UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

☒ **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the Quarterly Period Ended December 31, 2009

OR

☐ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from to .

Commission File Number: 000-51539

VISTAPRINT 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, Including Zip Code)

31-77-850-7700
(Registrant's Telephone Number, Including Area Code)

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller Reporting Company	☐

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

As of January 26, 2010, there were outstanding 43,423,415 ordinary shares of the registrant, par value €.01 per share.

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EXPLANATORY NOTE

This Quarterly Report on Form 10-Q is being filed pursuant to the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), by Vistaprint N.V., a Dutch limited liability company (*nammlooze vennootschap*), as successor to Vistaprint Limited., a company incorporated under the laws of Bermuda. Pursuant to a scheme of arrangement under Bermuda law, on August 31, 2009 all of the previously outstanding common shares of Vistaprint Limited were cancelled and each holder of cancelled Vistaprint Limited common shares received ordinary shares of Vistaprint N.V. As a result of the scheme of arrangement and share exchange transaction, Vistaprint Limited became a wholly owned subsidiary of Vistaprint N.V. Pursuant to Rule 12g-3 under the Exchange Act, Vistaprint N.V. is filing this Quarterly Report on Form 10-Q, which includes the full six months ended December 31, 2009 including the activity of Vistaprint Limited before the succession, as the successor issuer for reporting purposes under the Exchange Act.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

VISTAPRINT N.V.

CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited in thousands, except share and per share data)

	December 31, 2009	June 30, 2009
Assets		
Current assets:		
Cash and cash equivalents	$ 159,125	$133,988
Accounts receivable, net of allowances of $142 and $172, respectively	8,747	5,672
Inventory	6,788	4,384
Prepaid expenses and other current assets	12,890	12,819
Total current assets	187,550	156,863
Property, plant and equipment, net	230,478	193,622
Software and web site development costs, net	6,468	6,754
Deferred tax assets	7,038	7,035
Other assets	11,726	5,275
Total assets	$ 443,260	$369,549
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	$ 17,334	$ 11,347
Accrued expenses	62,466	43,724
Deferred revenue	3,678	3,393
Current portion of long-term debt	5,942	8,349
Total current liabilities	89,420	66,813
Deferred tax liabilities	1,661	1,637
Other liabilities	5,625	5,100
Long-term debt	—	10,465
Total liabilities	96,706	84,015
Commitments and contingencies (Note 8)		
Shareholders' equity:		
Ordinary shares, par value €0.01 per share; 120,000,000 shares authorized; 49,714,083 and 49,175,223 shares issued and 43,390,169 and 42,805,811 shares outstanding, respectively	696	625
Treasury shares, at cost, 6,323,914 and 6,369,412, respectively	(30,495)	(29,881)
Additional paid-in capital	232,704	212,284
Retained earnings	138,708	98,784
Accumulated other comprehensive income	4,941	3,722
Total shareholders' equity	346,554	285,534
Total liabilities and shareholders' equity	$ 443,260	$369,549

See accompanying notes.

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VISTAPRINT N.V.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited in thousands, except share and per share data)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2009	2008	2009	2008
Revenue	$ 194,612	$ 138,903	$ 339,703	$ 253,135
Cost of revenue (1)	67,876	50,692	120,741	95,536
Technology and development expense (1)	20,497	15,246	38,169	29,054
Marketing and selling expense (1)	60,013	42,683	106,545	77,484
General and administrative expense (1)	15,500	9,629	29,116	20,576
Income from operations	30,726	20,653	45,132	30,485
Interest income	85	564	212	1,291
Other expense, net	823	426	632	1,366
Interest expense	165	353	548	733
Income before income taxes	29,823	20,438	44,164	29,677
Income tax provision	2,875	1,889	4,240	2,854
Net income	$ 26,948	$ 18,549	$ 39,924	$ 26,823
Basic net income per share	$ 0.62	$ 0.43	$ 0.93	$ 0.61
Diluted net income per share	$ 0.59	$ 0.42	$ 0.89	$ 0.59
Weighted average shares outstanding – basic	43,208,490	43,297,815	43,066,621	43,838,748
Weighted average shares outstanding – diluted	45,336,174	44,253,345	45,066,949	45,133,894

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

	Three Months Ended December 31,		Six Months Ended December 31,	
	2009	2008	2009	2008
Cost of revenue	$ 250	$ 186	$ 447	$ 382
Technology and development expense	1,804	1,196	3,274	2,460
Marketing and selling expense	1,497	985	2,620	2,022
General and administrative expense	2,896	2,428	5,416	5,419

See accompanying notes.

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VISTAPRINT N.V.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited in thousands)

	Six Months Ended December 31,	
	2009	2008
Operating activities		
Net income	$ 39,924	$ 26,823
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	21,303	16,646
Abandonment of acquired intangible assets	920	—
Loss on disposal or impairment of long-lived assets	146	1,331
Share-based compensation expense	11,757	10,283
Tax benefits derived from share-based compensation awards	(2,930)	(28)
Deferred taxes	(25)	—
Changes in operating assets and liabilities, excluding the effect of an acquisition:		
Accounts receivable	(3,088)	979
Inventory	(2,332)	(1,628)
Prepaid expenses and other assets	(463)	(2,046)
Accounts payable	3,535	3,848
Accrued expenses and other liabilities	21,599	16,496
Net cash provided by operating activities	90,346	72,704
Investing activities		
Purchases of property, plant and equipment	(50,948)	(41,500)
Business acquisition, net of cash acquired	(6,496)	—
Purchases of marketable securities	—	(6,078)
Sales and maturities of marketable securities	100	18,837
Capitalization of software and website development costs	(3,147)	(3,327)
Net cash used in investing activities	(60,491)	(32,068)
Financing activities		
Repayments of long-term debt	(13,128)	(1,624)
Payment of withholding taxes in connection with vesting of restricted share units	(2,712)	(1,405)
Repurchase of ordinary shares	—	(45,518)
Tax benefits derived from share-based compensation awards	2,930	28
Proceeds from issuance of shares	8,069	3,285
Net cash used in financing activities	(4,841)	(45,234)
Effect of exchange rate changes on cash	123	(655)
Net increase (decrease) in cash and cash equivalents	25,137	(5,253)
Cash and cash equivalents at beginning of period	133,988	103,145
Cash and cash equivalents at end of period	$159,125	$ 97,892

See accompanying notes.

VISTAPRINT N.V.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited in thousands, except share and per share data)

1. Description of Business

The Vistaprint group of companies (the "Company") offers small businesses the ability to market their business with a broad range of brand identity and promotional products, marketing services and digital solutions. Through the use of proprietary Internet-based graphic design software, localized websites, proprietary order receiving and processing technologies and advanced computer integrated production facilities, the Company offers a broad spectrum of products ranging from business cards, website hosting, brochures and invitations to marketing and creative services. The Company focuses on serving the marketing, graphic design and printing needs of the small business market, generally businesses or organizations with fewer than 10 employees. The Company also provides personalized products and services to the consumer market.

Change of Domicile

On August 31, 2009, the Company moved its place of incorporation of the publicly traded parent entity of the Vistaprint group of companies from Bermuda to the Netherlands. Vistaprint N.V. was formed as a limited liability company (*nammlooze vennootschap)* under the laws of the Netherlands and pursuant to a scheme of arrangement under Bermuda law approved by the common shareholders of Vistaprint Limited, among other things, each common share of Vistaprint Limited was exchanged for one ordinary share of Vistaprint N.V.

As a result of the scheme of arrangement and the share exchange transaction, the common shareholders of Vistaprint Limited became ordinary shareholders of Vistaprint N.V. and Vistaprint Limited became a wholly owned subsidiary of Vistaprint N.V. The par value of the Company's common shares increased from $0.001 per share to €0.01 per share (or $0.014 based on an exchange rate in effect on August 31, 2009). In connection with consummation of the scheme of arrangement, Vistaprint N.V. assumed Vistaprint Limited's existing obligations in connection with awards granted under Vistaprint Limited's incentive plans and other similar employee awards. Additionally, 120,000,000 preferred shares with a par value of €0.01 per share were authorized, of which no preferred shares are issued or outstanding. Vistaprint Limited holds 4,500,000 ordinary shares of Vistaprint N.V., which are included in treasury shares.

A foundation, Stichting Continuïteit Vistaprint (the "Foundation") was established whose board consists of three members, at least two of whom are independent of the Company. The purpose of the Foundation is to safeguard the interests of the Company and its stakeholders and to assist in maintaining the Company's continuity and independence. On November 16, 2009, Vistaprint N.V. entered into a Call Option Agreement with the Foundation pursuant to which the Foundation may acquire a number of Vistaprint N.V.'s preferred shares up to a maximum of the total number of Vistaprint N.V.'s ordinary shares then outstanding at an exercise price of €0.01 per share. The call option held by the Foundation is designed to provide a protective measure against unsolicited take-over bids for the Company or other hostile threats through the issuance of preferred shares to the Foundation that would give the Foundation voting and dispositive power over up to 50% of Vistaprint N.V.'s outstanding securities. The Company has determined it is the primary beneficiary of the Foundation and therefore has included the Foundation in its consolidated financial statements. The Foundation does not have any assets or liabilities as of December 31, 2009 and it is not expected that the Company will be exposed to any material loss as a result of its involvement with the Foundation.

The change of domicile described above (the "Change of Domicile") was accounted for as a merger between entities under common control. Both the Change of Domicile and the consolidation of the Foundation have not had and are not expected to have a material impact on how Vistaprint conducts its day-to-day operations, its financial position, consolidated effective tax rate, results of operations or cash flows. The historical financial statements of Vistaprint Limited for periods prior to this transaction are considered to be the historical financial statements of Vistaprint N.V.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and, accordingly, do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all

VISTAPRINT N.V.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited in thousands, except share and per share data)

adjustments, consisting primarily of normal recurring accruals, considered necessary for a fair presentation of the results of operations for the interim periods reported and of the Company's financial condition as of the date of the interim balance sheet have been included. Operating results for the three and six months ended December 31, 2009 are not necessarily indicative of the results that may be expected for the year ending June 30, 2010 or for any other period. The condensed consolidated balance sheet at June 30, 2009 has been derived from the Company's audited consolidated financial statements at that date but does not include all of the information and footnotes required by GAAP for complete financial statements. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2009 included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission.

On December 30, 2009, the Company acquired Soft Sight, Inc. ("Soft Sight"). See Note 6, "Acquisition of Soft Sight, Inc.," for additional information regarding the acquisition.

The Company has evaluated the period through January 29, 2010, the date the financial statements were issued, and no subsequent events, as that term is defined in GAAP, were identified.

Inventories

Inventories consist primarily of raw materials and are stated at the lower of first-in, first-out cost or market.

Treasury Stock

Treasury stock is accounted for under the cost method and included as a component of stockholders' equity. Treasury shares are used to fulfill certain share option exercises and restricted share unit vesting, and may in the future be used for acquisitions.

Net Income Per Share

Basic net income per share is computed by dividing net income by the weighted-average number of common shares or ordinary shares, as applicable, outstanding for the fiscal period. Diluted net income per share gives effect to all potentially dilutive securities, including share options and restricted share units ("RSUs") using the treasury stock method. Ordinary share equivalents of 10,515 and 408,597 were excluded from the determination of potentially dilutive shares for the three and six months ended December 31, 2009, respectively, due to their anti-dilutive effect. Common share equivalents of 2,923,829 and 2,804,287 were excluded from the determination of potentially dilutive shares for the three and six months ended December 31, 2008, respectively, due to their anti-dilutive effect.

The following table sets forth the reconciliation of basic and diluted shares outstanding:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2009	2008	2009	2008
Weighted average shares outstanding, basic	43,208,490	43,297,815	43,066,621	43,838,748
Weighted average shares issuable upon exercise / vesting of outstanding share options/RSUs	2,127,684	955,530	2,000,328	1,295,146
Shares used in computing diluted net income per share	45,336,174	44,253,345	45,066,949	45,133,894

Share-Based Compensation

During the three and six months ended December 31, 2009, the Company recorded share-based compensation costs of $6,447 and $11,757, respectively, and $4,795 and $10,283 during the three and six months ended December 31, 2008, respectively. Share-based compensation costs capitalized as part of software and website development costs were $120 and $263 for the three and six months ended December 31, 2009, respectively, and were $279 and $514 for the three and six months ended December 31, 2008, respectively.

