting over a four-year period. We also provide customary pension plans to our European employees.

Perquisites

In general, executives are not entitled to benefits that are not otherwise available to all other employees who work in the same geographic location. We do, however, from time to time enter into arrangements with some of our named executive officers to reimburse them for living and relocation expenses and tax preparation fees and associated tax gross-ups relating to their work outside of their home countries. You can find more information about these arrangements in the Summary Compensation Table of this proxy statement.

Executive Retention and Other Agreements

We have entered into executive retention agreements with all of our executive officers other than Mr. Arends, whose employment agreement with Cimpress (described below) does not include any severance or change in control provisions. Under the executive retention agreements, if we terminate an executive officer's employment other than for cause, death, or disability (each as defined in the agreements) or the executive terminates his or her employment for good reason (as defined in the agreements) before a change in control of Cimpress or within one year after a change in control (as defined in the agreements), then the executive is entitled to receive:

- A lump sum severance payment equal to two years' salary and annual bonus, in the case of Mr. Keane, or one year's salary and annual bonus, in the case of the other executive officers, excluding Mr. Arends. Because we no longer grant annual bonuses to our executives and employees, this amount would include only salary.

- With respect to any outstanding annual cash incentive award under any cash incentive plan, a pro rata portion, based on the number of days from the beginning of the then current fiscal year until the date of termination, of his or her target incentive for the fiscal year multiplied by the average actual payout percentage for the previous two fiscal years. If there is no change in control of Cimpress during the fiscal year, this pro rata portion is capped at the actual amount of annual cash incentive that the executive would have received had he or she remained employed by Cimpress through the end of the fiscal year. Because we no longer grant annual cash incentive awards to our executives and employees, this amount would be zero.

- With respect to any outstanding multi-year cash incentive award under any cash incentive plan, a pro rata portion, based on the number of days from the beginning of the then current performance period until the date of termination, of his or her mid-range target incentive for the then current performance period multiplied by the average actual payout percentage for the previous two fiscal years. If there is no change in control of Cimpress during the applicable performance period, this pro rata portion is capped at the actual amount of cash incentive for the performance period that the executive would have received had he or she remained employed by Cimpress through the end of the performance period.

- The continuation of all other employment-related health and welfare benefits for up to two years after the termination in the case of Mr. Keane, or up to one year after the termination in the case of our other executive officers.

Both the executive retention agreements and our 2016 Plan have change in control provisions. The executive retention agreements provide that, upon a change in control of Cimpress, all equity awards (other than PSUs and supplemental PSUs granted under the 2016 Plan) granted to each executive officer will accelerate and become fully vested; each executive's multi-year cash incentive awards under our cash incentive plan will accelerate such that the executive will receive the mid-range target bonus for the then current performance period and each performance period after the change in control; and each executive will receive a pro rata portion, based on the number of days in the fiscal year before the change in control, of his or her target annual cash incentive award for that fiscal year. In addition, if after a change in control Cimpress' successor terminates the executive without cause, or the executive terminates his or her employment for good reason, then each of the executive's share options remains exercisable until the earlier of one year after termination or the original expiration date of the award.

The 2016 Plan provides that, upon a change in control, all PSUs, including supplemental PSUs, that have satisfied the applicable service-based vesting conditions will be settled for Cimpress ordinary shares in accordance with the plan if the actual price paid per share to holders of Cimpress' securities in connection with the change in control equals or exceeds the 11% CAGR performance goal set forth in the plan.

Our Compensation Committee decided that we would no longer include any excise tax gross-up provisions in any executive retention agreements we enter into with new executives after August 1, 2012, and accordingly, the only current executive officers who have excise tax gross-up provisions in their agreements are Mr. Keane and Ms. Blake. If either of these two executives is required to pay any excise tax pursuant to Section 4999 of the US Tax Code as a result of compensation payments made to him or her, or benefits obtained by him or her (including the acceleration of equity awards), in connection with change in ownership or control of Cimpress, we are required to pay the executive an amount, referred to as a gross-up payment, equal to the amount of such excise tax plus any additional taxes attributable to such gross-up payment. However, if reducing the executive's compensation payments by up to $50,000 would eliminate the requirement to pay an excise tax under Section 4999 of the US Tax Code, then Cimpress has the right to reduce the payment by up to $50,000 to avoid triggering the excise tax and thus avoid providing gross-up payments to the executive.

The following table sets forth information on the potential payments to our named executive officers upon their termination or a change in control of Cimpress, assuming that a termination or change in control took place on June 30, 2018.

Name	Cash Payment ($)(1)	Accelerated Vesting of Share Options ($)(2)	Accelerated Vesting of RSUs and PSUs ($)(3)	Welfare Benefits ($)(4)	Tax Gross-Up Payment ($)(5)	Total ($)
Robert S. Keane						
• Termination Without Cause or With Good Reason	3,360,000	—	—	65,316	—	3,425,316
• Change in Control	—	7,267,099	9,657,090	—	—	16,924,189
• Change in Control w/ Termination Without Cause or With Good Reason	3,360,000	7,267,099	9,657,090	65,316	—	20,349,505
Cornelis David Arends(6)						
• Termination Without Cause or With Good Reason	—	—	—	—	—	—
• Change in Control	—	—	561,575	—	—	561,575
• Change in Control w/ Termination Without Cause or With Good Reason	—	—	561,575	—	—	561,575
Katryn S. Blake						
• Termination Without Cause or With Good Reason	850,000	—	—	26,263	—	876,263
• Change in Control	—	882,843	4,655,390	—	—	5,538,233
• Change in Control w/ Termination Without Cause or With Good Reason	850,000	882,843	4,655,390	26,263	—	6,414,496
Donald LeBlanc						
• Termination Without Cause or With Good Reason	705,000	—	—	26,086	—	731,086
• Change in Control	97,500	64,573	3,157,229	—	—	3,319,302
• Change in Control w/ Termination Without Cause or With Good Reason	802,500	64,573	3,157,229	26,086	—	4,050,388
Sean E. Quinn						
• Termination Without Cause or With Good Reason	770,000	—	—	19,520	—	789,520
• Change in Control	31,250	—	4,188,184	—	—	4,219,434
• Change in Control w/ Termination Without Cause or With Good Reason	801,250	—	4,188,184	19,520	—	5,008,954

(1) Amounts in this column for Termination Without Cause or With Good Reason represent severance amounts payable under the executive retention agreements. For Messrs. LeBlanc and Quinn, the amounts in this column for Change in Control and Change in Control with Termination include the acceleration of their long-term cash incentive awards.

(2) Amounts in this column represent the value of unvested, in-the-money share options that would vest upon the triggering event described in the first column. The value of share options is based on the difference between the exercise price of the options and $144.96 per share, which was the closing price of our ordinary shares on Nasdaq on June 29, 2018, the last trading day of our 2018 fiscal year.

(3) Amounts in this column represent the value, based on $144.96 per share, which was the closing price of our ordinary shares on Nasdaq on June 29, 2018, the last trading day of our 2018 fiscal year, of (1) unvested RSUs that would vest and (2) shares that would be issued pursuant to vested PSUs upon the triggering event described in the first column. For PSUs, we assumed the price paid per share to holders of Cimpress' shares in connection with the change in control would represent an 11% CAGR over the baseline 3YMA of the PSUs, which is the target performance goal in the 2016 Plan.

(4) Amounts reported in this column represent the estimated cost of providing employment related benefits (such as insurance for medical, dental, and vision) during the period the named executive officer is eligible to receive those benefits under the executive retention agreements, which is two years for Mr. Keane and one year for Ms. Blake and Messrs. LeBlanc and Quinn. Some of the amounts would be payable to Mr. Keane in Euros. For purposes of this table, we converted these payments from Euros to U.S. dollars at a currency exchange rate of 1.16776 based on the average currency exchange rate for the month of June 2018, which was the last month of our most recent fiscal year.

(5) Amounts in this column are estimates based on a number of assumptions and do not necessarily reflect the actual amounts of tax gross-up payments that Mr. Keane or Ms. Blake would receive.

(6) Mr. Arends' employment agreement with Cimpress (described below) does not provide for any cash payment upon termination or change in control.

Mr. Arends has an employment agreement with Cimpress N.V. dated November 1, 2015, as amended, under which Cimpress agreed to pay Mr. Arends a base salary of €125,000 per month and Mr. Arends is eligible to receive a monthly car and fuel allowance and to participate in the pension scheme made available to members of the management team in his location.

Mr. Arends also has a long-term international assignment agreement with Cimpress N.V. dated December 9, 2015, as amended, relating to his relocation and assignment to our office in Paris, France. Under this agreement, Mr. Arends' base salary is increased to €1,750,000 per year for the term of the assignment, and he receives a mobility premium of €500,000 per year. Cimpress also pays for Mr. Arends' housing costs up to €15,000 per month.

The Role of Company Executives in the Compensation Process

Although the Compensation Committee manages and makes decisions about the compensation process, the Committee also takes into account the views of our Chief Executive Officer, who makes initial recommendations with respect to the compensation of executive officers other than himself. Other employees of Cimpress also participate in the preparation of materials presented to or requested by the Compensation Committee for use and consideration at Compensation Committee meetings.

Share Ownership Guidelines

We have share ownership guidelines for all of our executive officers and members of our Supervisory Board. The guidelines require our executive officers and Supervisory Board members to hold Cimpress equity, including ordinary shares they hold directly or indirectly, unvested restricted share units, vested and unvested PSUs, and vested, unexercised, in-the-money share options, with a value, based on the two-year trailing average of the closing prices of Cimpress' ordinary shares on Nasdaq, equal to or greater than a multiple of the executive officer’s annual base salary or the Supervisory Board member's annual retainer, as follows:

- Chief Executive Officer: 5 times annual base salary
- Other executive officers: 3 times annual base salary
- Supervisory Board: 3 times Supervisory Board annual cash retainer

We give each executive officer and Supervisory Board member four years from his or her initial appointment as a Cimpress officer or director to comply with the share ownership guidelines. As of June 30, 2018, all executive officers and Supervisory Board members had satisfied their ownership guideline requirement, other than Mr. Arends who has two years to increase his share ownership to the level described above.

Tax Deductibility of Certain Awards

Changes to the United States tax laws in 2017 eliminated the tax deduction pursuant to Section 162(m) of the U.S. Internal Revenue Code for performance-based compensation paid to named executive officers under arrangements entered into or materially modified on or after November 2, 2017. Although our Compensation Committee previously considered the impact of Section 162(m) when administering Cimpress' compensation plans, it did not make decisions regarding executive compensation based solely on the expected tax treatment of such compensation. We designed the PSU awards granted to our named executive officers before that date to qualify as tax-deductible compensation under Section 162(m), but there is no guarantee that the United States Internal Revenue Service will ultimately view these awards as qualifying, and it is possible that we may not benefit from the deduction for these awards. We do not expect the elimination of the deduction to have a material effect on Cimpress or our compensation programs.

Compensation Committee Report

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis contained in this proxy statement. Based on the Compensation Committee’s review and discussions with management, the Compensation Committee recommended to the Supervisory Board that the Compensation Discussion and Analysis be included in this proxy statement.

Compensation Committee of the Supervisory Board
Scott Vassalluzzo, Chair
Richard T. Riley
Mark T. Thomas

SUMMARY COMPENSATION TABLES

Summary Compensation Table

The following table summarizes the compensation earned in each of the last three fiscal years by:

(i) our principal executive officer,

(ii) our principal financial officer, and

(iii) our other three executive officers as of June 30, 2018.

Throughout this proxy statement, we refer to the individuals listed in (i) through (iii) above as our named executive officers.

Name and Principal Position	Year	Salary ($)(1)	Bonus ($)(2)	Share Awards ($)(3)	Non-Equity Incentive Plan Compensation ($)(4)	All Other Compensation ($)	Total ($)
Robert S. Keane	2018	1,677,243	—	6,784,477	—	1,961(5)	8,463,681
Founder, President, and	2017	1,619,804	—	9,248,693	—	3,260	10,871,757
Chief Executive Officer	2016	579,735	—	—	1,156,012	10,766	1,746,513
Cornelis David Arends(6)(7)	2018	1,894,035	—	1,229,128	—	737,100(8)	3,860,263
Executive Vice President	2017	1,964,743	—	—	—	706,765(8)	2,671,508
and President, Upload and Print							
Katryn S. Blake	2018	853,019	200,000	3,214,220	—	1,403,574(9)	5,670,813
Executive Vice President	2017	803,019	—	3,647,557	—	412,525(9)	4,863,101
and Chief Executive Officer, Vistaprint	2016	379,596	—	—	436,020	973,985(9)	1,789,601
Donald LeBlanc(6)	2018	707,596	—	2,946,442	212,528	8,341(10)	3,874,907
Executive Vice President	2017	677,596	—	2,006,214	142,500	7,975	2,834,285
and President, Vistaprint Corporate Solutions							
Sean E. Quinn	2018	772,919	225,000	3,615,997	55,419	6,363(10)	4,675,698
Executive Vice President	2017	702,692	112,500	2,462,142	29,875	11,619	3,318,828
and Chief Financial Officer	2016	305,885	—	924,917	284,900	6,924	1,522,626

(1) In fiscal year 2017 and for all fiscal years thereafter, we incorporated into the base salary of each of our executive officers other than Mr. Arends the amount of his or her fiscal year 2016 annual cash incentive at the target level.