VISTAPRINT N.V.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited in thousands, except share and per share data)

As part of the quarterly financial reporting process for the three and six months ended December 31, 2009, the Company became aware that the widely used third-party software application it uses to calculate share-based compensation costs contained computational errors that affected the timing of expense recognition. These errors were corrected in the most current software version that the Company had not implemented during the affected periods. Specifically, the software incorrectly applied a weighted average forfeiture rate to the vested portion of stock option and restricted share awards until the grant's final vest date, rather than reflecting actual forfeitures as awards vest, resulting in a cumulative understatement of share-based compensation expense and additional paid in capital in prior years of $1.3 million. In accordance with SEC Staff Accounting Bulletin ("SAB") No. 99, *Materiality*, and SAB No. 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements*, the Company assessed the materiality of this error on its financial statements for the fiscal years ending prior to and including June 30, 2009, using both the roll-over and iron-curtain method as defined in SAB No. 108. The Company concluded that the effect of this cumulative error was not material to its interim or annual financial statements for any prior period and, as such, those financial statements are not materially misstated. The Company also concluded that providing for the correction of the error in the current fiscal year would not have a material effect on its annual financial statements for the year ending June 30, 2010. Accordingly, the Company recorded a charge to share-based compensation and additional paid in capital of $1.3 million in the three and six months ended December 31, 2009 to correct this error. As share-based compensation is a non-cash item there is no impact on net cash provided by operations.

At December 31, 2009, there was $35,158 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 2.3 years.

Income Taxes

As of June 30, 2009, the Company had unrecognized tax benefits, including interest, of approximately $1,489, which will reduce the effective tax rate when recognized. We recognize interest and penalties related to unrecognized tax benefits in our provision for income taxes. There have been no significant changes to these amounts during the three and six months ended December 31, 2009.

The Company is required to file income tax returns in the Netherlands, Spain, Canada, the U.S federal tax jurisdiction, the Commonwealth of Massachusetts, and multiple other jurisdictions worldwide. Taxing authorities may challenge the Company's interpretation of tax law and additional tax may be assessed. Certain of the Company's subsidiaries are currently under audit by the relevant tax authorities, including the Canada Revenue Agency and, in the United States, the Internal Revenue Service.

Derivative Instruments and Hedging Activities

The Company records all derivatives on the balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Derivatives may also be designated as hedges of the foreign currency exposure of a net investment in a foreign operation. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk in a fair value hedge or the earnings effect of the hedged forecasted transactions in a cash flow hedge. The Company may enter into derivative contracts that are intended to economically hedge certain of its risk, even though hedge accounting does not apply or the Company elects not to apply hedge accounting.

The effective portion of changes in the fair value of derivatives designated and qualifying as cash flow hedges of forecasted purchases is recorded in Accumulated Other Comprehensive Income ("AOCI"). The gains and losses will be reclassified into earnings in the same period that the hedged item affects earnings. The ineffective portion of the change in fair value of derivatives, as well as amounts excluded from the assessment of hedge effectiveness, if any, are recognized directly in earnings.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited in thousands, except share and per share data)

Business Combinations

The Company assigns the value of the consideration transferred to acquire a business to the tangible assets and identifiable intangible assets acquired and liabilities assumed on the basis of their fair values at the date of acquisition. The Company assesses 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 for a market participant. Assets recorded from the perspective of a market participant that are determined to not have economic use for the Company are expensed immediately. Transaction costs and restructuring costs associated with a transaction to acquire a business are expensed as incurred.

Intangible Assets

The Company records acquired intangible assets at fair value on the date of acquisition and amortizes such assets using the straight-line method over the expected useful life, unless another method was deemed to be more appropriate. The Company evaluates 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, the Company amortizes the remaining carrying value of the intangible asset prospectively over the revised remaining useful life.

Goodwill

The difference between the purchase price and the fair value of assets acquired and liabilities assumed in a business combination is allocated to goodwill. Goodwill will be evaluated for impairment on an annual basis during the fiscal third quarter, or earlier if impairment indicators are present.

Recently Adopted Accounting Pronouncements

The Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) became effective for the Company in the quarter ended September 30, 2009. The Codification brings together in one place all authoritative GAAP and substantially retains existing GAAP. This change did not affect the Company's consolidated financial statements.

Effective July 1, 2009, the Company adopted the revisions to FASB ASC Topic 805 *Business Combinations* that requires all assets and liabilities of an acquired business to be recorded at their fair values in all business combinations (whether full, partial or step acquisitions). Certain forms of contingent consideration and certain acquired contingencies are also required to be recorded at fair value at the acquisition date. Acquisition costs are now expensed as incurred and restructuring costs will be expensed in periods after the acquisition date in accordance with the Company's existing accounting policy for restructuring costs. Finally, post-acquisition changes in deferred tax asset valuation allowances and acquired income tax uncertainties are recognized as income tax expense or benefit. The acquisition of Soft Sight during the period was accounted for using the new requirements; however, neither that acquisition nor the adoption of FASB ASC Topic 805 had a material impact on the Company's consolidated financial statements.

Effective July 1, 2009, the Company adopted the revisions to FASB ASC Topic 810 *Consolidation* that requires the Company to clearly identify and present ownership interests in subsidiaries held by parties other than the company in the consolidated financial statements within the equity section but separate from the company's equity. The amount of consolidated net income attributable to the parent and to the non-controlling interest is required to be clearly identified and presented on the face of the consolidated statement of income; changes in ownership interest be accounted for similarly, as equity transactions. When a subsidiary is deconsolidated, any retained non-controlling equity investment in the former subsidiary and the gain or loss on the deconsolidation of the subsidiary is to be measured at fair value. The revisions also require the Company to revise evaluations of whether entities represent variable interest entities, ongoing assessments of control over such entities, and additional disclosures for variable interests. The adoption of these requirements did not have a material impact on the Company's consolidated financial statements.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited in thousands, except share and per share data)

Recently Issued Accounting Pronouncements

Accounting Standards Update (ASU) 2009-13 *Multiple-Deliverable Revenue Arrangements* amends ASC Subtopic 650-25 *Revenue Recognition—Multiple-Element Arrangements* to eliminate the requirement that all undelivered elements have vendor-specific objective evidence (VSOE) or third-party evidence (TPE) before an entity can recognize the portion of an overall arrangement fee that is attributable to items that already have been delivered. In the absence of VSOE or TPE of the standalone selling price for one or more delivered or undelivered elements in a multiple-element arrangement, entities will be required to estimate the selling prices of those elements. The overall arrangement fee will be allocated to each element (both delivered and undelivered items) based on their relative selling prices, regardless of whether those selling prices are evidenced by VSOE or TPE or are based on the entity's estimated selling price. Additionally, the new guidance will require entities to disclose more information about their multiple-element revenue arrangements. This ASU is effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010 and early adoption is permitted. The Company does not believe that the adoption of this ASU will have a material impact on its consolidated financial statements.

ASU 2009-14 *Certain Revenue Arrangements that Include Software Elements* amends ASC Subtopic 985-605 *Software-Revenue Recognition*, which addresses the accounting for revenue transactions involving software, to exclude from its scope tangible products that contain both software and non-software components that function together to deliver a product's essential functionality. The ASU is effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010 and early adoption is permitted. The Company does not believe that the adoption of this ASU will have a material impact on its consolidated financial statements.

ASU 2009-05, *Fair Value Measurements and Disclosures (Topic 820)—Measuring Liabilities at Fair Value* allows entities determining the fair value of a liability to use the perspective of an investor that holds the related obligation as an asset. The ASU is effective for interim and annual periods beginning after August 27, 2009, and applies to all fair-value measurements of liabilities required by GAAP. The Company does not believe that the adoption of this ASU will have a material impact on its consolidated financial statements.

3. Fair Value Measurements

Carrying amounts of financial instruments held by the Company, which include cash equivalents, marketable securities, accounts receivable, accounts payable, debt and accrued expenses approximate fair value due to the short period of time to maturity of those instruments.

Effective July 1, 2009, the Company adopted FASB ASC Topic 820 *Fair Value Measurements and Disclosures* for all non-financial assets and non-financial liabilities that are recognized or disclosed at fair value in the financial statements on a non-recurring basis. There was no cumulative effect of adoption and the adoption did not have an impact on the Company's financial position, results of operations, or cash flows. The adoption will impact future evaluations of impairment of long-lived assets, intangible assets, and goodwill.

The Company uses a three-level valuation hierarchy for measuring fair value and expands 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, 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 Company measures the following financial assets at fair value on a recurring basis.

VISTAPRINT N.V.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited in thousands, except share and per share data)

The fair value of these financial assets was determined using the following inputs at December 31, 2009:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$159,125	$ 159,125	$ —	$ —
Currency contracts	43	43	—	—
Long-term investments (1)	660	—	—	660
Total assets recorded at fair value	$159,828	$ 159,168	$ —	$ 660

(1) Long-term investments consist of an auction rate security.

The Company has the intent and the ability to hold the Level 3 asset until the anticipated recovery period which it believes will be more than twelve months. The following table presents a roll forward of assets measured at fair value using significant unobservable inputs (Level 3) at December 31, 2009:

Balance at June 30, 2009	$ 760
Maturities	(100)
Balance at December 31, 2009	$ 660

Cash Flow Hedge of Currency Exchange Risk

The Company is exposed to fluctuations in various currencies against its reporting currency, the US dollar. During the six months ended December 31, 2009, the Company's Canadian subsidiary entered into a series of nine currency forward contracts with the objective of hedging currency exchange risk on forecasted monthly payments for the purchase of a long-lived asset denominated in a currency other than its functional currency and were designated and qualify as cash flow hedges at inception. As of December 31, 2009, the maximum length of time over which the Company is hedging its exposure to the variability in future cash flows associated with forecasted transactions is six months.

As of December 31, 2009, the fair value of the Company's derivative currency contracts of $43 is recorded in prepaid expenses and other current assets and the related unrealized gain has been recognized in AOCI for the effective portion of the hedge. The cash flow hedge was considered to be highly effective and no amounts have been reclassified into earnings during the three and six months ended December 31, 2009. It is expected that net gains in AOCI relating to the currency forwards reclassified into depreciation expense during the year ended June 30, 2010, if any, will be immaterial.

The Company has no credit-risk-related contingent features in any of its agreements with its derivative counterparties.

4. Comprehensive Income

Comprehensive income is composed of net income, unrealized gains and losses on marketable securities and derivatives, and cumulative foreign currency translation adjustments. The following table displays the computation of comprehensive income:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2009	2008	2009	2008
Net income	$26,948	$18,549	$39,924	$26,823
Unrealized gain on marketable securities	—	181	—	44
Unrealized gain on cash flow hedge, net of tax of $10 and $19, for the three and six months ended December 31, 2009	22	—	41	—
Change in cumulative foreign currency translation adjustments	(1,959)	(508)	1,178	(5,146)
Comprehensive income	$25,011	$18,222	$41,143	$21,721

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited in thousands, except share and per share data)

5. Segment Information

Operating segments are identified as components of an enterprise for which separate discrete financial information is available for evaluation by the chief operating decision-maker, or decision-making group, in making decisions on how to allocate resources and assess performance. The Company's chief operating decision maker is considered to be the chief executive officer. The Company currently views its operations and manages its business as one operating segment.

The Company is in the process of reorganizing the business into operating segments on a geographical basis; however, separate discrete financial information is not yet available or regularly reviewed by the chief operating decision maker to make decisions on how to allocate resources and assess performance at such a level. As a result, there has been no change in the Company's identification of operating segments as of December 31, 2009 and through the date the financial statements were issued. The Company believes that this change may take place during its fiscal year 2010.