(2) The amounts reported in this column represent the payment of cash retention bonuses for executive officers who allocated a portion of the LTI awards they received during 2018 or a previous fiscal year to cash retention bonuses.

(3) The amounts reported in this column represent a dollar amount equal to the grant date fair value of the share awards as computed in accordance with FASB ASC Topic 718. You can find the assumptions we used in the calculations for these amounts in Note 11 to our audited financial statements included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2018.

(4) The amounts reported in this column represent the aggregate amounts earned for each such fiscal year under each named executive officer's annual cash incentive award for that fiscal year and the component of each officer's long-term cash incentive award that is attributable to that fiscal year.

(5) $1,640 of this amount represents payments of tax preparation fees and associated gross-up payments, and $321 of this amount represents the reimbursement of business travel expenses for Mr. Keane's attendance at meetings of Cimpress' Management Board and associated tax gross-up payments. Although the reimbursement of business travel expenses would not be taxable to Mr. Keane in the United States and although Mr. Keane is not a resident of the Netherlands, under his ruling with the Dutch tax authorities, this reimbursement is considered taxable income to Mr. Keane. Because Mr. Keane should not be financially penalized as a result of taxation by the country in which Cimpress is incorporated, we gross up the reimbursement payments to offset the increased tax liability to him.

(6) Messrs. Arends and LeBlanc were appointed executive officers in September 2016.

(7) These amounts relating to Mr. Arends' compensation were paid in Euros. For purposes of this table, we converted these payments from Euros to U.S. dollars at a currency exchange rate of 1.16776 based on the average currency exchange rate for the month of June 2018, which was the last month of our most recent fiscal year.

(8) For fiscal year 2018, $584,445 of this amount represents a mobility premium, $108,005 of this amount represents rent contribution for Mr. Arends' housing, and $15,380 of this amount represents health insurance contributions, all of which amounts were paid under Mr. Arends' long term international assignment agreement. $29,269 of this amount for fiscal year 2018 represents pension contributions.

(9) For fiscal year 2018, $1,390,522 of this amount represents tax payments, tax preparation fees, and associated tax gross-up amounts relating to Ms. Blake's expatriate payments for her assignment in Paris that ended in 2016, $4,721 of this amount represents French taxes paid and associated tax-gross up amounts relating to the vesting of RSUs and exercise of share options attributable to Ms. Blake's assignment in Paris, and $8,331 of this amount represents our matching contributions under Cimpress USA’s 401(k) deferred savings plan. For fiscal year 2017, $357,089 of this amount represents tax payments for 2015 and 2016, tax preparation fees, and associated tax gross-up amounts relating to Ms. Blake's expatriate payments for her assignment in Paris, $47,653 of this amount represents French taxes paid and associated tax-gross up amounts relating to the vesting of RSUs and exercise of share options attributable to Ms. Blake's assignment in Paris, and $7,783 of this amount represents our matching contributions under Cimpress USA’s 401(k) deferred savings plan. For fiscal year 2016, $621,325 of this amount represents tax payments for 2014 and 2015 and associated tax gross-up amounts relating to Ms. Blake's expatriate payments for her assignment in Paris, $344,554 of this amount represents French taxes paid and associated tax-gross up amounts relating to the vesting of RSUs and exercise of share options attributable to Ms. Blake's assignment in Paris, and $8,106 of this amount represents our matching contributions under Cimpress USA’s 401(k) deferred savings plan.

(10) This amount represents our matching contributions under Cimpress USA’s 401(k) deferred savings retirement plan.

Grants of Plan-Based Awards in the Fiscal Year Ended June 30, 2018

The following table contains information about plan-based awards granted to each of our named executive officers during the fiscal year ended June 30, 2018.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards	Estimated Future Payouts Under Equity Incentive Plan Awards(2)			Grant Date Fair Value of Share Awards
Name	Grant Date	($)(1)	Threshold (#)	Target (#)(3)	Maximum (#)(4)	($)(5)
Robert S. Keane	8/15/2017(6)	—	—	78,970	157,940	6,784,477
Cornelis David Arends	5/15/2018(7)	—	—	7,746	15,492	1,229,128
Katryn S. Blake	8/15/2017(6)		—	18,050	36,100	1,607,110
	8/15/2017(7)		—	18,050	36,100	1,607,110
	7/1/2017	800,000				
Donald LeBlanc	8/15/2017(6)		—	16,546	33,092	1,473,221
	8/15/2017(7)	—	—	16,546	33,092	1,473,221
Sean E. Quinn	8/15/2017(6)		—	20,306	40,612	1,807,999
	8/15/2017(7)		—	20,306	40,612	1,807,999
	7/1/2017	450,000				

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(1) The amounts reported in this column represent target performance cash awards payable promptly after the close of our fiscal year ending June 30, 2020 if Cimpress achieves a cumulative consolidated unlevered free cash flow goal over the period from July 1, 2017 to June 30, 2020 ("UFCF Goal"), so long as the named executive officer's employment by Cimpress or its subsidiaries continues through June 30, 2020.

(2) These columns represent PSUs granted under our 2016 Plan. Each PSU represents a right to receive between 0 and 2.5 Cimpress ordinary shares upon the satisfaction of (A) service-based vesting, (B) performance conditions relating to the CAGR of the 3YMA of Cimpress' ordinary shares, and (C) for the supplemental PSU awards described in footnote 7 only, Cimpress' achievement of the UFCF Goal.

(3) These amounts represent the number of Cimpress ordinary shares issuable to each named executive officer six to ten years after August 15, 2017 if the following conditions are achieved: (1) The named executive officer fully satisfies the service-based vesting condition described in footnote 6 or 7, as applicable, (2) the 3YMA CAGR is 11% to 11.99% on any of the sixth through tenth anniversaries of August 15, 2017, and (3) for the supplemental PSU awards described in footnote 7 only, Cimpress achieves the UFCF Goal.

(4) These amounts represent the number of Cimpress ordinary shares issuable to each named executive officer six to ten years after August 15, 2017 if the following conditions are achieved: (1) The named executive officer fully satisfies the service-based vesting condition described in footnote 6 or 7, as applicable, (2) the 3YMA CAGR is 20% to 25.8925% on any of the sixth through tenth anniversaries of August 15, 2017, and (3) for the supplemental PSU awards described in footnote 7 only, Cimpress achieves the UFCF Goal.

(5) The amounts reported in this column represent the grant date fair value for the PSU awards computed in accordance with FASB ASC Topic 718. You can find the assumptions we used in the calculations for these amounts in Note 11 to our audited financial statements included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2018.

(6) The service-based vesting condition of the PSUs reported in this row is that 25% of the original number of PSUs vest on June 30 of each of 2018 through 2021 so long as the executive officer continues to be an eligible participant under Cimpress' 2016 Plan on such vesting date.

(7) The amounts in this row represent supplemental PSUs with a second performance condition in addition to the CAGR of the 3YMA of Cimpress' ordinary shares, which is that if Cimpress' cumulative consolidated unlevered free cash flow over the period from July 1, 2017 through June 30, 2020 does not equal or exceed the UFCF Goal, then the supplemental PSU award expires in its entirety promptly after June 30, 2020. The service-based vesting condition of the supplemental PSUs granted to Ms. Blake and Messrs. LeBlanc and Quinn is that 1/3 of the original number of PSUs vest on June 30 of each of 2018 through 2020 so long as the executive officer continues to be an eligible participant under Cimpress' 2016 Plan on such vesting date. The service-based vesting condition of the supplemental PSUs granted to Mr. Arends is that 50% of the original number of PSUs vested on June 30, 2018 and 25% vest on June 30 of each of 2019 through 2020 so long as Mr. Arends continues to be an eligible participant under Cimpress' 2016 Plan on such vesting date.

Outstanding Equity Awards at June 30, 2018

The following table contains information about unexercised share options, unvested RSUs, and unearned PSUs as of June 30, 2018 for each of our named executive officers.

	Option Awards				Share Awards			
	Number of Securities Underlying Unexercised Options		Option Exercise Price	Option Expiration	Number of Share Units That Have Not Vested	Market Value of Share Units That Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares	Equity Incentive Plan Awards: Market Value of Unearned Shares
Name	(#) Exercisable	(#) Unexercisable	($)(1)	Date	(#)(2)	($)(3)	(#)(4)	($)(5)
Robert S. Keane(6)	146,028	—	34.25	5/7/2019				
	96,800	—	47.91	5/6/2020				
	105,240	—	54.02	5/5/2021				
	1,147,934	76,528(7)	50.00(7)	5/4/2020(7)				
					N/A	N/A	93,750(8)	13,590,000
							78,970(9)	11,447,491
Cornelis David Arends	—	—	N/A	N/A	N/A	N/A	7,746(10)	1,122,860
Katryn S. Blake	—	9,297(7)	50.00(7)	5/4/2020(7)				
					3,583	519,392	36,001(8)	5,218,705
							18,050(9)	2,616,528
							18,050(10)	2,616,528
Donald LeBlanc	3,055	680(7)	50.00(7)	8/15/2020(7)				
					2,225	322,536	19,801(8)	2,870,353
							16,546(9)	2,398,508
							16,546(10)	2,398,508
Sean E. Quinn	—	—	N/A	N/A	4,894	709,434	24,301(8)	3,522,673
							20,306(9)	2,943,558
							20,306(10)	2,943,558

(1) Except as set forth in footnote 7 below, each share option has an exercise price equal to the fair market value of our ordinary shares on the date of grant and is fully exercisable as of June 30, 2018. Except as set forth in footnote 7, each share option expires 10 years after the date on which it was granted.

(2) This column represents RSUs. So long as the named executive officer continues to be employed with us, each RSU award vests, and the vested shares are issued to the named executive officer, over a period of four years: 25% of the shares subject to the award after one year and 6.25% per quarter thereafter.

(3) The market value of the unvested RSUs is determined by multiplying the number of RSUs by $144.96 per share, which was the closing price of our ordinary shares on Nasdaq on June 29, 2018, the last trading day of our 2018 fiscal year.

(4) This column represents the number of Cimpress ordinary shares that would be issuable under outstanding PSUs if the following conditions are achieved: (A) The service-based vesting condition described in footnote 8 or 9, as applicable, is fully satisfied, (B) the 3YMA CAGR is 11% to 11.99% on a measurement date six to ten years after grant, and (C) for the supplemental PSU awards described in footnote 10 only, Cimpress achieves the UFCF Goal.

(5) The market value of the unearned PSUs is determined by multiplying the number of shares that would be issuable if the conditions described in footnote 4 were achieved by $144.96 per share, which was the closing price of our ordinary shares on Nasdaq on June 29, 2018, the last trading day of our 2018 fiscal year.

(6) Mr. Keane's share option awards are held by the Trusts.

(7) These awards are premium-priced share options with an exercise price that is significantly higher than the closing price of Cimpress' ordinary shares on Nasdaq on the grant dates. The Compensation Committee chose this exercise price in part because it is higher than the highest of the three-, six-, and twelve-month trailing averages of Cimpress' share price on Nasdaq as of the July 28, 2011 public announcement of our growth strategy. The premium-priced share options vest over seven years and have an eight-year term. Mr. Keane may not exercise his premium-priced options unless our share price on Nasdaq is at least $75.00 on the exercise date.

(8) The service-based vesting condition for these PSUs is that 25% of the original number of PSUs vest on June 30 of each of 2017 through 2020 so long as the executive officer continues to be an eligible participant under Cimpress' 2016 Plan on such vesting date. However, the PSUs are not earned, and no shares are issuable pursuant to the PSUs, until August 15, 2023 at the earliest (unless there is an earlier change in control) and only if the performance conditions relating to the CAGR of the 3YMA of Cimpress' ordinary shares are satisfied.

(9) The service-based vesting condition for these PSUs is that 25% of the original number of PSUs vest on June 30 of each of 2018 through 2021 so long as the executive officer continues to be an eligible participant under Cimpress' 2016 Plan on such vesting date. However, the PSUs are not earned, and no shares are issuable pursuant to the PSUs, until August 15, 2024 at the earliest (unless there is an earlier change in control) and only if the performance conditions relating to the CAGR of the 3YMA of Cimpress' ordinary shares are satisfied.

(10) The service-based vesting condition of these supplemental PSUs granted to Ms. Blake and Messrs. LeBlanc and Quinn is that 1/3 of the original number of PSUs vest on June 30 of each of 2018 through 2020 so long as the executive officer continues to be an eligible participant under Cimpress' 2016 Plan on such vesting date. The service-based vesting condition of these supplemental PSUs granted to Mr. Arends is that 50% of the original number of PSUs vested on June 30, 2018 and 25% vest on June 30 of each of 2019 through 2020 so long as Mr. Arends continues to be an eligible participant under Cimpress' 2016 Plan on such vesting date. However, the supplemental PSUs are not earned, and no shares are issuable pursuant to the supplemental PSUs, until August 15, 2024 at the earliest (unless there is an earlier change in control) and only if (1) Cimpress' cumulative consolidated unlevered free cash flow over the period from July 1, 2017 through June 30, 2020 equals or exceeds the UFCF Goal and (2) the performance conditions relating to the CAGR of the 3YMA of Cimpress' ordinary shares are satisfied.

Option Exercises and Shares Vested in the Fiscal Year Ended June 30, 2018

The following table contains information about option exercises and vesting of RSUs on an aggregated basis during fiscal year 2018 for each of our named executive officers.

	Option Awards		Share Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (1)($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (2)($)
Robert S. Keane	333,318	35,865,017	—	—
Cornelis David Arends	—	—	—	—
Katryn S. Blake	95,297	7,351,354	9,466	1,197,045
Donald LeBlanc	3,500	299,294	3,806	464,978
Sean E. Quinn	—	—	4,443	560,226

(1) Represents the net amount realized from all option exercises during fiscal year 2018. In cases involving an exercise and immediate sale, the value was calculated on the basis of the actual sale price. In cases involving an exercise without immediate sale, the value was calculated on the basis of our closing sale price of our ordinary shares on Nasdaq on the date of exercise.

(2) The value realized on vesting of RSUs is determined by multiplying the number of shares that vested by the closing sale price of our ordinary shares on Nasdaq on the vesting date.

CEO Pay Ratio

Mr. Keane's fiscal year 2018 annual total compensation was $8,463,681, as reported in the Summary Compensation Table above, and the fiscal year 2018 annual total compensation of our median compensated employee other than Mr. Keane was $41,029. The ratio of the median employee's total compensation to Mr. Keane's total compensation is 1-to-206. If we were to compare just the cash compensation earned for fiscal year 2018 by the median compensated employee and Mr. Keane, excluding equity awards, the ratio would be 1-to-41. For purposes of identifying the median compensated employee, we took into account base salary (for salaried employees) and wages paid (for hourly employees) during the fiscal year for all our employees as of May 1, 2018. We annualized this compensation for employees who did not work the entire fiscal year, except for employees designated as seasonal or temporary.

PROPOSAL 8 - ADOPT OUR ANNUAL ACCOUNTS

At the annual meeting, we are asking you to confirm and adopt our Dutch statutory annual accounts, or Annual Accounts, for the fiscal year ended June 30, 2018, which are our audited consolidated financial statements prepared in accordance with Dutch law. As a Dutch company, we are required by Dutch law and our articles of association to prepare the Annual Accounts and submit them to our shareholders for confirmation and adoption. Our Annual Accounts are different from our audited financial statements contained in our Annual Report on Form 10-K for the year ended June 30, 2018 that were prepared in accordance with United States generally accepted accounting principles, or U.S. GAAP, as required by United States law and Nasdaq listing standards for companies with securities listed on U.S. stock markets. In past years, we have prepared our Annual Accounts in accordance with Dutch generally accepted accounting principles, or Dutch GAAP, but for the fiscal year ended June 30, 2018, we have converted our Annual Accounts to be presented in accordance with International Financial Reporting Standards, or IFRS. We believe that IFRS more closely aligns our Annual Accounts with the U.S. GAAP financial statements that we file with the SEC than Dutch GAAP did, and accordingly we intend to use IFRS for our Annual Accounts in future years as well.

The Annual Accounts contain some disclosures that are not required under U.S. GAAP. In addition, the report of our Management Board that accompanies the Annual Accounts contains information included in this proxy statement and our Annual Report on Form 10-K, as well as other information required by Dutch law.

It is important that our shareholders adopt our Annual Accounts because it is a Dutch law requirement and also because we are not permitted under Dutch law to take certain corporate actions, such as repurchasing our ordinary shares, unless our Annual Accounts are adopted.

In accordance with the principles of the Dutch corporate governance code, upon the request of any shareholder attending the meeting, the Cimpress representatives at the annual meeting will discuss the contents of the chapter in the Annual Accounts on the corporate governance structure and the statement on compliance with the best practice provisions. You can access a copy of the Annual Accounts through our website at *http://proxy.ir.cimpress.com*, by emailing us at ir@cimpress.com, or by sending a written request to Investor Relations, c/o Cimpress USA Incorporated, 275 Wyman Street, Waltham, MA 02451 USA.

Our Management Board and Supervisory Board recommend that you vote FOR the confirmation and adoption of the Annual Accounts.

PROPOSALS 9 AND 10 - DISCHARGE OUR MANAGEMENT BOARD AND SUPERVISORY BOARD FROM CERTAIN LIABILITY

At the annual meeting, as permitted under Dutch law and customary for Dutch companies, we are asking you to discharge the members of our Management Board and Supervisory Board from liability with respect to the exercise of their management and supervisory duties during our fiscal year ended June 30, 2018. If our shareholders approve this discharge of liability, then our Management Board and Supervisory Board members will not be liable to Cimpress for actions that they took on behalf of the company in the exercise of their duties during fiscal year 2018. However, the discharge does not apply to matters that are not disclosed to our shareholders, and it does not affect the liability, if any, of our Management Board and Supervisory Board to our shareholders. The discharge is also subject to the provisions of Dutch laws relating to liability upon bankruptcy.

Our Management Board and Supervisory Board recommend that you vote FOR the discharge of the members of our Management Board and Supervisory Board from liability as described above.

PROPOSAL 11 - AUTHORIZE US TO REPURCHASE SHARES

Under Dutch law and our articles of association, our shareholders may authorize the board, subject to certain Dutch statutory provisions, to repurchase outstanding shares on our behalf in an amount, at prices, and in the manner authorized by the shareholders. This authorization will give us the flexibility to repurchase our ordinary shares without the expense or delay associated with calling further general meetings of shareholders. Under Dutch law and our articles of association, a shareholder authorization to repurchase shares may not continue for more than 18 months, but may be given on a rolling basis. On November 14, 2017, we received authorization from our shareholders to repurchase up to 6,300,000 of our issued and outstanding ordinary shares, and from that date until June 30, 2018, we repurchased 442,557 shares under this authority. We are now seeking a renewal of our authorization to repurchase our ordinary shares.

In order to provide us with maximum flexibility, we propose that our shareholders grant the Board of Directors authority to repurchase up to 6,200,000 of our issued and outstanding ordinary shares (which represents approximately 20% of the 30.9 million shares outstanding as of June 30, 2018) on the open market (including block trades that satisfy the safe harbor provisions of Rule 10b-18 pursuant to the Exchange Act), through privately negotiated transactions, or in one or more self-tender offers at prices per share between an amount equal to €0.01 and an amount equal to 120% of the market price of our ordinary shares on Nasdaq or any other securities exchange where our shares are then traded (the market price being deemed to be the average of the closing price on each of the consecutive days of trading during a period no shorter than one trading day and no longer than 10 trading days immediately preceding the date of repurchase, as reasonably determined by the Board). This authority would begin on the date of the annual meeting and extend for 18 months until May 13, 2020.

We believe that we would benefit from a renewal of the grant of authority to repurchase our ordinary shares. If we believe that our shares may be undervalued at the market levels at which they are then trading, repurchases of our share capital may represent an attractive investment for us and our shareholders. Our Board of Directors would determine, within the parameters described in this proposal, the number of shares to be repurchased, if any, and the timing and manner of any repurchases in light of prevailing market conditions, our available resources, obligations under our equity compensation plans, and other factors that we cannot now predict. The repurchased shares will be used for the issuance of shares under our equity compensation plans and, if so desired, for corporate acquisitions or similar transactions and any other valid corporate purposes. The reduction in our outstanding shares resulting from any repurchases would increase the proportionate interest of the remaining shareholders in whatever future profits we may earn. Under Dutch law, the number of our ordinary shares that we or our subsidiaries hold may never exceed 50% of the total number of our issued shares.

An authorization to repurchase up to 6,200,000 of our issued and outstanding ordinary shares would not necessarily mean that we will repurchase this amount over the authorization period. We may choose to repurchase fewer than all of the shares authorized or none at all, and we are seeking this authorization to have the flexibility to make repurchases if we believe doing so would be in the best interests of Cimpress and our shareholders. Our Board of Directors will analyze many factors relating to a repurchase decision, including share price relative to our anticipated future cash flows, our obligations under our equity compensation plans, our ability to use operating cash flow or debt to repurchase the shares while taking into account our debt covenants and other uses for our cash or debt capacity, general shareholder concentration, and liquidity concerns, as well as other items.

If our shareholders do not approve this proposal, then we intend to continue to make share repurchases, if any, under the previous authorization that our shareholders approved at our November 14, 2017 annual general meeting, which will expire on May 14, 2019 and pursuant to which our Management Board acting with the approval of the Supervisory Board has been authorized to repurchase shares. After the amendment to our articles of association, the November 14, 2017 repurchase authorization will be deemed to be granted to the Board of Directors acting singly.

If our shareholders do approve this proposal, then the repurchase authorization described in this proposal will replace the November 14, 2017 repurchase authorization effective immediately following the execution of the Deed of Amendment, and we will make any future share repurchases pursuant to this new authorization. If our shareholders do not approve Proposal 1 but do approve this proposal, then the authorization described in this proposal will be granted to our Management Board acting with the approval of the Supervisory Board.

Our Management Board and Supervisory Board recommend that you vote FOR the authorization of the Board of Directors to repurchase our issued and outstanding ordinary shares as described above.

PROPOSAL 12 - AUTHORIZE US TO ISSUE ORDINARY SHARES

Dutch law and our articles of association require us to seek the approval of our shareholders each time we wish to issue new shares from our authorized share capital, unless our shareholders have previously authorized the board to issue shares. This authorization may not continue for more than five years, but may be given on a rolling basis. On November 14, 2017, our shareholders authorized our Management Board, with the approval of our

Supervisory Board to issue ordinary shares, or grant rights to subscribe for ordinary shares, up to a maximum of 10% of our outstanding share capital at the time of issue or grant for general corporate purposes (including but not limited to equity compensation, acquisitions, and financings) and an additional 10% of our outstanding share capital at the time of issue or grant in connection with our acquisition of all or a majority of the equity or assets of another entity. We refer to this existing authorization as the "2017 general authorization."

In addition to and separate from the 2017 general authorization, on May 27, 2016 our shareholders authorized our Management Board, with the approval of our Supervisory Board, until May 27, 2021 to issue ordinary shares, or grant rights to subscribe for ordinary shares, pursuant to our 2016 Performance Equity Plan, up to a maximum of the number of ordinary shares issuable under that plan. We refer to this existing authorization as the "Performance Equity Plan authorization." After the amendment to our articles of association, the 2017 authorization and Performance Equity Plan authorization will be deemed to be granted to the Board of Directors acting singly.

It is common practice for Dutch companies to seek to renew the general authorization to issue shares periodically on a rolling basis, and at this annual meeting, we are asking our shareholders, separate from and in addition to the Performance Equity Plan authorization described above, to authorize our Board of Directors effective immediately following the execution of the Deed of Amendment until May 13, 2020 to issue ordinary shares, or grant rights to subscribe for ordinary shares, up to a maximum of:

- 10% of our outstanding share capital at the time of issue or grant for general corporate purposes including but not limited to equity compensation, acquisitions, and financings; and
- an additional 10% of our outstanding share capital at the time of issue or grant in connection with our acquisition of all or a majority of the equity or assets of another entity.

Although we currently issue ordinary shares from our treasury account and have no plans to issue any new ordinary shares from our authorized share capital, we are seeking this authorization to maintain our flexibility to issue, or grant rights to subscribe for, 10% of our outstanding share capital at times when we believe doing so would be in Cimpress' best interests, including for equity compensation purposes, in connection with acquisitions, financings, and other transactions, and for other general corporate purposes. In addition, because we believe that pursuing acquisitions at appropriate valuations can help us achieve our uppermost financial objective to maximize IVPS, we are also seeking authorization to issue, or grant rights to subscribe for, up to an additional 10% of our outstanding share capital in connection with the acquisition of other entities or their assets. We believe it is important to our continued growth to retain the flexibility to issue securities in a timely manner without the delay and uncertainty of obtaining specific shareholder approval for each issuance. We are seeking authorization to issue a limited number of shares for a limited time (18 months) to balance our need for flexibility to issue new shares against the potential dilution of our shareholders. Furthermore, because our ordinary shares are listed on Nasdaq, our issuance of additional shares will remain subject to Nasdaq rules, which require, among other things, shareholder approval for the issuance of shares in excess of 20% of our shares outstanding (with several exceptions).

If our shareholders do not authorize the Board of Directors pursuant to this proposal, then the 2017 general authorization would remain in place, and we could continue to issue ordinary shares pursuant to the 2017 general authorization until it expires on May 14, 2019. If our shareholders do approve this proposal, then the authorization to issue ordinary shares described in this proposal will replace the 2017 general authorization. In any case, the Performance Equity Plan authorization will remain in place whether or not our shareholders approve this new authorization at the meeting; the new authorization to issue ordinary shares described above is separate from, and does not replace, the Performance Equity Plan authorization.

If our shareholders do not approve Proposal 1 but do approve this proposal, then the authorization described in this proposal will be granted to our Management Board acting with the approval of the Supervisory Board.

Our Management Board and Supervisory Board recommend that you vote FOR the renewal of our authorization to issue ordinary shares and grant rights to subscribe for ordinary shares as described above.

PROPOSAL 13 - AUTHORIZE US TO EXCLUDE OR RESTRICT SHAREHOLDERS' PREEMPTIVE RIGHT

Under Dutch law, holders of our ordinary shares (other than our employees who receive ordinary shares under our equity compensation plans) would generally have a pro rata preemptive right of subscription with respect to any new ordinary shares we issue for cash or any grant of rights to subscribe for ordinary shares. A preemptive right of subscription is the right of our current shareholders to maintain their percentage ownership of Cimpress' shares by buying a proportional number of any new shares that Cimpress issues. However, Dutch law and our articles of association permit our shareholders to authorize the board to exclude or restrict these preemptive rights. This authorization may not continue for more than five years, but may be given on a rolling basis. We received such authorization at our last annual general meeting of shareholders on November 14, 2017, which authorization expires on May 14, 2019, and it is common practice for Dutch companies to seek to renew this authorization periodically on a rolling basis.