Geographic Data

Revenues by geography are based on the country-specific website through which the customer's order was transacted. The following table sets forth revenues and long-lived assets by geographic area:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2009	2008	2009	2008
Revenue:				
United States	$ 96,281	$ 80,331	$181,592	$151,193
Non-United States	98,331	58,572	158,111	101,942
Total revenue	$194,612	$138,903	$339,703	$253,135

	December 31, 2009	June 30, 2009
Long-lived assets (1):		
Canada	$ 106,009	$ 86,541
Netherlands	91,005	85,230
Bermuda	16,429	17,880
United States	12,747	9,489
Jamaica	5,469	3,108
Switzerland	2,106	1,733
Spain	1,667	1,541
Australia	7,367	—
Other	1,704	129
Total long-lived assets	$ 244,503	$205,651

(1) Excludes deferred tax assets of $7,038 and $7,035, respectively, and goodwill of $4,169 and $0, respectively.

6. Acquisition of Soft Sight, Inc.

On December 30, 2009, the Company acquired 100% of the outstanding equity of Soft Sight, Inc., a privately held developer of embroidery digitization software based in the United States, for $6.5 million in cash. Soft Sight's proprietary software enables a customer's uploaded graphic artwork to be automatically converted into embroidery stitch patterns for subsequent manufacturing.

The transaction is being accounted for under the acquisition method of accounting. All of the assets acquired and liabilities assumed in the transaction are recognized at their acquisition-date fair values, while transaction costs and restructuring costs associated with the transaction are expensed as incurred. The transaction and restructuring costs did not have and are not expected to have a material impact on the Company's consolidated results of operations or cash flows. The Company plans to launch a line of embroidered products to customers in the first half of fiscal 2011, and expects no revenue

from embroidered products before that time. Pro forma results of operations for the three and six months ended December 31, 2009 and 2008 assuming the acquisition of Soft Sight had taken place at the beginning of each period would not differ significantly from the Company's actual reported results.

Allocations of Assets and Liabilities

The Company has preliminarily allocated the purchase price for Soft Sight to net tangible assets of $0.1 million, deferred tax assets of $0.7 million, intangible assets of $2.6 million, goodwill of $4.2 million and a deferred tax liability of $1.1 million. The fair values of the acquired intangible assets were measured from the perspective of a market participant. Of the $2.6 million of acquired intangible assets, $0.9 million have been immediately expensed as they will not be used by the Company and do not have economic value for the Company. The carrying value of the remaining intangible assets relate to developed embroidery technology and customer lists, which will be amortized over a weighted average life of approximately 3.8 years.

The deferred tax assets primarily relate to net operating loss carryforwards that will be able to be utilized to reduce future tax liabilities. The deferred tax liability primarily relates to the tax impact of future amortization or impairments associated with the identified intangible assets acquired, which are not deductible for tax purposes.

The difference between the consideration transferred to acquire the business and the fair value of assets acquired and liabilities assumed was allocated to goodwill. This goodwill relates to the potential synergies from the integration of the Soft Sight embroidery software capabilities into the Vistaprint product offering. The Company does not expect the goodwill to be deductible for income tax purposes.

7. Debt

As of December 31, 2009 and June 30, 2009, the Company had total debt of $5,942 and $18,814, respectively. During the six months ended December 31, 2009, the remaining balance of the Company's euro revolving credit agreement was paid in full. The total payment was $6,064 including $141 of interest and pre-payment penalties. Additionally, the final balloon payment on the Company's original Canadian credit facility became due and was paid in full on November 2, 2009 in the amount of $5,960. All remaining obligations under the Company's debt instruments as of December 31, 2009 are current.

8. Commitments and Contingencies

Purchase Commitments

At December 31, 2009, the Company had unrecorded commitments under contracts to expand its Canadian production facility and construct its Australian production facility of approximately $10,533 and $18,773, respectively. The Company also had unrecorded commitments under contracts at December 31, 2009 to purchase production equipment for its Australian, Canadian and Dutch production facilities of approximately $7,265, $975 and $884, respectively.

Legal Proceedings

On July 27, 2006, Vistaprint Technologies Limited, a wholly owned subsidiary of our subsidiary Vistaprint Limited, filed a patent infringement lawsuit against print24 GmbH, unitedprint.com AG and their two managing directors in the District Court in Düsseldorf Germany, alleging infringement by the defendants in Germany of one of Vistaprint Technologies Limited's European patents related to computer-implemented methods and apparatus for generating pre-press graphic files. On June 7, 2007, unitedprint.com AG filed a patent nullification action in the German Patent Court in relation to the same European patent at issue in Vistaprint Technologies Limited's infringement lawsuit against print24 and its co-defendants. On July 31, 2007, the District Court in Düsseldorf ruled in Vistaprint Technologies Limited's favor on the underlying infringement claim against print24 and its co-defendants, granting all elements of the requested injunction and ordering the defendants to pay damages for past infringement. The Düsseldorf District Court's ruling went into effect in early September 2007 and was not appealed by the defendants. On November 13, 2008, the German Patent Court held an oral hearing on the patent nullification action brought by unitedprint.com and revoked the patent at issue. The Patent Court issued a written opinion stating the basis for its ruling on March 24, 2009, and on April 22, 2009, Vistaprint Technologies Limited filed a notice of appeal of the Patent Court's ruling with the German Federal Supreme Court. The Company is unable to express an opinion as to the likely outcome of such appeal.

On May 14, 2007, Vistaprint Technologies Limited filed a patent infringement lawsuit against 123Print, Inc. and Drawing Board (US), Inc., subsidiaries of Taylor Corporation, in the United States District Court for the District of Minnesota. The complaint in the lawsuit asserts that the defendants have infringed and continue to infringe three U.S. patents

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owned by Vistaprint Technologies Limited related to browser-based tools for online product design. The complaint seeks an injunction against the defendants and the recovery of damages. The defendants filed their Answer and Counterclaims to the complaint on June 7, 2007, in which they denied the infringement allegations and asserted counterclaims for declaratory judgment of invalidity, unenforceability and non-infringement of the patents-in-suit. In August 2007, another Taylor Corporation subsidiary, Taylor Strategic Accounts, Inc., was added as an additional defendant in the case. The exchange of relevant documents and records and the depositions of fact witnesses in connection with the allegations of the parties have been substantially completed. In early June 2008, newly discovered third party prior art documents were introduced into the litigation. These documents had not been reviewed and considered by the U.S. Patent Office prior to issuance of the patents-in-suit. For that reason, on June 30, 2008, Vistaprint Technologies Limited requested the United States District Court to stay the litigation to provide the U.S. Patent Office an opportunity to reexamine the patents-in-suit in light of these newly discovered documents, and the Court granted Vistaprint Technologies Limited's request for a stay on September 2, 2008. Vistaprint Technologies Limited then submitted a request for reexamination of each of the patents-in-suit to the U.S. Patent Office, which granted the reexamination requests in February 2009. Pursuant to the Court's order, the stay will remain in place pending the resolution of the requests for reexamination. On October 28, 2008, a St. Paul, Minnesota law firm representing Taylor Corporation also filed requests with the U.S. Patent Office seeking reexamination of the three patents-in-suit. These reexamination requests were granted in May and June 2009 and were merged in September 2009 with the reexaminations earlier filed by Vistaprint Technologies Limited. The Company is unable to express an opinion as to the likely outcome of any of the reexaminations or of the underlying lawsuit.

On July 29, 2008, a purported class action lawsuit was filed in the United States District Court for the Southern District of Texas (the "Texas Complaint") against Vistaprint Corp., Vistaprint USA, Inc., Vertrue, Inc. and Adaptive Marketing, LLC (collectively, the "Defendants"). Adaptive Marketing, LLC is a Vertrue, Inc. company that provides subscription-based membership discount programs, including programs that are offered on the Company's Vistaprint.com website (Vertrue, Inc. and Adaptive Marketing, LLC are sometimes collectively referred to herein as the "Vertrue Defendants"). The Texas Complaint alleges that the Defendants violated, among other statutes, the Electronic Funds Transfer Act, the Electronic Communications Privacy Act, the Texas Deceptive Trade Practices-Consumer Protection Act and the Texas Theft Liability Act, in connection with certain membership discount programs offered to the Company's customers on the Company's Vistaprint.com website. The Texas Complaint also seeks recovery for unjust enrichment, conversion, and similar common law claims. Subsequent to the filing of the Texas complaint, in July, August and September 2008, several nearly identical purported class action lawsuits were filed in the United States District Court, District of New Jersey, the United States District Court, Southern District of Alabama, the United States District Court, District of Nevada, the United States District Court, District of Massachusetts, and the United States District Court, District of Florida against the same Defendants, and in one case Vistaprint Limited, on behalf of different plaintiffs. The complaints in each of these nearly identical lawsuits include substantially the same purported Federal and common law claims as the Texas Complaint but contain different state law claims. In addition, on August 28, 2008, a purported class action lawsuit asserting substantially the same Federal and common law claims as the Texas Complaint, but containing a state law claim under the Massachusetts Unfair Trade Practices Act, was filed by a different plaintiff in the United States District Court, District of Massachusetts, against Vistaprint Limited, Vistaprint USA, Inc. and the Vertrue Defendants.

Among other allegations, the plaintiffs in each action claim that after ordering products on the Company's Vistaprint.com website they were enrolled in certain membership discount programs operated by the Vertrue Defendants and that monthly subscription fees for the programs were subsequently charged directly to the credit or debit cards they used to make purchases on Vistaprint.com, in each case purportedly without their knowledge or authorization. The plaintiffs also claim that the Defendants failed to disclose to them that the credit or debit card information they provided to make purchases on Vistaprint.com would be disclosed to the Vertrue Defendants and would be used to pay for monthly subscriptions for the membership discount programs. The plaintiffs have requested that the Defendants be enjoined from engaging in the practices complained of by the plaintiffs. They also are seeking an unspecified amount of damages, including statutory and punitive damages, as well as pre-judgment and post-judgment interest and attorneys' fees and costs for the purported class.

In response to opposing motions filed by the plaintiffs and the Defendants, on December 11, 2008, the Judicial Panel on Multidistrict Litigation ordered the transfer of all of the outstanding cases to the United States District Court for the Southern District of Texas for coordinated pretrial proceedings. As a result of the ruling of the Judicial Panel on Multidistrict Litigation, on March 2, 2009 four of the existing plaintiffs filed a Consolidated Complaint with the United States District Court for the Southern District of Texas. On April 17, 2009, Vistaprint USA, Incorporated filed a Motion to Dismiss the Consolidated Complaint.

On August 31, 2009, the United States District Court for the Southern District of Texas dismissed all of the claims against the Defendants and ruled on substantive grounds that the Defendants had not violated any of the statutes or common law claims cited by the plaintiffs. In September 2009, the plaintiffs filed an appeal with the Fifth Circuit Court of Appeals in Texas. The Company cannot express an opinion as to the likely outcome of the appeal.

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On June 26, 2009, Vistaprint Limited, the Company's wholly owned subsidiary, and Vistaprint USA, Incorporated, a wholly owned subsidiary of Vistaprint Limited, together with sixteen other companies unaffiliated with Vistaprint Limited or Vistaprint USA, Incorporated, were named as defendants in a complaint for patent infringement by Soverain Software LLC in the United States District Court for the Eastern District of Texas. The complaint alleges that the named defendants are infringing U.S. Patents 5,715,314, 5,909,492 and 7,272,639. Two of the asserted patents relate generally to network-based sales systems employing a customer computer, a shopping cart computer and a shopping cart database. The third patent relates generally to the use of session identifiers in connection with requests transmitted through a network between a client and a server. The plaintiff is seeking declarations that the patents at issue are valid and enforceable and that the defendants infringe the patents, as well as the entry of a preliminary and permanent injunction and damages. This lawsuit is in its earliest stages, and the Company is unable to express an opinion as to its likely outcome.

On July 21, 2009, Vistaprint Limited and OfficeMax Incorporated were named as defendants in a complaint for patent infringement filed by ColorQuick LLC in the United States District Court for the Eastern District of Texas. The complaint alleges that Vistaprint Limited and OfficeMax Incorporated are infringing U.S. patent 6,839,149, relating generally to systems and methods for processing electronic files stored in a page description language format, such as PDF. The plaintiff is seeking a declaration that the patent at issue is valid and enforceable, a declaration that Vistaprint Limited infringes, the entry of a preliminary and permanent injunction, and damages. This lawsuit is in its earliest stages, and the Company is unable to express an opinion as to its likely outcome.