At the annual meeting, we are asking our shareholders to authorize our Board of Directors until May 13, 2020 to exclude or restrict preemptive rights with respect to issuances of ordinary shares or grants of rights to subscribe for ordinary shares pursuant to any authorization of our shareholders. **Preemptive rights are uncommon for public companies domiciled in the United States.** We believe that if we are not granted the authority to limit preemptive rights, our ability to raise capital through sales of our securities would be significantly affected because shareholders' exercise of their preemptive rights would cause delays in a transaction and may dissuade potential buyers of our securities from entering into a transaction with us. Any limits or waivers of preemptive rights would apply equally to all holders of our ordinary shares.

If our shareholders do not renew the Board's authority, then our previous authorization, pursuant to which our Management Board acting with the approval of the Supervisory Board has been authorized to repurchase shares, would remain in place, and we could continue to exclude or restrict preemptive rights pursuant to that authorization until it expires on May 14, 2019. After the amendment to our articles of association, this authorization will be deemed to be granted to the Board of Directors acting singly. If our shareholders do approve this proposal, then the authorization to exclude or restrict preemptive rights described in this proposal will replace the November 14, 2017 authorization.

If our shareholders do not approve Proposal 1 but do approve this proposal, then the authorization described in this proposal will be granted to our Management Board acting with the approval of the Supervisory Board.

Our Management Board and Supervisory Board recommend that you vote FOR the renewal of our authorization to exclude or restrict our shareholders' preemptive right.

PROPOSAL 14 - APPOINT OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our Audit Committee has selected PricewaterhouseCoopers LLP, or PwC, as our independent registered public accounting firm for the fiscal year ending June 30, 2019 with respect to our consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles, and we are asking our shareholders to appoint PwC as our statutory auditor of Cimpress N.V. We do not expect that PwC will attend the annual meeting or be available to answer questions.

Our Management Board and Supervisory Board recommend that you vote FOR the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending June 30, 2019.

Independent Registered Public Accounting Firm Fees and Other Matters

The following table presents the aggregate fees and expenses billed for services rendered by PwC for the fiscal years ended June 30, 2018 and June 30, 2017. The amounts reported for each fiscal year represent the fees and expenses for services rendered during the applicable fiscal year, regardless of when the fees and expenses were billed.

	Fiscal 2018	Fiscal 2017
Audit Fees(1)	$ 3,455,072	$ 2,262,500
Tax Fees(2)	546,330	668,000
All Other Fees (3)	144,000	4,000
Total Fees	$ 4,145,402	$ 2,934,500

(1) Audit fees and expenses consisted of fees and expenses billed for the audit of our consolidated financial statements, statutory audits of Cimpress N.V. and certain of our subsidiaries, quarterly reviews of our financial statements, and the audit of the effectiveness of internal control over financial reporting as promulgated by Section 404 of the U.S. Sarbanes-Oxley Act.

(2) Tax fees and expenses consisted of fees and expenses for tax compliance (including tax return preparation), tax advice, tax planning and consultation services. Tax compliance services (assistance with tax returns, tax audits and appeals) accounted for $175,000 of the total tax fees billed in fiscal 2018 and $116,000 of the total tax fees billed in fiscal 2017.

(3) $4,000 of this amount for fiscal year 2018 and all of this amount for fiscal year 2017 represent subscription fees for PwC's accounting research tool. The remaining $140,000 for fiscal year 2018 represents fees for global mobility immigration services.

Audit Committee’s Pre-approval Policy and Procedures

Our Audit Committee has adopted policies and procedures for the pre-approval of audit and non-audit services for the purpose of maintaining the independence of our registered public accounting firm. We may not engage the independent registered public accounting firm to render any audit or non-audit service unless either the service is approved in advance by the Audit Committee or the engagement to render the service is entered into pursuant to the Audit Committee’s pre-approval policies and procedures. From time to time, the Audit Committee pre-approves services that are expected to be provided to Cimpress by the independent registered public accounting firm during the following 12 months. Any such pre-approval is detailed as to the particular service or type of services to be provided and is also subject to a maximum dollar amount. At regularly scheduled meetings of the Audit Committee, management or the independent registered public accounting firm report to the Audit Committee regarding services actually provided to Cimpress.

During our fiscal year ended June 30, 2018, PwC did not provide any services to Cimpress other than in accordance with the pre-approval policies and procedures described above.

PROPOSAL 15 - APPROVE A REMUNERATION POLICY FOR OUR BOARD OF DIRECTORS

Under our current two-tier board structure, we have a remuneration policy that applies to our Management Board, as required by Dutch law. Our current remuneration policy for our Management Board was adopted by our shareholders on August 28, 2009 and was most recently amended by our shareholders on May 27, 2016. Under Dutch law, the remuneration policy for the Management Board does not apply to the Supervisory Board, whose compensation is determined by our shareholders; our shareholders most recently approved the compensation package for our Supervisory Board on November 15, 2016,

Under a single-tier board structure, the remuneration policy that currently applies to our Management Board will apply to both the executive directors and non-executive directors of the Board of Directors, and the Board of Directors will determine the compensation of the executive and non-executive directors in accordance with the remuneration policy. Accordingly, as we move to a single-tier board structure, our current remuneration policy needs to be updated.

We are proposing a revised remuneration policy with high-level guidelines for the compensation of executive directors and non-executive directors. Under this remuneration policy, the compensation of executive directors may include some or all of base salary, annual or special-purpose incentives, and/or long-term incentives, including equity awards such as PSUs, as well as benefits such as deferred compensation, retirement benefits, medical insurance, perquisites, and severance and change in control benefits. The compensation of non-executive directors may include fees for serving on the board and committees and/or attending meetings, equity awards such as PSUs, and other compensation elements similar to those awarded to executive directors. The proposed remuneration policy does not mandate any specific form or amount of payment, or any formula for determining the payment, for members of our Board of Directors. When revising the remuneration policy, we took into account the elements set out in best practice provision 3.1.2 of the Dutch Corporate Governance Code.

The only substantive difference between our current remuneration policy for the Management Board approved by our shareholders in 2016 and the proposed revised remuneration policy for the Board of Directors is that the revised policy includes compensation guidelines for non-employee, non-executive directors on our Board of Directors, while the current policy applies only to executives. The revised policy lists the same compensation elements for executive directors as the current policy does, and like the current policy, the revised policy prohibits personal loans to Board members and permits guarantees and advances to Board members only to the extent permitted by applicable law and only in the ordinary course of business. We plan to continue to compensate Robert Keane, our nominee for executive director, in accordance with the compensation program described in the Compensation Discussion and Analysis section of this proxy statement, and at this time, we do not intend to make any changes to his compensation pursuant to the proposed remuneration policy.

This proposal is conditional on the amendment to our articles of association. If our shareholders do not approve Proposal 1, then our current remuneration policy will remain in place and will continue to apply only to our Management Board, and the revisions described in this proposal will not be made.

The above summary of the remuneration policy for our Board of Directors is qualified in its entirety by reference to the full copy of the policy attached as Appendix B to the electronic copy of this proxy statement filed with the SEC. You may access the revised remuneration policy by viewing our proxy statement on the SEC's web site at *www.sec.gov*, or you may obtain a copy by sending a written request to Cimpress N.V., c/o Cimpress USA Incorporated, Attention: Investor Relations, 275 Wyman Street, Waltham, MA 02451, USA.

The Management Board and Supervisory Board recommend that you vote FOR the remuneration policy for our Board of Directors.

PROPOSAL 16 - APPROVE THE GRANT OF ORDINARY SHARE AWARDS

In Proposals 2 through 6 above, we are asking our shareholders to appoint a slate of five candidates to serve as directors on the newly constituted Board of Directors, and four members of our current Supervisory Board will not join the Board of Directors: Richard Riley, Mark Thomas, Nadia Shouraboura, and Paolo De Cesare. We believe that reducing from two boards comprising eleven members to a single board comprising five directors will further the progress we have made over the past several years to be more effective and efficient and that a leaner board will be better for our stakeholders, including long-term share and debt holders, because it will engender more frequent, direct and full debate about important topics and maintain strong representation from long-term shareholders.

Each of our departing Supervisory Board members has played an important role in guiding Cimpress through successes and challenges over the years. Accordingly, we propose to grant 1,500 Cimpress ordinary shares to each departing Supervisory Board member, for a total of 6,000 ordinary shares, as severance in recognition of the unusual nature of the anticipated changes. The departing directors would not pay any amount for the shares but would be prohibited from selling any of the shares for three years from grant. This severance compensation is intended to have a value approximately equal to one year of compensation that the departing directors would have received if we had continued with our prior board structure. Under Dutch law, our shareholders determine the compensation of the Supervisory Board, including compensation that is payable upon the termination of service. This is a one-time award for the four named directors who were not nominated for appointment to the Board of Directors.

All of our Supervisory Board members hold PSU awards that were granted to them in prior years. The appointment of four of our current Supervisory Board members to the new Board of Directors will have no effect on those directors' PSU awards; under their PSU agreements, service on the Board of Directors "counts" as board service for purposes of the service-based vesting condition, and 25% of the PSUs subject to each award will continue to vest each year in accordance with the terms of the PSU agreements. For the departing Supervisory Board members, we accelerated (1) the service-based vesting of the tranche of PSUs that would have vested on November 14, 2018 (one day after the annual meeting) if they had remained on the board and (2) the vesting of the tranche of share options that would have vested on November 17, 2018 (four days after the annual meeting) if they had remained on the board, but the remaining tranches of equity awards that would have vested on future dates had the departing directors remained on the board will be canceled on the date that the amendment to our articles of association becomes effective.

We currently have no plans to grant any severance compensation to non-executive directors who leave the Board in the future.

The Management Board and Supervisory Board recommend that you vote FOR the grant of ordinary share awards as severance to the departing members of our Supervisory Board.

PROPOSAL 17 - AMEND OUR 2016 PERFORMANCE EQUITY PLAN

We originally put our 2016 Performance Equity Plan in place within a strategic and organizational context in which we believed the best way to build value in Cimpress was via significant centralization. However, starting in early 2017, we moved to our current structure of decentralized, autonomous businesses, and we are now seeking more flexibility for the long-term incentive compensation we can grant to team members other than our Chief Executive Officer and Board. Given highly competitive markets for talent, we want to align more closely with the time frames other companies use for their long-term incentives, while still maintaining what we consider to be a suitable multi-year performance threshold. Accordingly, we are proposing the following changes to our 2016 Performance Equity Plan, which we refer to in this proposal as the 2016 Plan:

- We do not expect to use the 8.0 million shares that are currently authorized under the 2016 Plan, so we would reduce the number of authorized shares under the 2016 Plan to 6.0 million shares.
- The detailed table in the 2016 Plan mandating the number of shares issuable for each PSU based on the levels of 3YMA CAGR performance would continue to apply to PSU awards granted to our Chief Executive Officer and members of our Board, but would no longer apply to other Cimpress employees. Our Board would have discretion to determine the measurement dates, 3YMA CAGR performance goals, and payout ratios for PSU awards granted to our team members other than our Chief Executive Officer and members of our Board. This change would apply only to future PSU awards, not to awards that we previously granted.

A redlined version of the 2016 Plan showing the proposed chages is attached as Appendix C to the electronic copy of this proxy statement filed with the SEC. You may access the 2016 Plan by viewing our proxy statement on the SEC's web site at *www.sec.gov*, or you may obtain a copy by sending a written request to Cimpress N.V., c/o Cimpress USA Incorporated, Attention: Investor Relations, 275 Wyman Street, Waltham, MA 02451, USA.

If our shareholders do not approve the proposed amendment to our 2016 Plan, then the current version of the 2016 Plan would remain in place, and we would continue to grant PSU awards in accordance with the 2016 Plan.

Description of our 2016 Plan, as amended

The following summary of the 2016 Plan, as amended as described in this proposal, is qualified in its entirety by reference to the full copy of the amended 2016 Plan attached as Appendix C to the electronic copy of this proxy statement filed with the SEC. For purposes of this summary, when we refer to our Board, we mean our Supervisory Board, our Management Board, or our Board of Directors, as applicable or permitted by applicable law in any particular instance.

Type and Terms of Awards

The 2016 Plan provides for the grant of performance-based share units, or PSUs, where each unit represents a right to receive between 0 and 2.5 ordinary shares of Cimpress N.V. upon the satisfaction of both service-based vesting over time and performance conditions relating to the 3YMA CAGR. We refer to the issuance of Cimpress ordinary shares pursuant to a PSU upon satisfaction of both conditions as the Performance Dependent Issuance.

First condition to a Performance Dependent Issuance: Service-based Vesting
PSUs granted to employees generally vest no faster than 25% per year over four years so long as the employee remains employed by Cimpress. However, service-based vesting is not sufficient for payout; PSU service-based vesting events are the dates after which the participant gains the future right to a

Performance Dependent Issuance with respect to their then-vested PSUs, subject to achievement of the relevant performance conditions.

If a participant resigns or is terminated other than for cause, they would retain all PSUs that have satisfied the service-based vesting condition as of their resignation or termination date. If Cimpress achieves the performance goals described in the participant's award agreement, the former participant would receive Cimpress ordinary shares upon settlement of the PSUs, even though they no longer have an employment, director, or other service relationship with Cimpress.

Second condition to a Performance Dependent Issuance: 3YMA Performance
For each PSU award, we calculate a baseline 3YMA as of a specified date at the time of grant for two purposes: to establish the number of units to be granted and to establish the baseline for future performance measurement. For each PSU award granted to a Cimpress employee other than Robert Keane or a member of the Board, the Board would determine at the time of grant the dates for measuring the 3YMA, the CAGR performance goals, and the performance-based multiplier for each CAGR performance goal. At each of the measurement dates, we will calculate the 3YMA as of such date and the CAGR relative to the baseline 3YMA. On the first such measurement date that the 3YMA equals or exceeds the CAGR performance goal applicable to that award, the 3YMA performance condition would be satisfied, and we would issue to the participant the number of Cimpress ordinary shares determined by multiplying the number of PSUs subject to the award by the applicable performance-based multiplier.

If none of the CAGR performance goals is achieved by the final measurement date, then the PSU award would be terminated and no Cimpress ordinary shares would be issued with respect to the award.

For PSU awards granted to Robert Keane or members of the Board, the measurement dates shall be the sixth through tenth anniversaries of the baseline measurement date determined at the time of grant, and the performance goals and performance-based multipliers are as follows:

PERFORMANCE TABLE APPLICABLE TO
ROBERT KEANE AND THE BOARD
Applies to the 6th-10th anniversaries of the Baseline Measurement Date or to a Change in Control

3YMA CAGR	Multiplier to the number of PSUs subject to the award
11 to 11.99%	125.0%
12 to 12.99%	137.5%
13 to 13.99%	150.0%
14 to 14.99%	162.5%
15 to 15.99%	175.0%
16 to 16.99%	187.5%
17 to 17.99%	200.0%
18 to 18.99%	212.5%
19 to 19.99%	225.0%
20% to 25.8925%	250.0%
Above 25.8925%	Variable Cap (defined below)

The 2016 Plan limits the 3YMA value of the share issuance (defined as the number of Cimpress ordinary shares to be issued multiplied by the 3YMA at the measurement date on which the Performance Dependent Issuance is triggered) to a maximum of ten times the 3YMA grant value of the PSU award (defined as the number of PSUs granted multiplied by the baseline 3YMA used for the initial grant). Therefore, in cases of a 3YMA CAGR above 25.8925%, a "Variable Cap," which is less than 250.0%, will be applied in order to achieve the fixed ten times maximum 3YMA value of the share issuance. The actual closing price of the Cimpress shares issued upon the Performance Dependent Issuance may be higher or lower than the 3YMA used to calculate the number of shares issued at such time.

PSU award holders are not entitled to voting rights with respect to their PSUs or to receive dividends or other distributions to shareholders with respect to their PSUs. Each PSU award will be evidenced in such form (written, electronic or otherwise) as the Board determines, and each PSU award may contain terms and conditions in addition to those set forth in the 2016 Plan.

Authorized Number of Ordinary Shares and Share Counting

Subject to adjustment in the event of stock splits, stock dividends and other similar events, we may make awards under the 2016 Plan for up to 6,000,000 of our ordinary shares. If a PSU award terminates, expires, or is canceled, or otherwise results in ordinary shares not being issued, the unused shares covered by the PSU award are returned to the 2016 Plan and become available for the grant of future awards under the 2016 Plan. However, we will not add back to the number of ordinary shares available for the grant of awards under the 2016 Plan any ordinary shares that a participant in the plan delivers to Cimpress to satisfy tax withholding obligations, including shares retained from the award creating the tax obligation. Ordinary shares issued under the 2016 Plan may consist in whole or in part of authorized but unissued shares or treasury shares. If the Board determines that a PSU is to be settled by the issuance of authorized but unissued shares, then the Board may decide that the shares so issued will be charged at the expense of Cimpress' freely distributable reserves.

Subject to adjustment in the event of stock splits, stock dividends and other similar events, the maximum number of ordinary shares with respect which to we may grant awards to any participant under the 2016 Plan is 3,000,000 shares per fiscal year.

Section 162(m) of the U.S. Internal Revenue Code

We may grant PSU awards under the 2016 Plan that are subject to the achievement of specified performance goals designed to qualify for deduction under Section 162(m) of the U.S. Internal Revenue Code of 1986, as amended, or the Internal Revenue Code. Only our Board may make grants of performance awards to “covered employees” as defined under Section 162(m), or if our Board contains any directors who are not outside directors as defined by Section 162(m), then a committee of our Board solely composed of at least two outside directors may make grants of performance awards of covered employees. The performance criteria for each performance award will be based on share price in accordance with the terms described in more detail above.

With respect to any award that is intended to qualify as performance-based compensation under Section 162(m), the Board or a committee thereof may adjust downwards, but not upwards, the number of shares payable pursuant to the award, and the Board or committee may not waive the achievement of the applicable performance measures except in the case of the death or disability of the participant or a change in control of Cimpress, as defined in the 2016 Plan.

Eligibility to Receive Awards

Employees, officers, directors (including members of the Board), consultants, and advisors of Cimpress and its subsidiaries and of other business ventures in which Cimpress has a controlling interest are eligible to be granted awards under the 2016 Plan. However, an individual’s eligibility to receive an award under the 2016 Plan does not mean that they will receive an award in any given fiscal year, or at all.

As of June 30, 2018, approximately 1,900 people were eligible to receive awards under the 2016 Plan, including our executive officers and the non-employee directors who serve on our Board. The granting of awards under the 2016 Plan is discretionary, and we cannot now determine the number or type of awards to be granted in the future to any particular person or group.

Transferability of Awards

Except as the Board may otherwise determine in its sole discretion but in compliance with all then-applicable laws and regulations, including without limitation Section 409A of the Internal Revenue Code, a person who is granted an award under the 2016 Plan may not sell, assign, transfer, pledge or otherwise encumber such award, either voluntarily or by operation of law, except by will, the laws of descent and distribution, or pursuant to a qualified domestic relations order.

Administration of the 2016 Plan

The Board administers the 2016 Plan, has the authority to grant awards and adopt, amend and repeal such administrative rules, guidelines and practices relating to the plan as it deems advisable, and takes all actions and makes all decisions with respect to the 2016 Plan and any awards in its discretion. The Board may delegate its powers under the 2016 Plan to one or more committees or subcommittees of the Board, and the Board may also delegate to one or more of our officers the power to grant awards to persons eligible to receive awards under the 2016 Plan and to exercise such other powers under the 2016 Plan as the Board may determine, in each case subject to applicable law and the limitations in the 2016 Plan.

Subject to the terms of the 2016 Plan, our Board, or any committee, employee, or officer to whom our Board delegates authority, as the case may be, selects the recipients of awards, the dates upon which such awards become issuable or otherwise vest, and the terms and conditions of such awards. The terms of each award need not be identical, and our Board need not treat participants uniformly.

Adjustments for Changes in our Ordinary Shares and Certain Other Events

We are required to make appropriate and proportionate adjustments, in the manner determined by our Board, to the following to reflect stock splits, stock dividends, recapitalizations, spin-offs and other similar changes in our capitalization: (i) the number and class of securities available under the 2016 Plan, (ii) the ordinary share counting rules and sublimit set forth in the 2016 Plan, (iii) the number and class of securities subject to each outstanding award, and (iv) the performance measures to which outstanding awards are subject. Except as specifically provided otherwise in an award agreement, for any merger, consolidation, share exchange, reincorporation, or other similar transaction that is not a change in control (as defined in the 2016 Plan), the acquiring or succeeding corporation will assume all awards or substitute substantially equivalent awards.

Amendment and Termination

We may not grant any awards under the 2016 Plan after May 27, 2026, which is 10 years from the date on which shareholders originally approved the plan, but previously granted awards may extend beyond that date. The Board may amend, suspend, or terminate the 2016 Plan or any portion thereof at any time, subject to shareholder approval of certain amendments. Specifically, we must obtain the approval of our shareholders for any amendment to the 2016 Plan to the extent required by Section 162(m) of the Internal Revenue Code for amendments that will affect awards that are intended to comply with Section 162(m) or if required under the rules of the Nasdaq Stock Market.

Change in Control

A change in control, as defined in the 2016 Plan, will trigger a Performance Dependent Issuance. Upon such a change in control, the PSUs that have satisfied the applicable service-based vesting conditions will be settled for Cimpress ordinary shares determined per the table immediately below setting forth the performance-based multipliers to the number of PSUs in each award, except for PSUs held by Robert Keane and members of the Board, for which the table above will apply instead of the table below. The date of the change in control will become the measurement date for each award, even if the change in control occurs earlier than the first measurement date in the applicable award agreement, and the actual price paid per share to holders of Cimpress' ordinary shares in connection with the change in control, as reasonably determined by the Board (not the 3YMA at the date of the change in control), will be used to calculate the CAGR as of the date of the change in control relative to the baseline 3YMA for each PSU award. The percentage of the PSUs that has not satisfied the applicable service-based vesting conditions as of the change in control will be canceled in connection with the change in control in exchange for no consideration, and the participant will have no further rights with respect thereto.

PERFORMANCE TABLE APPLICABLE TO
CHANGE IN CONTROL
(Does not apply to Robert Keane or members of the Board)

CAGR as of the Measurement Date	Multiplier to the number of PSUs subject to the Award
Less than 7%	0%
7 to 7.99%	75.0%
8 to 8.99%	87.5%
9 to 9.99%	100.0%
10 to 10.99%	112.5%
11 to 11.99%	125.0%
12 to 12.99%	137.5%
13 to 13.99%	150.0%
14 to 14.99%	162.5%
15 to 15.99%	175.0%
16 to 16.99%	187.5%
17 to 17.99%	200.0%
18 to 18.99%	212.5%
19 to 19.99%	225.0%
20% to 25.8925%	250.0%
25.8925% or above	Variable Cap (as defined above)

Our Management Board and Supervisory Board recommend that you vote FOR the amendment of our 2016 Performance Equity Plan.

OTHER MATTERS

Our Management Board and Supervisory Board do not know of any other matters that may come before the annual meeting. However, if any other matters are properly presented to the annual meeting, then, to the extent permitted by applicable law, the persons named as proxies may vote, or otherwise act, in accordance with their judgment on such matters.

CORPORATE GOVERNANCE

Board Structure

We currently have a two-tier board structure consisting of a Supervisory Board and a separate Management Board. The Supervisory Board consists of our independent, non-employee directors, and the Management Board consists of members of our senior management team. The principal responsibility of the Supervisory Board is to oversee the Management Board and its management of Cimpress and, in so doing, serve the best interests of Cimpress and its stakeholders. The principal responsibility of the Management Board is to manage Cimpress' operations, business, and strategy. Each of our Supervisory Board and Management Board has its own chairman. The Chairman of our Supervisory Board is Mr. Riley, an independent, non-employee director, and the Chairman of our Management Board is Mr. Keane, who is also our Founder, President, and Chief Executive Officer.

At this annual meeting, we are asking our shareholders to approve an amendment and restatement of our articles of association to move to a single-tier board structure consisting of a Board of Directors, as described in Proposal 1 of this proxy statement. This Corporate Governance section describes our two-tier board structure in accordance with our current articles of association and does not reflect any of the changes we anticipate making if shareholders approve the proposed amendment and restatement of our articles.

Governance Guidelines

We believe that good corporate governance is important to ensure that Cimpress is managed for the long-term benefit of our stakeholders, including but not limited to our shareholders. The Management Board and Supervisory Board adopted Rules to assist each Board in the exercise of its duties and responsibilities and to serve the best interests of Cimpress and our stakeholders. The Rules for each Board provide a framework for the conduct of each Board's business.

Among other things, the Rules for the Supervisory Board provide as follows:

- A majority of the members of the Supervisory Board must be independent directors, except as permitted by Nasdaq rules.
- The Supervisory Board must meet at least twice a year in executive session.
- The Supervisory Board has full and free access to management and employees and, as necessary and appropriate, the authority to hire and consult with independent advisors.
- All members of the Supervisory Board are expected to participate in continuing director education on an ongoing basis.
- At least annually the Nominating and Corporate Governance Committee is required to oversee a self-evaluation of the Supervisory Board to determine whether the Supervisory Board and its committees are functioning effectively. Every other year the committee engages an outside advisor to interview confidentially each of the members of our Supervisory Board and to conduct a comprehensive Supervisory Board self-evaluation to assess the effectiveness of our Supervisory Board and committees. The Supervisory Board then meets with the outside advisor to review and discuss the evaluation results and any actions to be taken as a result of the discussion. The evaluation aims to (1) find opportunities where our Supervisory Board and committees can improve their performance and effectiveness, (2) assess any need to evolve the composition and expertise of our Supervisory Board, and (3) assure that our Supervisory Board and committees are operating in accordance with our Rules for the Supervisory Board and committee charters.

Among other things, the Rules for the Management Board provide as follows:

- The Management Board is responsible for managing Cimpress, including implementing Cimpress' goals and strategy, managing risks, operating the business on a day-to-day basis, and addressing corporate social responsibility issues that are relevant to the enterprise.
- The Management Board is responsible for determining that effective systems are in place for the periodic and timely reporting to the Supervisory Board on important matters concerning Cimpress and its subsidiaries.

- At least annually the Supervisory Board is required to conduct an evaluation of the Management Board to determine whether the Management Board is functioning effectively.