The Company is not currently party to any other material legal proceedings. The Company is involved, from time to time, in various legal proceedings arising from the normal course of business activities. Although the results of litigation and claims cannot be predicted with certainty, the Company does not expect resolution of these matters to have a material adverse impact on its consolidated results of operations, cash flows or financial position. However, an unfavorable resolution of such a proceeding could, depending on its amount and timing, materially affect the Company's results of operations, cash flows or financial position in a future period. Regardless of the outcome, litigation can have an adverse impact on the Company because of defense costs, diversion of management resources and other factors.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Quarterly Report on Form 10-Q contains forward-looking statements that involve risks and uncertainties. The statements contained in this Quarterly Report on Form 10-Q 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. Without limiting the foregoing, the words "may," "will," "should," "could," "expects," "plans," "intends," "anticipates," "believes," "estimates," "predicts," "potential," "continue," "target," "seek" and similar expressions are intended to identify forward-looking statements. All forward-looking statements included in this Quarterly Report on Form 10-Q 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 Quarterly Report on Form 10-Q. 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

For the three and six months ended December 31, 2009, we reported 40% and 34% revenue growth over the same periods in 2008 to revenue of $194.6 million and $339.7 million, respectively. Diluted earnings per share ("EPS") grew 40% and 51% for the three and six months ended December 31, 2009 over the same period in 2008 to EPS of $0.59 and $0.89, respectively.

Our long-term goal is to continue to grow profitably and become the leading online provider of small business marketing solutions. We believe that the strength of our solution gives us the opportunity not only to capture an increasing share of the existing needs in our targeted markets, but also to address marketing services demand by making available to our customers cost-effective solutions to grow their businesses. In order to accomplish this objective, we intend to execute on the following:

Provide "All Things Marketing" for Small Businesses

We believe our customers currently spend only a small portion of their annual budget for marketing products and services with us. By expanding the scope of our services and by improving the quality and selection of our products and services along with the customer experience, we intend to increase the amount of money our customers spend with us each year. During the first six months of fiscal year 2010, we added personalized notebooks, mugs, on-line search profiles and other offerings. We also acquired Soft Sight to support future entry into the custom embroidered product market. We plan to continue to expand and enhance our product and service offerings in order to provide a greater selection to our existing customers and to attract customers seeking a variety of products and services. Additionally, by continuing to improve our customer acquisition and retention marketing programs, our customer support and design services, and our value proposition, we seek to increase the number of products purchased by each customer.

Expand Geographic Reach

For the three and six months ended December 31, 2009, revenue generated from non-United States websites accounted for approximately 51% and 47% of our total revenue. We believe that we have significant opportunity to expand our revenue both in the countries we currently service and in additional countries worldwide. We opened a European marketing office in Barcelona, Spain in January 2007 to focus on the implementation of our European growth initiatives. We currently serve Australia, New Zealand and Japan from our North American and European locations, but have begun construction on a production facility near Melbourne, Australia and have announced plans to open a marketing office in Sydney, Australia. We expect to be fully operational in Australia in the first quarter of fiscal 2011. We intend to continue geographic expansion of our marketing efforts and customer service capabilities. In addition, we intend to further extend our geographic and international scope by continuing to introduce localized websites in different countries and languages and by offering graphic design content specific to local markets.

Home & Family

Although we expect to maintain our primary focus on the small business market, we believe that our customer support, sales and design services, and low production costs are differentiating factors that make purchasing from us an attractive alternative for individual consumers. We intend to add new products and services targeted at the consumer market, and we believe that the economies of scale provided by our large production order volumes and integrated design and production facilities will enable us to profitably grow our consumer business. During the first six months of fiscal year 2010, we added personalized notebooks, mugs, photo flip books and photo books to our list of offerings that appeal to consumers.

Recent Developments

On August 31, 2009, we effected the Change of Domicile, pursuant to which we effectively moved the place of incorporation of the publicly traded parent entity of the Vistaprint group of companies from Bermuda to the Netherlands. Pursuant to the Change of Domicile, the common shareholders of Vistaprint Limited became ordinary shareholders of Vistaprint N.V., Vistaprint Limited became a wholly owned subsidiary of Vistaprint N.V, and Vistaprint N.V. assumed Vistaprint Limited's existing obligations in connection with awards granted under Vistaprint Limited's incentive plans and other similar employee awards.

On July 1, 2009, Robert Keane, our chief executive officer, relocated to a new office in Paris, France, which will operate as Vistaprint SARL. Other activities that are or are planned to be located in our Paris headquarters include corporate strategy, talent development and corporate communications.

The Change of Domicile and the establishment of our Paris headquarters did not have and are not anticipated to have a material impact on how we conduct our day-to-day operations, consolidated effective tax rate or our financial position, results of operations or cash flows.

A foundation, Stichting Continuïteit Vistaprint (the "Foundation") was established whose board consists of three members, at least two of whom are independent of the Vistaprint group of companies (the "Company"). The purpose of the Foundation is to safeguard the interests of the Company and its stakeholders and to assist in maintaining the Company's continuity and independence. On November 16, 2009, we entered into a Call Option Agreement with the Foundation pursuant to which the Foundation may acquire a number of our preferred shares up to a maximum of the total number of our ordinary shares then outstanding at an exercise price of €0.01 per share. The call option held by the Foundation is designed to provide a protective measure against unsolicited take-over bids for Vistaprint or other hostile threats through the issuance of preferred shares to the Foundation that would give the Foundation voting and dispositive power over up to 50% of our outstanding securities.

On December 30, 2009, we acquired 100% of the outstanding equity of Soft Sight, a privately-held developer of embroidery digitization software based in the United States, for $6.5 million in cash. Soft Sight's proprietary software enables a customer's uploaded artwork to be automatically converted into embroidery stitch patterns for subsequent manufacturing. We plan to launch the new embroidered products to our customer base in the first half of fiscal 2011, and expect no revenue from embroidered products before then.

As part of the quarterly financial reporting process for the three and six months ended December 31, 2009, we became aware that the widely used third-party software application we use to calculate share-based compensation costs contained computational errors that affected the timing of expense recognition. These errors were corrected in the most current software version that we had not implemented during the affected periods. Specifically, the software incorrectly applied a weighted average forfeiture rate to the vested portion of stock option and restricted share awards until the grant's final vest date, rather than reflecting actual forfeitures as awards vest, resulting in a cumulative understatement of share-based compensation expense and additional paid in capital in prior years of $1.3 million. In accordance with SEC Staff Accounting Bulletin ("SAB") No. 99, *Materiality*, and SAB No. 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements*, we assessed the materiality of this error on our financial statements for the fiscal years ending prior to and including June 30, 2009, using both the roll-over and iron-curtain method as defined in SAB No. 108. We concluded that the effect of this cumulative error was not material to our interim or annual financial statements for any prior period and, as such, those financial statements are not materially misstated. We also concluded that providing for the correction of the error in the current fiscal year would not have a material effect on our annual financial statements for the year ending June 30, 2010. Accordingly, we recorded a charge to share-based compensation and additional paid in capital of $1.3 million in the three and six months ended December 31, 2009 to correct this error. As share-based compensation is a non-cash item there is no impact on net cash provided by operations.

Results of Operations

The following table presents our historical operating results for the periods indicated as a percentage of revenue:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2009	2008	2009	2008
Consolidated Statement of Operations Data:				
As a percentage of revenue:				
Revenue	100.0%	100.0%	100.0%	100.0%
Cost of revenue	34.9%	36.5%	35.5%	37.7%
Technology and development expense	10.5%	11.0%	11.2%	11.5%
Marketing and selling expense	30.8%	30.7%	31.4%	30.6%
General and administrative expense	8.0%	6.9%	8.6%	8.2%
Income from operations	15.8%	14.9%	13.3%	12.0%
Interest income	0.0%	0.4%	0.1%	0.5%
Other expense, net	0.4%	0.3%	0.2%	0.5%
Interest expense	0.1%	0.3%	0.2%	0.3%
Income before income taxes	15.3%	14.7%	13.0%	11.7%
Income tax provision	1.5%	1.3%	1.2%	1.1%
Net income	13.8%	13.4%	11.8%	10.6%

Comparison of the Three and Six Month Periods Ended December 31, 2009 and 2008

	Three Months Ended December 31,			Six Months Ended December 31,		
In thousands	2009	2008	2009-2008 % Change	2009	2008	2009-2008 % Change
Revenue	$194,612	$138,903	40%	$339,703	$253,135	34%
Cost of revenue	$ 67,876	$ 50,692	34%	$120,741	$ 95,536	26%
% of revenue	*34.9%*	*36.5%*		*35.5%*	*37.7%*	

Revenue. We generate revenue primarily from the sale and shipment of customized manufactured products, as well as certain digital services, such as website design and hosting and email marketing services. We also generate revenue from order referral fees, revenue share and other fees paid to us by merchants for customer click-throughs, distribution of third-party promotional materials and referrals arising from products and services of the merchants we offer to our customers on our website. Unlike products that we manufacture ourselves, these third-party referral offerings do not require physical production by us and have minimal corresponding direct cost of revenue. During the quarter ended December 31, 2009, we eliminated the third party membership discount program previously offered on our websites and terminated our relationship with our supplier for these programs, Vertrue, Inc. We expect that referral fee revenue from all sources will account for approximately 2% of our total revenues in fiscal year 2010 and we do not expect to generate any revenues from third party membership discount programs in the future.

To understand our revenue trends, we monitor several key metrics, including:

- *Website sessions*. A session is measured each time a computer user visits a Vistaprint website from their Internet browser. We measure this data to understand the volume and source of traffic to our websites. Typically, we use various advertising campaigns to increase the number and quality of shoppers entering our websites. The number of website sessions varies from month to month depending on variables such as product campaigns and advertising channels used.
- *Conversion rates*. The conversion rate is the number of customer orders divided by the total number of sessions during a specific period of time. Typically, we strive to increase conversion rates of customers entering our websites in order to increase the number of customer orders generated. Conversion rates have fluctuated in the past and we anticipate that they will fluctuate in the future due to, among other factors, the type of advertising campaigns and marketing channels used.

- *Average order value*. Average order value is total bookings for a given period of time divided by the total number of customer orders recorded during that same period of time. We seek to increase average order value as a means of increasing total revenue. Average order values have fluctuated in the past and we anticipate that they will fluctuate in the future depending upon the type of products promoted during a period and promotional discounts offered. For example, among other things, seasonal product offerings, such as holiday cards, can cause changes in average order values.

We believe the analysis of these metrics provides us with important information on customer buying behavior, advertising campaign effectiveness and the resulting impact on overall revenue trends and profitability. While we continually seek and test ways to increase revenue, we also attempt to increase the number of customer acquisitions and to grow profits. As a result, fluctuations in these metrics are usual and expected. Because changes in any one of these metrics may be offset by changes in another metric, no single factor is determinative of our revenue and profitability trends and we assess them together to understand their overall impact on revenue and profitability.

Total revenue for the three months ended December 31, 2009 increased 40% to $194.6 million from the three months ended December 31, 2008, due to increases in sales across our product and service offerings, as well as across all geographies. Revenue in each second fiscal quarter included a favorable seasonal impact from increased holiday product sales. The overall growth during this period was driven by increases in website sessions, which grew by 31% to 80.5 million, increases in average order value, which grew by 9% to $36.63, and increases in conversion rates, which grew by 10 basis points to 6.6%. In addition, the weaker U.S. dollar positively impacted our revenue growth by an estimated 800 basis points as compared to the three months ended December 31, 2008. These increases were partially offset by decreases in revenue from third-party referral fees which declined from approximately $6.4 million to $3.7 million over the same prior year period. Referral fee revenue from membership discount programs for the three months ended December 31, 2009 and 2008 was approximately 0.9% and 3.8% of our total revenues, respectively.

As our total customer base has grown, we also have continued to experience growth in purchases from existing customers. Bookings from repeat customers accounted for 66% of total bookings for the three months ended December 31, 2009 as compared to 65% of total bookings for the three months ended December 31, 2008. Revenue from our non-United States websites accounted for 51% of total revenues for the three months ended December 31, 2009 as compared to 42% of total revenues for the three months ended December 31, 2008.