You can find our Rules for the Supervisory Board, our Rules for the Management Board, our Code of Business Conduct, our current articles of association, and the current charters for our Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee on the Corporate Governance Page in the Investor Relations section of *www.cimpress.com*, or you can request copies of these documents by emailing us at ir@cimpress.com or writing to Investor Relations, c/o Cimpress USA Incorporated, 275 Wyman Street, Waltham, MA 02451 USA.

In addition, the Dutch Corporate Governance Code, or Dutch Code, applies to Cimpress. The Dutch Code emphasizes the principles of integrity, transparency, and accountability as the primary means of achieving good corporate governance. The Dutch Code includes certain principles of good corporate governance, supported by "best practice" provisions, and our Management Board and Supervisory Board agree with the fundamental principles of the Dutch Code. However, as a company whose ordinary shares are traded on Nasdaq, we are also subject to the corporate governance rules of the Nasdaq Stock Market and U.S. securities laws, and we may also choose to follow certain market practices that are common for Nasdaq-traded companies. Some of the U.S. corporate governance rules and market practices that we are required to or choose to follow conflict, in whole or in part, with the best practice provisions of the Dutch Code. As a result, we do not apply some of the Dutch best practice provisions. In accordance with the Dutch Code's compliance principle of "apply or explain," which permits Dutch companies to be fully compliant with the Dutch Code either by applying the Dutch best practices or by explaining why the company has chosen not to apply certain of the best practices, we are disclosing in our Dutch annual report that accompanies our Annual Accounts to what extent we do not apply provisions of the Dutch Code, together with the reasons for those deviations.

Code of Business Conduct

We have adopted a written code of business conduct that applies to our Supervisory Board, officers, and employees, a current copy of which is posted on the Corporate Governance Page of *ir.cimpress.com*. In addition, we intend to post on our website all disclosures that are required by law or Nasdaq stock market listing standards concerning any amendments to, or waivers from, any provision of the code.

Determination of Independence

Under Nasdaq rules, members of our Supervisory Board qualify as "independent directors" only if, in the opinion of our Supervisory Board, they do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Supervisory Board has determined that none of its members has a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that all of its members are "independent directors" as defined under Nasdaq's Marketplace Rules.

In addition, all members of our Supervisory Board satisfy the criteria for independence under the Dutch Code, other than Scott Vassalluzzo, who is a Managing Member of a Cimpress shareholder that holds more than 10% of our outstanding shares.

Oversight of Risk

Our Supervisory Board has responsibility for risk oversight, and the full Board or its relevant committees regularly conduct reviews of certain risk areas. The oversight responsibility of the Supervisory Board and its committees is enabled by our internal risk management processes, including but not limited to our Enterprise Risk Management (ERM) program, which conducts company-wide risk assessments to identify our most important enterprise risks, develops mitigation strategies, standards, and tools, and monitors the implementation of risk mitigation activities by all of our businesses. Our Audit Committee oversees the ERM program, and areas of ERM focus for fiscal years 2018 and 2019 include cybersecurity, data privacy, supply chain ethics and product safety, fraud and corruption, and control environment in a decentralized structure.

In addition, based on an internal risk assessment, we believe that any risks arising from our compensation programs for our employees are not reasonably likely to have a material adverse effect on Cimpress.

Proxy Statement

Board Nomination Process

The process that our Nominating and Corporate Governance Committee follows to identify and evaluate candidates for members of our Supervisory Board includes requests to its members and others for recommendations, meetings from time to time to evaluate biographical information and background material relating to potential candidates, and interviews of selected candidates by members of the Committee and the Supervisory Board.

In considering whether to recommend any particular candidate for inclusion in the Supervisory Board’s slate of nominees, the Nominating and Corporate Governance Committee applies, among other things, the criteria for Supervisory Board members set forth as an attachment to the Rules for the Supervisory Board. These criteria include among others the candidate’s integrity, business acumen, knowledge of our business and industry, experience, diligence, absence of any conflicts of interest, and ability to act in the interests of all of Cimpress' stakeholders. In addition, the Rules for the Supervisory Board specify that nominees shall not be discriminated against on the basis of race, religion, national origin, sex, sexual orientation, disability, or any other basis proscribed by law and that the Nominating and Corporate Governance Committee and Supervisory Board should consider the value of diversity on the Supervisory Board. The Committee does not assign specific weights to particular criteria, and no particular criterion other than integrity and good character is a prerequisite for each prospective nominee.

We believe that the backgrounds and qualifications of the members of our Supervisory Board, considered as a group, should provide a composite mix of experience, knowledge and abilities that will allow the Supervisory Board to fulfill its responsibilities. Accordingly, the Nominating and Corporate Governance Committee seeks nominees with a broad diversity of experience, professions, skills and backgrounds.

Shareholders may recommend individuals to the Nominating and Corporate Governance Committee for consideration as potential candidates for the Supervisory Board by submitting their names, together with appropriate biographical information and background materials and a statement as to whether the shareholder or group of shareholders making the recommendation has beneficially owned more than 5% of our ordinary shares for at least a year as of the date such recommendation is made, to Nominating and Corporate Governance Committee, c/o General Counsel, Cimpress USA Incorporated, 275 Wyman Street, Waltham, MA 02451 USA. If appropriate biographical and background material has been provided on a timely basis, the Nominating and Corporate Governance Committee will evaluate shareholder-recommended candidates by following substantially the same process, and applying substantially the same criteria, as it follows for candidates submitted by others.

If the Supervisory Board does not submit a binding nomination for a Supervisory Board position, then the shareholders represented at the general meeting may select a nominee. The shareholders may appoint such a nominee as a member of the Supervisory Board by the vote of at least two thirds of the votes cast at the meeting representing more than half of our share capital.

Supervisory Board Meetings and Committees

During our fiscal year ended June 30, 2018, our Supervisory Board met four times, and each of the members of our Supervisory Board attended at least 83% of the total number of meetings of the Supervisory Board and the committees of which such director was a member during the period of time he or she served on such committee. In addition, it is our policy that one or more of the members of our Supervisory Board should attend annual general meetings of shareholders to the extent practicable. All of our supervisory directors attended our 2017 annual general meeting of shareholders.

The Supervisory Board has standing Audit, Compensation, and Nominating and Corporate Governance Committees. Each committee has a charter that has been approved by the Supervisory Board, and each committee must review the appropriateness of its charter at least annually. All members of all committees are non-employee directors, and the Supervisory Board has determined that all of the members of our three standing committees are independent as defined under Nasdaq's Marketplace Rules.

Audit Committee

The current members of our Audit Committee are Messrs. Gavin (Chair), Riley, and Thomas. Our Supervisory Board has determined that Mr. Gavin qualifies as an “audit committee financial expert” under SEC rules, and all three Audit Committee members meet the SEC's independence criteria for audit committee members. The Audit Committee met seven times during fiscal year 2018. The Audit Committee's responsibilities include:

- retaining our independent registered public accounting firm, subject to shareholder ratification and approval;
- approving the compensation of, and assessing (or recommending that the Supervisory Board assess) the independence of, our registered public accounting firm;
- overseeing the work of our independent registered public accounting firm, including the receipt and consideration of certain reports from the firm;
- coordinating the Supervisory Board's oversight of our internal control over financial reporting and disclosure controls and procedures;
- overseeing our internal audit function;
- establishing procedures for the receipt, retention, and treatment of accounting-related complaints and concerns;
- reviewing and approving any related person transactions;
- meeting independently with our independent registered public accounting firm and management; and
- preparing the Audit Committee report included in this proxy statement.

Compensation Committee

The current members of the Compensation Committee are Messrs. Vassalluzzo (Chair), Riley, and Thomas, and all three Compensation Committee members meet Nasdaq's independence criteria for compensation committee members. The Compensation Committee met twice during fiscal year 2018. The Compensation Committee's responsibilities include:

- reviewing and approving, or making recommendations to the Supervisory Board with respect to, the compensation of our Chief Executive Officer and our other executive officers;
- overseeing and administering our cash and equity incentive plans;
- reviewing and making recommendations to the Supervisory Board with respect to Supervisory Board compensation;
- reviewing and discussing with management the Compensation Discussion and Analysis section of the proxy statement and considering whether to recommend to the Supervisory Board that the Compensation Discussion and Analysis be included in the proxy statement; and
- preparing the Compensation Committee report included in this proxy statement.

Nominating and Corporate Governance Committee

The current members of the Nominating and Corporate Governance Committee are Messrs. Thomas (Chair) and De Cesare, Ms. Gasperment and Dr. Shouraboura. The Nominating and Corporate Governance Committee met twice during fiscal year 2018. The responsibilities of the Nominating and Corporate Governance Committee include:

- identifying individuals qualified to become Supervisory Board members;
- recommending to the Supervisory Board the persons to be nominated for appointment as members of the Supervisory Board and the Management Board and to each of the Supervisory Board's committees;
- overseeing an annual evaluation of the Supervisory Board, the Management Board and all committees of the Supervisory Board to determine whether each is functioning effectively;

- overseeing succession planning for the Supervisory Board; and
- reviewing and assessing the adequacy of the Rules of the Supervisory Board and of the Management Board.

Report of the Audit Committee

The Audit Committee has reviewed Cimpress' audited consolidated financial statements for the fiscal year ended June 30, 2018 and has discussed these financial statements with Cimpress' management and PricewaterhouseCoopers LLP, our independent registered public accounting firm for fiscal year 2018.

The Audit Committee has also received from, and discussed with, PwC various communications that PwC is required to provide to the Audit Committee, including the matters required to be discussed by AS 1301, Communications with Audit Committees, as adopted by the Public Company Accounting Oversight Board, or PCAOB, and in effect for Cimpress' fiscal year 2018.

PwC also provided the Audit Committee with the written disclosures and the letter required by PCAOB Rule 3526 (Communicating with Audit Committees Concerning Independence), as modified or supplemented. The Audit Committee has discussed with the independent registered public accounting firm its independence from Cimpress. The Audit Committee also considered whether the provision of other, non-audit related services referred to under the heading “Independent Registered Public Accounting Firm Fees and Other Matters” under Proposal 14 is compatible with maintaining the independence of our registered public accounting firm.

Based on its discussions with, and its review of the representations and information provided by, management and PwC, the Audit Committee recommended to the Supervisory Board that the audited financial statements be included in Cimpress' Annual Report on Form 10-K for the fiscal year ended June 30, 2018.

This Audit Committee Report is not incorporated by reference into any of our previous or future filings with the SEC, unless any such filing explicitly incorporates this Report.

Audit Committee of the Supervisory Board
John J. Gavin, Jr., *Chairman*
Richard T. Riley
Mark T. Thomas

Certain Relationships and Related Transactions

Policies and Procedures for Related Person Transactions

We have a written related person transaction policy that sets forth the policies and procedures for the review and approval or ratification of related person transactions. This policy covers any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships in which we are a participant, the amount involved exceeds $25,000, and a related person has a direct or indirect material interest, including, without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness, and employment by us of a related person. A related person is any person who is or was a Cimpress executive officer or member of our Management Board or Supervisory Board at any time since the beginning of our most recently completed fiscal year, the beneficial holder of more than 5% of any class of our voting securities, or an immediate family member of anyone described in this sentence.

All potential related person transactions that we propose to enter into must be reported to our Chief Legal Officer (CLO, who is currently our General Counsel) or Chief Accounting Officer (CAO, who is currently our Chief Financial Officer), who will determine whether each reported transaction qualifies as a related person transaction. If so, then the CLO and CAO will submit the transaction for review and approval by our Audit Committee. If our CLO and CAO determine that advance approval of a related person transaction by the full Audit Committee is not practicable under the circumstances, then they will submit the transaction to the Audit Committee chair for review and approval, and the full Audit Committee will review and ratify the related person transaction at the next Committee meeting.

In addition, the Audit Committee will review annually any previously approved or otherwise already existing related person transaction that is ongoing in nature to ensure that such related person transaction has been conducted in accordance with the Audit Committee's previous approval, if any, and that all required disclosures regarding the related person transaction are made.

When considering a proposed related person transaction, the Audit Committee will review and consider, to the extent appropriate for the circumstances:

- the related person's interest in the related person transaction;
- the approximate dollar value of the amount involved in the related person transaction;
- the approximate dollar value of the amount of the related person's interest in the transaction without regard to the amount of any profit or loss;
- whether the transaction was undertaken in the ordinary course of business;
- whether the transaction with the related person is entered into on terms no less favorable to us than terms that could have been reached with an unrelated third party;
- the purpose of, and the potential benefits to us of, the transaction; and
- any other information regarding the related person transaction or the related person that would be material to investors in light of the circumstances of the particular transaction.

The Audit Committee will review all relevant information available to it about the related person transaction. The Audit Committee may approve or ratify the related person transaction only if the Committee determines that, under all of the circumstances, the transaction is in or is not inconsistent with our best interests. The Committee may, in its sole discretion, impose conditions as it deems appropriate on us or the related person in connection with approval of the related person transaction.

In addition, under Dutch law, any member of our Supervisory Board or Management Board who has a conflict of interest is required to disclose that conflict to the Chairman of the Supervisory Board and to abstain from voting on any resolution involving, or participating in any board discussion of, the conflict.

Related Person Transaction

During fiscal year 2018, there was one related person transaction, as defined under SEC rules: Katryn Blake's brother-in-law has been an employee of Cimpress since 2007, and he received compensation of $190,836 for fiscal year 2018. The Audit Committee has reviewed this relationship and concluded that it is consistent with our best interests and does not constitute a conflict of interest.

Compensation Committee Interlocks and Insider Participation

During fiscal year 2018, Messrs. Olsen, Riley, Thomas, and Vassalluzzo served at various times as members of our Compensation Committee. None of these members of our Compensation Committee has ever been an officer or employee of Cimpress or any of our subsidiaries, and during fiscal year 2018, no Compensation Committee member had any relationship with us requiring disclosure under SEC rules.

During fiscal year 2018, none of our executive officers served as a member of the board of directors or compensation committee (or other committee serving an equivalent function) of any entity that had one or more executive officers serving as a member of our Supervisory Board or Compensation Committee.

Communicating with the Board

Our Board will give appropriate attention to written communications that are submitted by shareholders, and will respond if and as appropriate. The chair of the Nominating and Corporate Governance Committee, with the assistance of Cimpress' General Counsel, is primarily responsible for monitoring communications from shareholders and for providing copies or summaries to the other directors as its members consider appropriate.

The chair of the Nominating and Corporate Governance Committee will forward communications to the full Board if the communications relate to substantive matters and include suggestions or comments that he considers to be important for the directors to know. In general, the chair is more likely to forward communications relating to corporate governance and corporate strategy than communications relating to ordinary business affairs, personal grievances, and matters as to which Cimpress may receive repetitive or duplicative communications.

Shareholders who wish to send communications on any topic to our Board should address such communications to:

Board of Directors
c/o Corporate Secretary, Cimpress N.V.
275 Wyman Street
Waltham, MA 02451
USA

COMPENSATION OF SUPERVISORY BOARD MEMBERS

We use a combination of cash and share-based incentive compensation to attract and retain qualified candidates to serve on our Supervisory Board. When considering the compensation of our Supervisory Board, our Compensation Committee considers the significant amount of time that directors expend in fulfilling their duties to Cimpress, the skill level that we require of members of our Supervisory Board, and competitive compensation data from our peer group.

Fees

We currently pay the members of our Supervisory Board the following fees for their service on our Supervisory Board:

All members of the Supervisory Board	$112,500 retainer per fiscal year
Chairman of the Supervisory Board	Additional $22,500 retainer per fiscal year
Audit Committee	• $15,000 retainer per fiscal year for all committee members (including the committee chairman) • Additional $22,500 retainer per fiscal year for the committee chairman
Compensation Committee	• $10,000 retainer per fiscal year for all committee members (including the committee chairman) • Additional $15,000 retainer per fiscal year for the committee chairman
Nominating and Corporate Governance Committee	• $10,000 retainer per fiscal year for all committee members (including the committee chairman) • Additional $12,500 retainer per fiscal year for the committee chairman

We also reimburse our Supervisory Board for reasonable travel and other expenses incurred in connection with attending meetings of our Supervisory Board and its committees, and we pay the tax preparation fees related to their Dutch income tax returns.

Performance Share Units

In keeping with the goals of aligning the Supervisory Board's equity awards with the equity awards received by Cimpress' executives and employees and maintaining the competitiveness of the compensation program, beginning in fiscal year 2017, we grant to our Supervisory Board members PSUs under our 2016 Plan. PSUs granted to our Supervisory Board have the same terms as the PSUs granted to our executives and employees, except that, as described below, the Supervisory Board PSUs have the same more challenging performance threshold in the tenth year of the award as PSU awards granted to our Chief Executive Officer.

Each incumbent Supervisory Board member receives $112,500 of PSUs annually in connection with our annual general meeting of shareholders so long as they remain a director following that annual general meeting. Each new director receives $150,000 of PSUs in connection with their initial appointment to the Supervisory Board. Cimpress determines the number of PSUs to be granted to each director by dividing the applicable dollar amounts described in this paragraph by the 3YMA of Cimpress' ordinary shares as of the following date, which we refer to as a baseline date:

- For incumbent directors, the baseline date is November 15 of each year.
- For newly appointed directors, the baseline date is based on the date of the general meeting of shareholders at which the director is appointed:

General meeting in the months of:	*Baseline date is the nearest:*
June, July, or August	August 15
September, October, or November	November 15
December, January, or February	February 15
March, April, or May	May 15

PSU awards granted to our Supervisory Board have the same terms as PSU awards granted to our executives and employees, where each PSU represents a right to receive between 0 and 2.5 ordinary shares of Cimpress N.V. upon the satisfaction of both service-based vesting over time and performance conditions relating to the CAGR of the 3YMA over a 6- to 10-year period, in accordance with the 2016 Plan.

First condition to a Performance Dependent Issuance: Service-based Vesting
PSUs granted to members of our Supervisory Board vest at a rate of 25% of the original number of PSUs per year over the four years following the applicable annual general meeting (for PSU awards granted to incumbent directors) or the general meeting at which the Supervisory Board member was first appointed (for PSU awards granted to newly appointed directors), in each case so long as the director continues to serve on our Supervisory Board. If a director ceases to serve on the Supervisory Board, other than for cause, they retain all PSUs that have satisfied the service-based vesting condition as of their termination date. If Cimpress achieves the performance thresholds described below, the former director would receive Cimpress ordinary shares upon settlement of the PSUs, even though they are no longer a member of our Supervisory Board.

Second condition to a Performance Dependent Issuance: 3YMA Performance
The performance conditions set forth in the 2016 Plan apply to the PSU awards granted to Supervisory Board members. In summary, beginning on the sixth anniversary of the baseline date for each PSU award, and on each anniversary thereafter through the tenth anniversary, we will calculate the 3YMA as of such date, which we refer to as a measurement date. On the first such measurement date that the 3YMA equals or exceeds a CAGR of 11%, the 3YMA performance condition would be satisfied, and we would issue to the director the number of Cimpress ordinary shares determined by multiplying the number of vested PSUs subject to the award by the applicable performance-based multiplier set forth in the 2016 Plan. If none of the CAGR performance goals set forth in the 2016 Plan are achieved by the tenth anniversary of the baseline measurement date for the PSU award, then the PSU award will be terminated and no Cimpress ordinary shares will be issued with respect to the award.

Summary Compensation Table

The following contains information with respect to the compensation earned by our Supervisory Board members in the fiscal year ended June 30, 2018:

Name	Fees Earned or Paid in Cash ($)	Share Awards ($)(1)	Total ($)
Paolo De Cesare	122,500	194,833	317,333
Sophie A. Gasperment	117,500	194,833	312,333
John J. Gavin, Jr.	150,000	194,833	344,833
Richard T. Riley	160,000	194,833	354,833
Nadia Shouraboura	122,500	194,833	317,333
Zachary S. Sternberg	70,594	259,726	330,320
Mark T. Thomas	160,000	194,833	354,833
Scott Vassalluzzo	137,500	194,833	332,333
Eric C. Olsen(2)	61,250	194,833	256,083

(1) The amounts reported in this column represent a dollar amount equal to the grant date fair value of the PSUs granted to the directors as computed in accordance with FASB ASC Topic 718. You can find the assumptions we used in the calculations for these amounts in Note 11 to our audited financial statements included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2018.

(2) Mr. Olsen resigned from the Supervisory Board in December 2017.

In addition, at June 30, 2018, our Supervisory Board members held the following equity compensation awards:

- Mr. De Cesare had 11,540 shares subject to outstanding, unexercised share options and 2,832 PSUs.
- Ms. Gasperment held 3,346 PSUs.
- Mr. Gavin had 24,311 shares subject to outstanding, unexercised share options and 2,832 PSUs.
- Mr. Riley had 14,763 shares subject to outstanding, unexercised share options and 2,832 PSUs.
- Each of Dr. Shouraboura and Mr. Vassalluzzo had 5,298 shares subject to outstanding, unexercised share options and 2,832 PSUs.
- Mr. Sternberg held 1,721 PSUs.
- Mr. Thomas had 4,536 shares subject to outstanding, unexercised share options and 2,832 PSUs.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information as of June 30, 2018 about the securities issued or authorized for future issuance under our equity compensation plans.

Equity Compensation Plan Information

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights(1)	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights(2)	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column(a)
Equity compensation plans approved by shareholders(1)	3,563,083	$22.59	8,771,434(3)
Equity compensation plans not approved by shareholders	—	—	—
Total	3,563,083	$22.59	8,771,434(3)

(1) Consists of our Amended and Restated 2005 Equity Incentive Plan, 2005 Non-Employee Directors' Share Option Plan, 2011 Equity Incentive Plan, and 2016 Performance Equity Plan. This column includes an aggregate of 1,911,776 shares underlying RSUs and PSUs based on 2.5 shares per PSU that were unvested as of June 30, 2018.

(2) The RSUs and PSUs included in column (a) do not have an exercise price, and the weighted-average exercise price excluding these units is $48.74.

(3) Includes 6,298,093 shares available for future awards under our 2016 Performance Equity Plan, 2,422,483 shares available for future awards under our 2011 Equity Incentive Plan, and 50,858 shares available for future awards under our 2005 Non-Employee Directors' Share Option Plan, as amended. No shares are available for future award under our Amended and Restated 2005 Equity Incentive Plan. For PSUs under our 2016 Performance Equity Plan, we assumed that we would issue ordinary shares equal to 250% of the outstanding PSUs, which is the maximum potential share issuance.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table contains information regarding the beneficial ownership of our ordinary shares as of September 7, 2018 by:

- each shareholder we know to own beneficially more than 5% of our outstanding ordinary shares;
- each member of our Supervisory Board;
- our named executive officers who are listed in the Summary Compensation Table in this proxy statement; and
- all of our current Supervisory Board members and executive officers as a group.

Name and Address of Beneficial Owner(1)	Number of Ordinary Shares Beneficially Owned(2)	Percent of Ordinary Shares Beneficially Owned(3)
Arlington Value Capital LLC(4) 222 S. Main Street, Suite 1750 Salt Lake City, UT 84101	1,713,815	5.5%
FMR LLC(5) 245 Summer Street Boston, MA 02210 USA	2,229,970	7.2
Janus Henderson Group plc(6) 201 Bishopsgate EC2M 3AE London UK	3,957,706	12.8
Prescott General Partners LLC 2200 Butts Road, Suite 320 Boca Raton, FL 33431 USA	4,656,492	15.1
The Spruce House Partnership LP 435 Hudson Street, 8th Floor New York, NY 10014 USA	2,358,903	7.6
Vanguard Group Inc(7) PO Box 2600 V26 Valley Forge, PA 19482	1,769,723	5.7
Named Executive Officers and Supervisory Board members		
Robert S. Keane(8)(9)	3,297,472	10.2
Cornelis David Arends(10)	15,850	*
Katryn S. Blake(9)	17,587	*
Paolo De Cesare(9)	20,984	*
Sophie A. Gasperment	—	0
John J. Gavin, Jr.(9)(11)	56,230	*
Donald LeBlanc(9)	27,600	*
Sean E. Quinn	—	0
Richard T. Riley(9)(12)	73,337	*
Nadia Shouraboura(9)	6,537	*

Zachary S. Sternberg(13)	2,374,246	7.7
Mark T. Thomas(9)(14)	17,644	*
Scott Vassalluzzo(9)(15)	76,211	*
All current executive officers and Supervisory Board members as a group (13 persons) (9)	5,983,698	18.4%

* Less than 1%

(1) Unless otherwise indicated, the address of each executive officer and Supervisory Board member is c/o Cimpress N.V., Hudsonweg 8, 5928 LW Venlo, the Netherlands.

(2) For each person or entity in the table above, the “Number of Shares Beneficially Owned” column may include ordinary shares attributable to the person or entity because of that holder’s voting or investment power or other relationship, as determined under SEC rules. Under these rules, a person or entity is deemed to have “beneficial ownership” of any shares over which that person or entity has or shares voting or investment power, plus any shares that the person or entity may acquire within 60 days of September 7, 2018 (i.e., November 6, 2018), including through the exercise of share options or the vesting of restricted share units. Unless otherwise indicated, each person or entity referenced in the table has sole voting and investment power over the shares listed or shares such power with his or her spouse. The inclusion in the table of any shares, however, does not constitute an admission of beneficial ownership of those shares by the named shareholder.

(3) The percentage ownership for each shareholder on September 7, 2018 is calculated by dividing (1) the total number of shares beneficially owned by the shareholder by (2) 30,892,282, the number of ordinary shares outstanding on September 7, 2018, plus any shares issuable to the shareholder within 60 days after September 7, 2018 (i.e., November 6, 2018), including restricted share units that vest and share options that are exercisable on or before November 6, 2018.

(4) This information is based solely upon a Schedule 13G/A that the shareholder filed with the SEC on February 13, 2018.

(5) This information is based solely upon a Schedule 13G/A that the shareholder filed with the SEC on February 13, 2018.

(6) This information is based solely upon a Schedule 13G/A that the shareholder filed with the SEC on February 12, 2018.

(7) This information is based solely upon a Schedule 13G that the shareholder filed with the SEC on February 9, 2018.

(8) Includes an aggregate of (i) 1,672,025 shares held by irrevocable discretionary trusts established for the benefit of Mr. Keane or members of his immediate family, or the Trusts, and other entities that are wholly owned by the Trusts, and (ii) 91,181 shares held by a charitable entity established by Mr. Keane and his spouse. Trustees who are independent of Mr. Keane or his spouse hold exclusive voting and investment power with respect to the ordinary shares owned by the Trusts and the ordinary shares issuable pursuant to share options held by the Trusts; Mr. Keane and his spouse do not hold such power with respect to the Trusts. Mr. Keane and his spouse share voting and investment power with respect to the shares held by the charitable entity. Mr. Keane and his spouse disclaim beneficial ownership of the shares and share options held by the Trusts, entities owned by the Trusts, and the charitable entity except to the extent of their pecuniary interest therein.