Total revenue for the six months ended December 31, 2009 increased 34% to $339.7 million from the six months ended December 31, 2008, due to increases in sales across our product and service offerings, as well as across all geographies. Revenue in each second fiscal quarter included a favorable seasonal impact from increased holiday product sales. The overall growth during this period was driven by increases in website sessions, which grew by 35% to 145.5 million, and increases in average order value, which grew by 6% to $35.57. In addition, the weaker U.S. dollar positively impacted our revenue growth by an estimated 300 basis points as compared to the six months ended December 31, 2008. This was partially offset by a 20 basis point decrease in conversion rates to 6.5%. Additionally, our revenue from third-party referral fees decreased from $13.4 million to $8.9 million over the same prior year period. Referral fee revenue from membership discount programs for the six months ended December 31, 2009 and 2008 was approximately 1.5% and 4.4% of our total revenues, respectively.

Bookings from repeat customers remained consistent at 66% of total bookings for the six months ended December 31, 2009 as compared to the six months ended December 31, 2008. Revenue from our non-United States websites accounted for 47% of total revenues for the six months ended December 30, 2009 as compared to 40% of total revenues for the six months ended December 31, 2008.

Cost of revenue

Cost of revenue includes materials used to manufacture our products, payroll and related expenses for production personnel, depreciation of equipment used in the production process and in support of digital service offerings, shipping and postage costs, and other miscellaneous related costs of products sold by us.

The decrease in cost of revenue as a percentage of revenue for the three and six months ended December 31, 2009 compared to the same period in 2008 was primarily attributable to reductions in shipping costs, improved pricing agreements in relation to purchases of materials, productivity improvements at our manufacturing locations, and shifts in product mix, including an increase in sales of digital services. These improvements were partially offset by a decrease in referral revenue

and a strengthening of the Canadian dollar, which negatively impacted the raw material and labor costs of our Canadian production operations. Both the three and six months ended December 31, 2009 also included $0.1 million related to the cumulative adjustment for share-based payment costs described in "Recent Developments" above.

In thousands	Three Months Ended December 31, 2009	Three Months Ended December 31, 2008	2009-2008 % Change	Six Months Ended December 31, 2009	Six Months Ended December 31, 2008	2009-2008 % Change
Technology and development expense	$20,497	$15,246	34%	$ 38,169	$29,054	31%
% of revenue	*10.5%*	*11.0%*		*11.2%*	*11.5%*	
Marketing and selling expense	$60,013	$42,683	41%	$106,545	$77,484	38%
% of revenue	*30.8%*	*30.7%*		*31.4%*	*30.6%*	
General and administrative expense	$15,500	$ 9,629	61%	$ 29,116	$20,576	42%
% of revenue	*8.0%*	*6.9%*		*8.6%*	*8.2%*	

Technology and development expense

Technology and development expense consists primarily of payroll and related expenses for software and manufacturing engineering, content development, amortization of capitalized software and website development costs, information technology operations, website hosting, equipment depreciation, patent amortization and miscellaneous technology infrastructure-related costs. However, depreciation expense for information technology equipment that directly supports the delivery of our digital services products is not included in this category as this depreciation expense is included in cost of revenue.

The increase in our technology and development expenses of $5.3 million for the three months ended December 31, 2009 as compared to the same period in 2008 was primarily due to increased payroll and benefit costs of $3.3 million associated with increased employee hiring in our technology development and information technology support organizations. The increase in our technology and development expenses of $9.1 million for the six months ended December 31, 2009 as compared to the same period in 2008 was primarily due to increased payroll and benefit costs of $5.8 million associated with increased employee hiring in our technology development and information technology support organizations. Both the three and six months ended December 31, 2009 also included $0.4 million related to the cumulative adjustment for share-based payment costs described in "Recent Developments" above. At December 31, 2009, we employed 330 employees in these organizations compared to 290 employees at December 31, 2008. In addition, to support our continued revenue growth during this period, we continued to invest in our website infrastructure, which resulted in increased depreciation and hosting services expense of $0.6 million and increased other expenses of $0.4 million for the three months ended December 31, 2009 as compared to the same period in 2008. For the six months ended December 31, 2009, depreciation and hosting services expense increased $1.3 million and other expenses increased $0.7 million as compared to the same period in 2008. Included in both the three and six months ended December 31, 2009 is $0.9 million of expense related to the abandonment of certain acquired intangibles recorded in the Soft Sight acquisition that were measured at fair value based on the perspective of a market participant, but we determined not to have an economic use for Vistaprint and were abandoned.

Marketing and selling expense

Marketing and selling expense consists primarily of advertising and promotional costs; payroll and related expenses for our employees engaged in sales, marketing, customer support and public relations activities; and third party payment processor and credit card fees.

The increase in our marketing and selling expenses of $17.3 million for the three months ended December 31, 2009 as compared to the same period in 2008 was driven primarily by increases of $11.6 million in advertising costs related to new customer acquisition and costs of promotions targeted at our existing customer base, and increases in payroll and benefits related costs of $4.2 million. The increase in our marketing and selling expenses of $29.1 million for the six months ended December 31, 2009 as compared to the same period in 2008 was driven primarily by increases of $20.3 million in advertising and promotion costs and increases in payroll and benefits related costs of $6.5 million. During this period, we continued to expand our marketing organization and our design, sales and services centers. At December 31, 2009, we employed 737 employees in these organizations compared to 622 employees at December 31, 2008. In addition, payment processing fees paid to third-parties increased by $0.8 million and $1.4 million, during the three and six months ended December 31, 2009, respectively, as compared to the same periods in 2008 due to increased order volumes. Both the three and six months ended December 31, 2009 also included $0.4 million related to the cumulative adjustment for share-based payment costs described in "Recent Developments" above.

General and administrative expense

General and administrative expense consists primarily of general corporate costs, including third party professional fees and payroll and related expense of employees involved in finance, legal, human resource and general executive management. Third party professional fees include finance, legal, human resources, and insurance.

The increase in our general and administrative expenses of $5.9 million for the three months ended December 31, 2009 as compared to the same period in 2008 was primarily due to increased payroll and benefit costs of $2.8 million resulting from the continued growth of our executive management, finance, legal and human resource organizations, and increased third-party professional fees of $2.1 million related to ongoing litigation, and other general and administrative activities. The increase in our general and administrative expenses of $8.5 million for the six months ended December 31, 2009 as compared to the same period in 2008 was primarily due to increased payroll and benefit costs of $3.5 million resulting from the continued growth of our executive management, finance and human resource organizations, and increased third-party professional fees of $3.9 million related to ongoing litigation, the execution of our change of domicile to the Netherlands, and other general and administrative activities. Both the three and six months ended December 31, 2009 also included $0.4 million related to the cumulative adjustment for share-based payment costs described in "Recent Developments" above. At December 31, 2009, we employed 161 employees in these organizations compared to 135 employees at December 31, 2008.

Interest income

Interest income, which consists of interest income earned on cash and cash equivalents and investments, decreased $0.5 million to $0.1 million for the three months ended December 31, 2009 from $0.6 million generated in the same period in 2008. Interest income decreased $1.1 million to $0.2 million for the six months ended December 31, 2009 from $1.3 million generated in the same period in 2008. The decrease was primarily due to lower interest rate yields on our cash and investments balances.

Other expense, net

Other expense, net, which primarily consists of gains and losses from currency exchange transactions or revaluation, increased to $0.8 million for the three months ended December 31, 2009 as compared to $0.4 million for the same period in 2008. Other expense, net, decreased to $0.6 million for the six months ended December 31, 2009 as compared to $1.4 million for the same period in 2008. Increases and decreases in other expense, net are due to changes in currency exchange rates on transactions or balances denominated in currencies other than the functional currency of our subsidiaries.

Interest expense

Interest expense, which consists of interest and other related fees paid to financial institutions on outstanding balances on our credit facilities, decreased to $0.2 million for the three months ended December 31, 2009 as compared to $0.4 million for the same period in 2008. Interest expense decreased to $0.5 million for the six months ended December 31, 2009 as compared to $0.7 million for the same period in 2008. As a result of the early repayment of $5.9 million of our euro revolving credit agreement, we incurred $0.1 million in prepayment penalties for the three and six months ended December 31, 2009. We expect that interest expense will continue to decline in future periods as a result of our early repayment of debt and the final payment in November 2009 of our original Canadian credit facility.

Income tax provision

In thousands	Three Months Ended December 31, 2009	Three Months Ended December 31, 2008	Six Months Ended December 31, 2009	Six Months Ended December 31, 2008
Income taxes:				
Income tax provision	$2,875	$1,889	$4,240	$2,854
Effective tax rate	*9.6%*	*9.2%*	*9.6%*	*9.6%*

Income tax expense increased to $2.9 million for the three months ended December 31, 2009 as compared to $1.9 million for the same period in 2008. Income tax expense increased to $4.2 million for the six months ended December 31, 2009 as compared to $2.9 million for the same period in 2008. The increase in the effective tax rate for the three months ended December 31, 2009 as compared to the same period in 2008 is primarily attributable to the expiration of the U.S. federal research and development tax credit offset by benefit associated with geographic earnings mix.

Liquidity and Capital Resources

Consolidated Statements of Cash Flows Data:

	Six Months Ended December 31,	
	2009	2008
Capital expenditures	$(50,948)	$(41,500)
Software and website development costs	(3,147)	(3,327)
Soft Sight acquisition, net of cash acquired	(6,496)	—
Depreciation and amortization	21,303	16,646
Cash flows provided by operating activities	90,346	72,704
Cash flows used in investing activities	(60,491)	(32,068)
Cash flows used in financing activities	(4,841)	(45,234)

At December 31, 2009, we had $159.1 million of cash and cash equivalents primarily consisting of money market funds. During the three and six months ended December 31, 2009, we financed our operations through internally generated cash flows from operations. We believe that our available cash and cash flows generated from operations will be sufficient to satisfy our working capital, debt and capital expenditure requirements for the foreseeable future.

Operating Activities. Cash provided by operating activities in the six months ended December 31, 2009 was $90.3 million and consisted of net income of $39.9 million, positive adjustments for non-cash items of $31.2 million and $19.3 million provided by working capital and other activities. Adjustments for non-cash items included $21.3 million of depreciation and amortization expense on property and equipment, software and website development costs, $11.8 million of share-based compensation expense, and $0.9 million for the write-off of acquired intangible assets, offset in part by $2.9 million of tax benefits derived from share-based compensation awards. The change in working capital and other activities primarily consisted of an increase of $21.6 million in accrued expenses and other liabilities, an increase of $3.5 million in accounts payable, offset by an increase in accounts receivable of $3.1 million, an increase in inventory of $2.3 million, and an increase in prepaid expenses and other assets of $0.5 million. The increase in accrued expenses and other liabilities is driven primarily by increases in accrued payroll and benefit costs of $5.5 million, increases in accrued marketing expenses of $5.3 million, and increases in tax liabilities including value-added taxes of $6.0 million related mainly to sales within the European Union.

Cash provided by operating activities in the six months ended December 31, 2008 was $72.7 million and consisted of net income of $26.8 million, positive adjustments for non-cash items of $28.3 million and $17.6 million provided by working capital and other activities. Adjustments for non-cash items included $16.7 million of depreciation and amortization expense on property and equipment and software and website development costs, $10.3 million of share-based compensation expense and $1.3 million of long-lived assets written off. The change in working capital and other activities primarily consisted of an increase of $16.4 million in accrued expenses and other current liabilities, an increase of $3.8 million in accounts payable and a decrease of $1.0 million in accounts receivable, offset by an increase of $2.0 million in prepaid expenses and other assets and an increase in inventory of $1.6 million.

Investing Activities. Cash used in investing activities in the six months ended December 31, 2009 of $60.5 million consisted primarily of capital expenditures of $50.9 million, the purchase of Soft Sight, net of cash acquired, of $6.5 million, capitalized software and website development costs of $3.1 million, partially offset by $0.1 million of investment maturities. Capital expenditures of $29.5 million were related to the purchase of land and facilities, $14.0 million were related to the purchase of manufacturing and automation equipment for our production facilities, and $7.4 million were related to purchases of other assets including information technology infrastructure and office equipment.

Cash used in investing activities in the six months ended December 31, 2008 of $32.1 million was attributable primarily to capital expenditures of $41.5 million, capitalized software and website development costs of $3.3 million partially offset by net sales of marketable securities of $12.8 million. Capital expenditures of $18.1 million were related to the purchase of equipment for our production facilities, $17.2 million were related to construction and land acquisition costs at our production facilities and $6.2 million were related to purchases of information technology and facility-related assets.

Financing Activities. Cash used in financing activities in the six months ended December 31, 2009 of $4.8 million was primarily attributable to payments in connection with our loan facilities of $13.1 million, including payment of the remaining principal balance of the euro revolving credit agreement in the Company's Dutch subsidiary in the amount of $5.9 million and the final balloon payment on our original Canadian credit facility of $6.0 million. We also used $2.7 million to pay minimum withholding taxes related to the vesting of restricted share units (RSUs) granted and ordinary shares withheld under our equity incentive plans. This has been partially offset by the issuance of ordinary shares pursuant to share option exercises of $8.1 million and tax benefits derived from share-based compensation awards of $2.9 million.

Cash used by financing activities in the six months ended December 31, 2008 of $45.2 million was primarily attributable to the repurchase of common shares for $45.5 million, payments in connection with our bank loans of $1.6 million associated with the purchase of production assets for our facilities and the use of $1.4 million to pay minimum withholding taxes related to the vesting of RSUs granted and common shares withheld under our equity incentive plans, partially offset by the issuance of common shares pursuant to share option exercises of $3.3 million.

Contractual Obligations

Contractual obligations at December 31, 2009 were as follows:

	Payments Due by Period				
	Total	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Long-term debt obligations (excluding interest)	$ 5,942	$ 5,942	$ —	$ —	$ —
Operating lease obligations	47,742	6,517	12,971	12,744	15,510
Total	$53,684	$12,459	$12,971	$12,744	$15,510

Long-Term Debt. During the six months ended December 31, 2009, the remaining balance of our euro revolving credit agreement was paid in full. The total payment was $6,064, including $141 of interest and pre-payment penalties. Additionally, the final balloon payment on our original credit agreement with Comerica Bank of $5,960 was paid on November 2, 2009.

In December 2005, we amended our original credit agreement with Comerica Bank – Canada to include an additional $10.0 million equipment term loan. The borrowings have been used to finance printing equipment purchases for the Windsor production facility. The loan is payable in monthly installments beginning December 1, 2006 and continuing through 2010, plus interest, with the remaining balance of $4,667 to be paid in December 2010. As of December 31, 2009, the interest rates on the various borrowings remaining under the term loan have been fixed over the remaining term of the loan at rates ranging from 7.82% to 8.50% and there was $5.9 million outstanding under this term loan.

Operating Leases. We rent office space under operating leases expiring on various dates through 2018. We recognize rent expense on our operating leases that include free rent periods and scheduled rent payments on a straight-line basis from the commencement of the lease.

Purchase Commitments. At December 31, 2009, we had unrecorded commitments under contracts to expand our Canadian production facility and construct our Australian production facility of approximately $10,533 and $18,773, respectively. We also had unrecorded commitments under contracts at December 31, 2009 to purchase production equipment for our Australian, Canadian and Dutch production facilities of approximately $7,265, $975 and $884, respectively.

Recently Adopted Accounting Pronouncements

The Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) became effective for us in the quarter ended September 30, 2009. The Codification brings together in one place all authoritative GAAP and substantially retains existing GAAP. This change did not affect our consolidated financial statements.

Effective July 1, 2009, we adopted the revisions to FASB ASC Topic 805 *Business Combinations* that requires all assets and liabilities of an acquired business to be recorded at their fair values in all business combinations (whether full, partial or step acquisitions). Certain forms of contingent consideration and certain acquired contingencies are also required to be recorded at fair value at the acquisition date. Acquisition costs are now expensed as incurred and restructuring costs will be expensed in periods after the acquisition date in accordance with our existing accounting policy for restructuring costs. Finally, post-acquisition changes in deferred tax asset valuation allowances and acquired income tax uncertainties are recognized as income tax expense or benefit. The adoption of these requirements did not have a material impact on our consolidated financial statements. Our acquisition of Soft Sight during the period was accounted for using the new requirements.

Effective July 1, 2009, we adopted the revisions to FASB ASC Topic 810 *Consolidation* that requires us to clearly identify and present ownership interests in subsidiaries held by parties other than us in the consolidated financial statements within the equity section but separate from our equity. The amount of consolidated net income attributable to the parent and to the non-controlling interest is required to be clearly identified and presented on the face of the consolidated statement of income; changes in ownership interest be accounted for similarly, as equity transactions; and when a subsidiary is deconsolidated, any retained non-controlling equity investment in the former subsidiary and the gain or loss on the deconsolidation of the subsidiary be measured at fair value. The revisions also require us to revise evaluations of whether entities represent variable interest entities, ongoing assessments of control over such entities, and additional disclosures for variable interests. The adoption of these requirements did not have a material impact on our consolidated financial statements.

Recently Issued Accounting Pronouncements

Accounting Standards Update (ASU) 2009-13 *Multiple-Deliverable Revenue Arrangements* amends ASC Subtopic 650-25 *Revenue Recognition—Multiple-Element Arrangements* to eliminate the requirement that all undelivered elements have vendor-specific objective evidence (VSOE) or third-party evidence (TPE) before an entity can recognize the portion of an overall arrangement fee that is attributable to items that already have been delivered. In the absence of VSOE or TPE of the standalone selling price for one or more delivered or undelivered elements in a multiple-element arrangement, entities will be required to estimate the selling prices of those elements. The overall arrangement fee will be allocated to each element (both delivered and undelivered items) based on their relative selling prices, regardless of whether those selling prices are evidenced by VSOE or TPE or are based on the entity's estimated selling price. Additionally, the new guidance will require entities to disclose more information about their multiple-element revenue arrangements. This ASU is effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010 and early adoption is permitted. We do not believe that the adoption of this ASU will have a material impact on our consolidated financial statements.

ASU 2009-14 *Certain Revenue Arrangements that Include Software Elements* amends ASC Subtopic 985-605 *Software-Revenue Recognition*, which addresses the accounting for revenue transactions involving software, to exclude from its scope tangible products that contain both software and non-software components that function together to deliver a product's essential functionality. The ASU is effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010 and early adoption is permitted. We do not believe that the adoption of this ASU will have a material impact on our consolidated financial statements.

ASU 2009-05, *Fair Value Measurements and Disclosures (Topic 820)—Measuring Liabilities at Fair Value* allows entities determining the fair value of a liability to use the perspective of an investor that holds the related obligation as an asset. The ASU is effective for interim and annual periods beginning after August 27, 2009, and applies to all fair-value measurements of liabilities required by GAAP. We do not believe that the adoption of this ASU will have a material impact on our consolidated financial statements.

Critical Accounting Policies and Estimates

Our financial statements are prepared in accordance with accounting principles generally accepted in the United States ("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 many 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. To the extent that there are material differences between these estimates and actual results, our financial condition or results of operations will be affected. We base our estimates and judgments on historical experience and other assumptions that we believe to be reasonable at the time and 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. Management believes that there have been no material changes during the six months ended December 31, 2009 to the critical accounting policies reported in the Management's Discussion and Analysis of Financial Condition and Results of Operations section of our Annual Report on Form 10-K filed with the Securities and Exchange Commission on August 31, 2009. We have added a critical accounting policy regarding business combinations, acquired intangible assets and goodwill as a result of our acquisition of Soft Sight on December 30, 2009.

Business Combinations

We assign the value of the consideration transferred to acquire a business to the tangible assets and identifiable intangible assets acquired and liabilities assumed 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 for a market participant. Assets recorded from the perspective of a market participant that are determined to not have economic use for us are expensed immediately. Transaction costs and restructuring costs associated with a transaction to acquire a business are expensed as incurred.

Intangible Assets

We record acquired intangible assets at fair value on the date of acquisition and amortize such assets using the straight-line method over the expected useful life, unless another method is deemed to be more appropriate. 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.

Goodwill

The difference between the purchase price and the fair value of assets acquired and liabilities assumed in a business combination is allocated to goodwill. Goodwill will be evaluated for impairment on an annual basis during the fiscal third quarter, or earlier if impairment indicators are present.

Estimates Related to the Soft Sight Acquisition

We assigned the value of the consideration transferred to acquire Soft Sight to the tangible assets and identifiable intangible assets acquired and liabilities assumed, on the basis of their fair values at the date of acquisition. The difference between the purchase price and the fair value of assets acquired and liabilities assumed was allocated to goodwill. This goodwill, totaling $4.2 million, relates to the potential synergies from the integration of the Soft Sight embroidery software capabilities into the Vistaprint product offering. The allocations recorded on our condensed consolidated balance sheet included $2.6 million of intangible assets and a $1.1 million deferred tax liability.

We assessed the fair value of assets, including intangible assets that were principally comprised of developed technology and website infrastructure, using a variety of methods. These methods reflect significant assumptions regarding the estimates a market participant would make in order to evaluate similar assets, including estimates regarding the expected costs to develop such assets in-house and the appropriate discount rates. The estimated fair value ascribed to developed technology and the website infrastructure was based on the estimated cost that a market participant would incur to replace these assets. The risk-adjusted discount rate for each of the acquired intangibles was approximately 19%.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk. Our exposure to interest rate risk relates primarily to our cash and cash equivalents and investments. At December 31, 2009, we had unrestricted cash and cash equivalents, primarily invested in money market funds, totaling $159.1 million and a long-term investment in a municipal auction rate security totaling $0.7 million. These amounts are held for working capital purposes, we do not enter into investments for trading or speculative purposes. We considered the historical volatility of short term interest rates. A hypothetical 1% (100 basis-point) increase in interest rates would have resulted in an immaterial decrease in the fair values of our investments at December 31, 2009.

Foreign Currency Exchange Rate Risk. As we conduct business in multiple international currencies through our worldwide operations but report our financial results in U.S. dollars, we are affected by fluctuations in exchange rates of such currencies versus the U.S. dollar. Fluctuations in exchange rates can positively or negatively affect our revenue and profits. Our subsidiaries in the Netherlands, Spain, France and Tunisia have the euro as their functional currency. Our subsidiaries in Switzerland and Australia have the Swiss franc and Australian dollar as their functional currency, respectively. Each of these subsidiaries translates their assets and liabilities 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 income on the balance

sheet. Transaction gains and losses generated from revenue and operating expenses in currencies other than the functional currency of a subsidiary and remeasurement of assets and liabilities denominated in currencies other than the functional currency of a subsidiary are included in other expense, net on the statement of income. In addition, our subsidiaries have intercompany accounts that are eliminated in consolidation, but that expose us to fluctuations in currency exchange rates. Exchange rate fluctuations on short-term intercompany accounts are also reported in other expense, net on the statement of income. During the six months ended December 31, 2009, our Canadian subsidiary entered into a series of nine currency forward contracts with the objective of hedging currency exchange risk on forecasted monthly payments for the purchase of a long-lived asset denominated in a currency other than its functional currency.

We considered the historical trends in currency exchange rates. A hypothetical 10% change in currency exchange rates was applied to total net monetary assets denominated in currencies other than the local currencies at the balance sheet dates to compute the impact these changes would have had on our income before taxes in the near term. A hypothetical decrease in exchange rates of 10%, or strengthening of the U.S. dollar, would have resulted in an increase of $0.4 million on our income before taxes for the three months ended December 31, 2009. A similar decrease in exchange rates of 10%, or strengthening of the U.S. dollar, would have resulted in a decrease of $0.8 million on our income before taxes for the three months ended December 31, 2008. These hypothetical 10% changes in U.S. dollar currency exchange rates would have resulted in an immaterial change in the fair value of our currency forward agreements at December 31, 2009.

Currency transaction losses included in other expense, net were $0.8 million and $0.4 million for the three months ended December 31, 2009 and 2008, respectively. Currency transaction losses included in other expense, net were $0.6 million and $1.4 million for the six months ended December 31, 2009 and 2008, respectively.

ITEM 4. 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 December 31, 2009. The term “disclosure controls and procedures,” as defined in the SEC’s rules, 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 December 31, 2009, 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.