(9) Includes the number of shares listed below that each executive officer and supervisory director has the right to acquire under share options and restricted share units that vest on or before November 6, 2018:

- Mr. Keane: 1,534,266 shares, held by the Trusts
- Ms. Blake: 4,648 shares
- Mr. De Cesare: 11,430 shares
- Mr. Gavin: 24,201 shares
- Mr. LeBlanc: 3,282 shares
- Mr. Riley: 14,653 shares
- Dr. Shouraboura: 5,188 shares
- Mr. Thomas: 4,426 shares
- Mr. Vassalluzzo: 5,188 shares
- All current executive officers and supervisory directors in the aggregate: 1,607,282 shares

(10) Includes 11,900 shares held by a limited company of which Mr. Arends is a managing director. Mr. Arends disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein.

(11) Includes 32,029 shares held by a trust of which Mr. Gavin and his wife are trustees.

(12) Includes 57,324 shares held by a grantor annuity trust of which Mr. Riley is the trustee.

(13) Includes 2,358,903 shares held by The Spruce House Partnership LP. The general partner of The Spruce House Partnership LP is Spruce House Capital LLC, of which Mr. Sternberg is a managing member. Mr. Sternberg disclaims beneficial ownership of the shares held by The Spruce House Partnership LP except to the extent of his pecuniary interest therein.

(14) Includes 1,800 shares held by a family limited liability company of which Mr. Thomas is a manager. Mr. Thomas disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein.

(15) Includes 2,174 shares held in investment accounts established for the benefit of certain family members, with respect to which Mr. Vassalluzzo disclaims beneficial ownership except to the extent of his pecuniary interest therein.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our Supervisory Board members, executive officers, and the holders of more than 10% of our ordinary shares, referred to as reporting persons, to file reports with the SEC disclosing their ownership of and transactions in our ordinary shares and other equity securities. SEC regulations also require these reporting persons to furnish us with copies of all such reports that they file.

Based on written representations from the reporting persons and our review of the reports they filed, we believe that all of our executive officers and Supervisory Board members complied with all Section 16(a) filing requirements during our fiscal year ended June 30, 2018.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

What is the purpose of the annual meeting?

At the annual meeting, our shareholders will consider and act upon the 17 proposals listed in the Notice of Annual General Meeting of Shareholders that appears on the first two pages of this proxy statement. Our Management Board and Supervisory Board are not aware of any other business to be transacted at the annual meeting.

Who can vote?

To be able to vote on the matters listed in the Notice of Annual General Meeting of Shareholders on the first two pages of this proxy statement, you must have held ordinary shares of Cimpress at the close of business on October 16, 2018, which is the record date for the annual meeting. Shareholders of record at the close of business on October 16, 2018 are entitled to vote on each proposal at the meeting. The number of outstanding ordinary shares entitled to vote on each proposal at the meeting is 30,909,207. Currently, there are no outstanding preferred shares of Cimpress.

How many votes do I have?

Each ordinary share of Cimpress that you owned on the record date entitles you to one vote on each matter that is voted on at the annual meeting.

Is my vote important?

Your vote is important regardless of how many ordinary shares you own. Please take a moment to read the instructions below, vote your shares, and submit your proxy as soon as possible to ensure that your shares are represented and voted at the annual meeting.

How do I vote?

If you are a holder of record and your shares are not held in “street name” by a bank or brokerage firm, you may vote by completing and signing the proxy card that accompanies this proxy statement and promptly mailing it in the enclosed postage-prepaid envelope. For your vote to be counted at the meeting, our transfer agent, Computershare Trust Company, Inc., must receive your proxy no later than 4:00 p.m. Eastern Standard Time on the last business day before the meeting.

If the shares you own are held in street name by a bank or brokerage firm, then your bank or brokerage firm, as the record holder of your shares, is required to vote your shares according to your instructions. In order to vote your shares, you will need to follow the directions your bank or brokerage firm provides to you. Many banks and brokerage firms offer the option of voting by mail, over the Internet, or by telephone, which will be explained in the voting instruction form you receive from your bank or brokerage firm.

The shares you own will be voted according to the instructions you return to Computershare Trust Company or your bank or brokerage firm. If you are a holder of record and sign and return the proxy card, but do not give any instructions on a particular matter to be voted on as described in this proxy statement, then the shares you own will be voted in accordance with the recommendations of our Management Board and Supervisory Board. If your shares are held in street name at a broker, your broker may under certain circumstances vote your shares on “routine” matters if you do not timely provide voting instructions in accordance with the instructions provided by them. However, if you do not provide timely instructions, your broker does not have the authority to vote on any “non-routine” proposals at the annual meeting and a “broker non-vote” will occur. “Broker non-votes” are shares that are held in street name by a bank or brokerage firm that indicates on its proxy that it does not have discretionary authority to vote such shares on a particular matter.

If you are a record holder and attend the annual meeting in person, then you may also vote in person. If you hold your shares in street name and wish to attend the meeting or vote in person, then you must follow the instructions below under “How do I attend the meeting and vote in person?”

Can I change my vote or revoke my proxy after I have mailed my proxy card?

Yes. If your shares are held in street name by a bank or brokerage firm and you wish to revoke or change your voting instructions, then you must follow the directions you receive from your bank or brokerage firm. If you are a holder of record and your shares are not held in street name, then you can revoke your proxy and change your vote by doing any one of the following things:

- signing another proxy card with a later date and delivering the new proxy card to our Senior Securities Counsel at the offices of our subsidiary Cimpress USA Incorporated, 275 Wyman Street, Waltham, MA 02451 USA no later than 4:00 p.m. Eastern Standard Time on the last business day before the meeting;
- delivering to our Senior Securities Counsel written notice no later than 4:00 p.m. Eastern Standard Time on the last business day before the meeting that you want to revoke your proxy; or
- voting in person at the meeting.

Your attendance at the meeting alone will not revoke your proxy.

How do I attend the meeting and vote in person?

If you wish to attend our annual meeting in Amsterdam, the Netherlands in person, please send our Senior Securities Counsel written notice at the offices of our subsidiary Cimpress USA Incorporated, 275 Wyman Street, Waltham, MA 02451 USA no later than November 8, 2018. If you need directions to the meeting, please call Investor Relations at +1 781-652-6480.

If you wish to attend the meeting and your shares are held in street name by a bank or brokerage firm, then you must provide the written notice referenced above and also bring with you to the meeting an account statement or letter from your bank or brokerage firm showing that you are the beneficial owner of the shares as of the record date in order to be admitted to the meeting. To be able to vote your shares held in street name at the meeting, you will need to obtain a legal proxy from the holder of record, i.e., your bank or brokerage firm.

What vote is required?

Under our articles of association, holders of at least one third of our outstanding ordinary shares must be represented at the annual meeting to constitute a quorum, and the following vote is required to approve each of the proposals described in this proxy statement:

- *Proposals 1, 8 through 12, and 14 through 17:* These proposals require the approval of a majority of votes cast at a meeting at which a quorum is present.
- *Proposals 2 through 6 (appointments of members of our Board of Directors):* In accordance with our articles of association, our Supervisory Board adopted unanimous resolutions to make binding nominations of the candidates for appointment to the Board of Directors. Our shareholders may set aside any of these binding nominations only by a vote of at least two thirds of the votes cast at a meeting representing more than half of our share capital.
- *Proposal 7 (advisory “say on pay”):* This proposal requires the approval of a majority of votes cast at a meeting at which a quorum is present. This vote is non-binding and advisory in nature, but our Compensation Committee will take into account the outcome of the vote when considering future executive compensation arrangements.
- *Proposal 13 (authority to exclude or restrict pre-emptive rights):* This proposal requires the approval of a majority of votes cast at a meeting at which a quorum is present, unless less than half of our issued capital is present or represented at the meeting, in which case this proposal requires a vote of at least two thirds of the votes cast.

For all proposals, Dutch law and our articles of association provide that ordinary shares represented at the meeting and abstaining from voting will count as shares present at the meeting but will not count for the purpose of determining the number of votes cast. Broker non-votes will not count as shares present at the meeting or for the purpose of determining the number of votes cast. “Broker non-votes” are shares that are held in street name by a bank or brokerage firm that indicates on its proxy that it does not have discretionary authority to vote on a particular matter.

How will votes be counted?

Each ordinary share will be counted as one vote according to the instructions contained on a properly completed proxy or on a ballot voted in person at the meeting. Abstentions and broker non-votes are not counted as either votes in favor of a proposal or votes against a proposal and therefore have no impact on the voting, although abstentions do count for the purpose of determining the size of the quorum.

Who will count the votes?

Computershare Trust Company, Inc., our transfer agent, will count, tabulate, and certify the votes.

How do the Management Board and Supervisory Board recommend that I vote on the proposals?

The Management Board and Supervisory Board recommend that you vote FOR all of the proposals listed in the Notice of Annual General Meeting of Shareholders on the first two pages of this proxy statement.

Do the executive officers or members of the Supervisory Board have any substantial interests in these proposals?

No, our executive officers and Supervisory Board members do not have any substantial direct or indirect interests in the proposals, except to the extent of their ownership of our ordinary shares, their own appointment to the Board of Directors, or in the case of the departing Supervisory Board members, the severance payment in the form of ordinary shares that they will receive if Proposal 16 is approved.

Will any other business be conducted at the meeting or will other matters be voted on?

Our Management Board and Supervisory Board do not know of any other matters that may come before the meeting. If any other matter properly comes before the meeting, then, to the extent permitted by applicable law, the persons named in the proxy card that accompanies this proxy statement may exercise their judgment in deciding how to vote, or otherwise act, at the meeting with respect to that matter or proposal.

Where can I find the voting results?

Within four business days after the annual meeting, we will report the voting results on a Current Report on Form 8-K that we will file with the SEC.

How and when may I submit a shareholder proposal, including a shareholder nomination for a board position, for the 2019 annual general meeting?

Because we are a Dutch limited company whose shares are traded on a U.S. securities exchange, both U.S. and Dutch rules and timeframes apply if you wish to submit a candidate to be considered for election to our board at our 2019 annual general meeting or if you wish to submit another kind of proposal for consideration by shareholders at our 2019 annual general meeting.

Under our articles of association, if you are interested in submitting a proposal, you must fulfill the requirements set forth in our articles of association, including satisfying both of the following criteria:

- We must receive your proposal at our registered offices in Venlo, the Netherlands as set forth below no later than 60 days before the 2019 annual general meeting, and
- The number of ordinary shares you hold must equal at least 3% of our issued share capital.

Under our articles of association, shareholders do not have the right to nominate or appoint their own candidates for positions on our board directly, but if you submit information about a potential candidate for the board to our Nominating and Corporate Governance Committee, as described in the section of this proxy statement entitled

“Board Nomination Process,” then our Nominating and Corporate Governance Committee will consider whether they are appropriate for nomination to our board.

Under U.S. securities laws, if you wish to have a proposal included in our proxy statement for the 2019 annual general meeting, then in addition to the above requirements, you also need to follow the procedures outlined in Rule 14a-8 of the Exchange Act, and the deadline for submitting your proposal to us is earlier than the deadline specified above: For your proposal to be eligible for inclusion in our proxy statement for the 2019 annual general meeting, we must receive your proposal at our registered offices in Venlo, the Netherlands as set forth below no later than June 24, 2019.

Any proposals, nominations or notices under our articles of association or pursuant to Rule 14a-8 should be sent to:

Secretary, Cimpress N.V.
Hudsonweg 8
5928 LW Venlo
The Netherlands

With a copy to:
Senior Securities Counsel
Cimpress USA Incorporated
275 Wyman Street
Waltham, MA 02451
USA

What are the costs of soliciting these proxies?

We will bear the costs of solicitation of proxies. We have retained Alliance Advisors for a fee of $10,500 plus expenses to assist us in soliciting proxies from our shareholders and to verify certain records relating to the solicitation. We and our Supervisory Board members, officers, and selected other employees may also solicit proxies by mail, telephone, e-mail, or other means of communication. Supervisory Board members, officers, and employees who help us in soliciting proxies will not be specially compensated for those services, but they may be reimbursed for their reasonable out-of-pocket expenses incurred in connection with their solicitation. We will request brokers, custodians, and fiduciaries to forward proxy soliciting material to the owners of our ordinary shares that they hold in their names and will reimburse these entities for their out-of-pocket expenses incurred in connection with the distribution of our proxy materials.

Householding of Annual Meeting Materials

Some banks, brokers, and other nominee record holders may participate in the practice of “householding” proxy statements and annual reports. This means that only one copy of our proxy statement and annual report to shareholders may be sent to multiple shareholders in your household. We will promptly deliver a separate copy of either document to you if you contact us by emailing ir@cimpress.com, writing us at Investor Relations, Cimpress, 275 Wyman Street, Waltham, MA 02451 USA, or calling us at telephone no. +1 781-652-6480. If you want to receive separate copies of the proxy statement or annual report to shareholders in the future, or if you are receiving multiple copies and would like to receive only one copy per household, you should contact your bank, broker, or other nominee record holder if you hold your shares in street name, or you may contact us per the above if you are a holder of record.

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