During the six months ended December 31, 2009, we implemented certain modules of a new company wide Enterprise Resource Planning system, SAP, that provides an integrated solution for transaction processing, consolidation, and reporting. No other change in our internal control over financial reporting (as defined in the SEC’s rules) occurred during the six months ended December 31, 2009 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

On July 27, 2006, Vistaprint Technologies Limited, a wholly owned subsidiary of our subsidiary Vistaprint Limited, filed a patent infringement lawsuit against print24 GmbH, unitedprint.com AG and their two managing directors in the District Court in Düsseldorf Germany, alleging infringement by the defendants in Germany of one of Vistaprint Technologies Limited's European patents related to computer-implemented methods and apparatus for generating pre-press graphic files. On June 7, 2007, unitedprint.com AG filed a patent nullification action in the German Patent Court in relation to the same European patent at issue in Vistaprint Technologies Limited's infringement lawsuit against print24 and its co-defendants. On July 31, 2007, the District Court in Düsseldorf ruled in Vistaprint Technologies Limited's favor on the underlying infringement claim against print24 and its co-defendants, granting all elements of the requested injunction and ordering the defendants to pay damages for past infringement. The Düsseldorf District Court's ruling went into effect in early September 2007 and was not appealed by the defendants. On November 13, 2008, the German Patent Court held an oral hearing on the patent nullification action brought by unitedprint.com and revoked the patent at issue. The Patent Court issued a written opinion stating the basis for its ruling on March 24, 2009, and on April 22, 2009, Vistaprint Technologies Limited filed a notice of appeal of the Patent Court's ruling with the German Federal Supreme Court. We are unable to express an opinion as to the likely outcome of such appeal.

On May 14, 2007, Vistaprint Technologies Limited filed a patent infringement lawsuit against 123Print, Inc. and Drawing Board (US), Inc., subsidiaries of Taylor Corporation, in the United States District Court for the District of Minnesota. The complaint in the lawsuit asserts that the defendants have infringed and continue to infringe three U.S. patents owned by Vistaprint Technologies Limited related to browser-based tools for online product design. The complaint seeks an injunction against the defendants and the recovery of damages. The defendants filed their Answer and Counterclaims to the complaint on June 7, 2007, in which they denied the infringement allegations and asserted counterclaims for declaratory judgment of invalidity, unenforceability and non-infringement of the patents-in-suit. In August 2007, another Taylor Corporation subsidiary, Taylor Strategic Accounts, Inc., was added as an additional defendant in the case. The exchange of relevant documents and records and the depositions of fact witnesses in connection with the allegations of the parties have been substantially completed. In early June 2008, newly discovered third party prior art documents were introduced into the litigation. These documents had not been reviewed and considered by the U.S. Patent Office prior to issuance of the patents-in-suit. For that reason, on June 30, 2008, Vistaprint Technologies Limited requested the United States District Court to stay the litigation to provide the U.S. Patent Office an opportunity to reexamine the patents-in-suit in light of these newly discovered documents, and the Court granted Vistaprint Technologies Limited's request for a stay on September 2, 2008. Vistaprint Technologies Limited then submitted a request for reexamination of each of the patents-in-suit to the U.S. Patent Office, which granted the reexamination requests in February 2009. Pursuant to the Court's order, the stay will remain in place pending the resolution of the requests for reexamination. On October 28, 2008, a St. Paul, Minnesota law firm representing Taylor Corporation also filed requests with the U.S. Patent Office seeking reexamination of the three patents-in-suit. These reexamination requests were granted in May and June 2009 and were merged in September 2009 with the reexaminations earlier filed by Vistaprint Technologies Limited. We are unable to express an opinion as to the likely outcome of any such reexamination or of the underlying lawsuit.

On July 29, 2008, a purported class action lawsuit was filed in the United States District Court for the Southern District of Texas (the "Texas Complaint") against Vistaprint Corp., Vistaprint USA, Inc., Vertrue, Inc. and Adaptive Marketing, LLC (collectively, the "Defendants"). Adaptive Marketing, LLC is a Vertrue, Inc. company that provides subscription-based membership discount programs, including programs that are offered on our Vistaprint.com website (Vertrue, Inc. and Adaptive Marketing, LLC are sometimes collectively referred to herein as the "Vertrue Defendants"). The Texas Complaint alleges that the Defendants violated, among other statutes, the Electronic Funds Transfer Act, the Electronic Communications Privacy Act, the Texas Deceptive Trade Practices-Consumer Protection Act and the Texas Theft Liability Act, in connection with certain membership discount programs offered to our customers on our Vistaprint.com website. The Texas Complaint also seeks recovery for unjust enrichment, conversion, and similar common law claims. Subsequent to the filing of the Texas complaint, in July, August and September 2008, several nearly identical purported class action lawsuits were filed in the United States District Court, District of New Jersey, the United States District Court, Southern District of Alabama, the United States District Court, District of Nevada, the United States District Court, District of Massachusetts, and the United States District Court, District of Florida against the same Defendants, and in one case Vistaprint Limited, on behalf of different plaintiffs. The complaints in each of these nearly identical lawsuits include substantially the same purported Federal and common law claims as the Texas Complaint but contain different state law claims. In addition, on August 28, 2008, a purported class action lawsuit asserting substantially the same Federal and common law claims as the Texas Complaint, but containing a state law claim under the Massachusetts Unfair Trade Practices Act, was filed by a different plaintiff in the United States District Court, District of Massachusetts, against Vistaprint Limited, Vistaprint USA, Inc. and the Vertrue Defendants.

Among other allegations, the plaintiffs in each action claim that after ordering products on our Vistaprint.com website they were enrolled in certain membership discount programs operated by the Vertrue Defendants and that monthly subscription fees for the programs were subsequently charged directly to the credit or debit cards they used to make purchases on Vistaprint.com, in each case purportedly without their knowledge or authorization. The plaintiffs also claim that the Defendants failed to disclose to them that the credit or debit card information they provided to make purchases on Vistaprint.com would be disclosed to the Vertrue Defendants and would be used to pay for monthly subscriptions for the membership discount programs. The plaintiffs have requested that the Defendants be enjoined from engaging in the practices complained of by the plaintiffs. They also are seeking an unspecified amount of damages, including statutory and punitive damages, as well as pre-judgment and post-judgment interest and attorneys' fees and costs for the purported class.

In response to opposing motions filed by the plaintiffs and the Defendants, on December 11, 2008, the Judicial Panel on Multidistrict Litigation ordered the transfer of all of the outstanding cases to the United States District Court for the Southern District of Texas for coordinated pretrial proceedings. As a result of the ruling of the Judicial Panel on Multidistrict Litigation, on March 2, 2009 four of the existing plaintiffs filed a Consolidated Complaint with the United States District Court for the Southern District of Texas. On April 17, 2009, Vistaprint USA, Incorporated filed a Motion to Dismiss the Consolidated Complaint.

On August 31, 2009, the United States District Court for the Southern District of Texas dismissed all of the claims against the Defendants and ruled on substantive grounds that the Defendants had not violated any of the statutes or common law claims cited by the plaintiffs. In September 2009, the plaintiffs filed an appeal with the Fifth Circuit Court of Appeals in Texas. We cannot express an opinion as to the likely outcome of the appeal.

On June 26, 2009, Vistaprint Limited, our wholly owned subsidiary, and Vistaprint USA, Incorporated, a wholly owned subsidiary of Vistaprint Limited, together with sixteen other companies unaffiliated with Vistaprint Limited or Vistaprint USA, Incorporated, were named as defendants in a complaint for patent infringement by Soverain Software LLC in the United States District Court for the Eastern District of Texas. The complaint alleges that the named defendants are infringing U.S. Patents 5,715,314, 5,909,492 and 7,272,639. Two of the asserted patents relate generally to network-based sales systems employing a customer computer, a shopping cart computer and a shopping cart database. The third patent relates generally to the use of session identifiers in connection with requests transmitted through a network between a client and a server. The plaintiff is seeking declarations that the patents at issue are valid and enforceable and that the defendants infringe the patents, as well as the entry of a preliminary and permanent injunction and damages. This lawsuit is in its earliest stages, and we are unable to express an opinion as to its likely outcome.

On July 21, 2009, Vistaprint Limited and OfficeMax Incorporated were named as defendants in a complaint for patent infringement filed by ColorQuick LLC in the United States District Court for the Eastern District of Texas. The complaint alleges that Vistaprint Limited and OfficeMax Incorporated are infringing U.S. patent 6,839,149, relating generally to systems and methods for processing electronic files stored in a page description language format, such as PDF. The plaintiff is seeking a declaration that the patent at issue is valid and enforceable, a declaration that Vistaprint Limited infringes, the entry of a preliminary and permanent injunction, and damages. This lawsuit is in its earliest stages, and we are unable to express an opinion as to its likely outcome.

We are not currently party to any other material legal proceedings. We are involved, from time to time, in various legal proceedings arising from the normal course of business activities. Although the results of litigation and claims cannot be predicted with certainty, we do not expect resolution of these matters to have a material adverse impact on our consolidated results of operations, cash flows or financial position. However, an unfavorable resolution of such a proceeding could, depending on its amount and timing, materially affect our results of operations, cash flows or financial position in a future period. Regardless of the outcome, litigation can have an adverse impact on us because of defense costs, diversion of management resources and other factors.

Item 1A. Risk Factors

We caution you that our actual future results may vary materially from those contained in forward looking statements that we make in this Report and other filings with the Securities and Exchange Commission, press releases, communications with investors and oral statements due to the following important factors, among others. Any or all of our forward-looking statements in this Quarterly Report on Form 10-Q 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. Many factors mentioned in the discussion below will be important in determining future results. 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.

Risks Related to Our Business

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

Our success depends on our ability to attract customers in a cost-effective manner. We rely on a variety of methods to draw visitors to our websites and promote our products and services, such as purchased search results from online search engines, e-mail, telesales, and direct mail. We pay providers of online services, search engines, directories and other websites and e-commerce businesses to provide content, advertising banners and other links that direct customers to our websites. We also promote our products and special offers through e-mail, telesales and direct mail, targeted to repeat and potential customers. In addition, we rely heavily upon word of mouth customer referrals. If we are unable to develop or maintain an effective means of reaching small businesses and consumers, the costs of attracting customers using these methods significantly increase, or we are unable to develop new cost-effective means to obtain customers, then our ability to attract new and repeat customers would be harmed, traffic to our websites would be reduced, and our business and results of operations would be harmed.

Purchasers of small business marketing products and services, including graphic design and customized printing, may not choose to shop online, which would prevent us from acquiring new customers which are necessary to the success of our business.

The online market for small business marketing products and services is less developed than the online market for other business and consumer products. If this market does not gain or maintain widespread acceptance, our business may suffer. Our success will depend in part on our ability to attract customers who have historically purchased printed products and graphic design services through traditional printing operations and graphic design businesses or who have produced graphic design and printed products using self-service alternatives. Furthermore, we may have to incur significantly higher and more sustained advertising and promotional expenditures or price our services and products more competitively than we currently anticipate in order to attract additional online consumers to our websites and convert them into purchasing customers. Specific factors that could prevent prospective customers from purchasing from us include:

- concerns about buying graphic design services and marketing products without face-to-face interaction with sales personnel;
- the inability to physically handle and examine product samples;
- delivery time associated with Internet orders;
- concerns about the security of online transactions and the privacy of personal information;
- delayed shipments or shipments of incorrect or damaged products; and
- the inconvenience associated with returning or exchanging purchased items.

We may not succeed in promoting, strengthening and continuing to establish the Vistaprint brand, which would prevent us from acquiring new customers and increasing revenues.

Since our products and services are sold primarily through our websites, the success of our business depends upon our ability to attract new and repeat customers to our websites in order to increase business and grow our revenues. For this reason, a primary component of our business strategy is the continued promotion and strengthening of the Vistaprint brand. In addition to the challenges posed by establishing and promoting our brand among the many businesses that promote products and services on the Internet, we face significant competition from graphic design and printing companies marketing to small businesses who also seek to establish strong brands. If we are unable to successfully promote the Vistaprint brand, we may fail to increase our revenues. Customer awareness of, and the perceived value of, our brand will depend largely on the success of our marketing efforts and our ability to provide a consistent, high-quality customer experience. To promote our brand, we have incurred and will continue to incur substantial expense related to advertising and other marketing efforts. We may choose to increase our branding expense materially, but we cannot be sure that this investment will be profitable. Underperformance of significant future branding efforts could materially damage our financial results.

A component of our brand promotion strategy is establishing a relationship of trust with our customers, which we believe can be achieved by providing a high-quality customer experience. In order to provide a high-quality customer

experience, we have invested and will continue to invest substantial amounts of resources in our website development and technology, graphic design operations, production operations, and customer service operations. We also redesign our websites from time to time to attract customers. Our ability to provide a high-quality customer experience is also dependent, in large part, on external factors over which we may have little or no control, including the reliability and performance of our suppliers, third-party carriers and communication infrastructure providers. If we are unable to provide customers with a high-quality customer experience for any reason, our reputation would be harmed, and our efforts to develop Vistaprint as a trusted brand would be adversely impacted. The failure of our brand promotion activities could adversely affect our ability to attract new customers and maintain customer relationships, and, as a result, substantially harm our business and results of operations.

As a result of seasonal fluctuations in our revenues, our quarterly results may fluctuate and could be below expectations.

Our business has become increasingly seasonal in recent years due to increased sales of products targeted to the consumer marketplace, such as holiday cards, calendars and personalized gifts. Our second fiscal quarter, ending December 31, includes the majority of the holiday shopping season in North America and Europe and has become our strongest quarter for sales of our consumer-oriented products. In the fiscal year ended June 30, 2009, sales during our second fiscal quarter accounted for more of our revenue and earnings than any other quarter, and we believe our second fiscal quarter is likely to continue to account for a disproportionate amount of our revenue and earnings for the foreseeable future. In anticipation of increased sales activity during our second fiscal quarter holiday season, we expect to incur significant additional expenses each year in the period leading up to and including that quarter, including expenses related to the hiring and training of temporary workers to meet our seasonal needs, additional inventory and equipment purchases, and increased marketing activities. If too many customers access our websites within a short period of time due to increased holiday demand, we may experience system interruptions that make our websites unavailable or more difficult to access or may prevent us from efficiently fulfilling orders, any of which could reduce the volume of products we sell. Further, if we experience lower than expected sales during the second quarter, it would likely have a disproportionately large impact on our operating results and financial condition for the full fiscal year. In the future, our seasonal sales patterns may become more pronounced or may change to the extent we introduce additional products and services targeted to the consumer marketplace, including products and services that may be unrelated to the second quarter holiday period. If we are unable to accurately forecast and respond to seasonality in our business caused by demand for our consumer-oriented products, our business and results of operations may be materially harmed.

We are dependent upon our own facilities for the production of products sold to our customers and any significant interruption in the operations of these facilities or any inability to increase capacity at these facilities would have an adverse impact on our business.

We produce the vast majority of our products internally at our facilities in Windsor, Ontario, Canada and Venlo, the Netherlands. We seek to ensure that we can satisfy all of our production demand from our facilities, including at periods of peak demand, while maintaining the level of product quality and timeliness of delivery that customers require. We have not identified alternatives to these facilities to serve us in the event of the loss or substantial damage to one or more of our facilities due to fire, natural disaster or other events. If we are unable to meet demand from our own facilities or to successfully expand those facilities on a timely basis to meet customer demand, we would likely turn to an alternative supplier in an effort to supplement our production capacity. However, an alternative supplier may not be able to meet our production requirements on a timely basis or on commercially acceptable terms, or at all. If we are unable to fulfill orders in a timely fashion at a high level of product quality through our facilities and are unable to find a satisfactory supply replacement, our business and results of operations would be substantially harmed.

Our quarterly financial results often fluctuate, which may lead to volatility in our share price.

Our revenues and operating results often vary significantly from quarter-to-quarter due to a number of factors, many of which are outside of our control. Factors that could cause our quarterly revenue and operating results to fluctuate include, among others:

- seasonality-driven or other variations in the demand for our services and products;
- our ability to attract visitors to our websites and convert those visitors into customers;
- our ability to retain customers and encourage repeat purchases;
- business and consumer preferences for our products and services;
- shifts in product mix toward lower gross margin products;

- investment decisions by management made in relation to our performance against targeted earnings per share levels;
- our ability to manage our production and fulfillment operations;
- currency fluctuations, which affect not only our revenues but also our costs;
- costs to produce our products and to provide our services;
- our pricing and marketing strategies and those of our competitors;
- improvements to the quality, cost and convenience of desktop printing;
- costs of expanding or enhancing our technology or websites;
- compensation expense and charges related to our awarding of share-based compensation;
- costs and charges resulting from litigation; and
- a significant increase in credits, beyond our estimated allowances, for customers who are not satisfied with our products.

In addition, management investment decisions may lead to fluctuations in our quarterly financial results. We base our operating expense budgets in part on expected revenue trends. A portion of our expenses, such as office leases and personnel costs, are relatively fixed. We may be unable to adjust spending quickly enough to offset any revenue shortfall. Accordingly, any shortfall in revenue may cause significant variation in operating results in any quarter.

Based on the factors cited above, among others, we believe that quarter-to-quarter comparisons of our operating results may not be a good indication of our future performance. It is possible that in one or more future quarters, our operating results may be below the expectations of public market analysts and investors. In that event, the price of our ordinary shares will likely fall.

The markets for customized marketing products and services for small businesses and custom consumer products are intensely competitive, and we may be unsuccessful in competing in these markets, which could result in price reductions and/or decreased demand for our products.

The markets for small business marketing products and services and consumer custom products, including the printing and graphic design market, are intensely competitive, with many existing and potential competitors, and we expect competition for online small business marketing and consumer custom products and services to increase in the future. Competition may result in price pressure, reduced profit margins and loss of market share, any of which could substantially harm our business and results of operations. The markets for small business marketing products and services and for consumer custom products traditionally are highly fragmented and geographically dispersed. The increased use of the Internet for commerce and other technical advances have allowed traditional providers of these products and services to improve the quality of their offerings, produce and deliver those products and services more efficiently and reach a broader purchasing public. Current and potential competitors include:

- traditional storefront printing and graphic design companies;
- office superstores, drug store chains, food retailers and other major retailers targeting small business and consumer markets, such as Staples, UPS Stores, Office Depot, Costco, CVS, Schleker, Walgreens, Carrefour and Wal-Mart;
- wholesale printers such as Taylor Corporation and Business Cards Tomorrow;
- other online printing and graphic design companies, many of which provide printed products and services similar to ours, such as Overnight Prints, 123Print, Moo.com and UPrinting for small business marketing products and services; TinyPrints, Invitation Consultants and Fine Stationery for invitations and announcements; and Shutterfly, Snapfish, and Kodak for photo products;
- self-service desktop design and publishing using personal computer software with a laser or inkjet printer and specialty paper;
- other email marketing services companies such as Constant Contact and iContact;
- other website design and hosting companies such as United Internet, Web.com and Network Solutions;
- other suppliers of custom apparel, promotional products and customized gifts, such as Zazzle, Café Press and Customization Mall;
- online photo product companies, such as Kodak Gallery, Snapfish by HP, Shutterfly and Photobox; and

- other internet firms, such as Google (Picasa), Yahoo (Flickr), Amazon, Facebook, MySpace, the Knot and many smaller firms.

Many of our current and potential competitors have advantages over us, including longer operating histories, greater brand recognition, existing customer and supplier relationships, and significantly greater financial, marketing and other resources. Many of our competitors work together. For example, Taylor Corporation sells printed products through office superstores such as Staples and Office Depot.

Some of our competitors that either already have an online presence or are seeking to establish an online presence may be able to devote substantially more resources to website and systems development than we can. In addition, larger, more established and better capitalized entities may acquire, invest or partner with online competitors as use of the Internet and other online services increases. Competitors may also seek to develop new products, technologies or capabilities that could render many of the products, services and content we offer obsolete or less competitive, which could harm our business and results of operations.

In addition, we have in the past and may in the future choose to collaborate with certain of our existing and potential competitors in strategic partnerships that we believe will improve our competitive position and results of operations, such as through a retail in-store or web-based collaborative offering. It is possible, however, that such ventures will be unsuccessful and that our competitive position and results of operations will be adversely affected as a result of such collaboration.

Our 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. Changes in our pricing strategies have had, and are likely to continue to have, a significant impact on our revenues and results of operations. We offer certain free products and services as a means of attracting customers, and we offer substantial pricing discounts as a means of encouraging repeat purchases. These free offers and discounts may not result in an increase in our revenues or the optimization of our profits. In addition, many factors, including our production and personnel costs and our competitors' pricing and marketing strategies, can significantly impact our pricing strategies. If we fail to meet our customers' price expectations in any given period, our business and results of operations will suffer.

We depend on search engines to attract a substantial portion of the customers who visit our websites, and losing these customers would adversely affect our business and results of operations.

Many customers access our websites by clicking through on search results displayed by search engines such as Google, Microsoft and Yahoo! search engines typically provide two types of search results, algorithmic and purchased listings. Algorithmic listings cannot be purchased, and instead are determined and displayed solely by a set of formulas designed by the search engine. Purchased listings can be purchased by companies and other entities in order to attract users to their websites. We rely on both algorithmic and purchased listings to attract and direct a substantial portion of the customers we serve.

Search engines revise their algorithms from time to time in an attempt to optimize their search result listings. If the search engines on which we rely for algorithmic listings modify their algorithms, this could result in fewer customers clicking through to our websites, requiring us to resort to other more costly resources to replace this traffic. This could reduce our operating and net income or our revenues, prevent us from maintaining or increasing profitability and harm our business. If one or more search engines on which we rely for purchased listings modifies or terminates its relationship with us, our expenses could rise, our revenues could decline, and our business may suffer. The cost of purchased search listing advertising could increase as demand for these channels continues to grow quickly, and further increases could have negative effects on our ability to maintain or increase profitability. In addition, some of our competitors purchase the term "Vistaprint" and other terms incorporating our proprietary trademarks from Google and other search engines as part of their search listing advertising. European courts have, in certain cases, upheld the rights of trademark owners to prevent such practices in certain European jurisdictions. However, U.S. courts generally have not sided with the trademark owners in cases involving U.S. search engines, and Google has refused to prevent companies from purchasing the trademark "Vistaprint" in the U.S. As a result, we may not be able to prevent our competitors from advertising to, and directly competing for, customers who search on the term "Vistaprint" on U.S. search engines.

Various private 'spam' blacklisting and similar entities have in the past, and may in the future, interfere with our e-mail solicitation, the operation of our websites and our ability to conduct business.

We depend primarily on e-mail to market to and communicate with our customers. Various private entities attempt to regulate the use of e-mail for commercial solicitation. These entities often advocate standards of conduct or practice that

significantly exceed current legal requirements and classify certain e-mail solicitations that comply with current legal requirements as unsolicited bulk e-mails, or "spam." Some of these entities maintain "blacklists" of companies and individuals, as well as the websites, Internet service providers and Internet protocol addresses associated with those companies and individuals, that do not adhere to what the blacklisting entity believes are appropriate standards of conduct or practices for commercial e-mail solicitations. If a company's Internet protocol addresses are listed by a blacklisting entity, e-mails sent from those addresses may be blocked if they are sent to any Internet domain or Internet address that subscribes to the blacklisting entity's service or purchases its blacklist.

Some of our Internet protocol addresses are currently listed with one or more blacklisting entities despite our belief that our commercial e-mail solicitations comply with all applicable laws. In the future, our other Internet protocol addresses may also be listed with one or more blacklisting entities. We may not be successful in convincing the blacklisting entities to remove us from their lists. Although the blacklisting we have experienced in the past has not had a significant impact on our ability to operate our websites, send commercial e-mail solicitations, or manage or operate our corporate email accounts, it has, from time to time, interfered with our ability to send operational e-mails—such as password reminders, invoices and electronically delivered products—to customers and others, and to send and receive emails to and from our corporate email accounts. In addition, as a result of being blacklisted, we have had disputes with, or concerns raised by, various service providers who perform services for us, including co-location and hosting services, Internet service providers and electronic mail distribution services. We are currently on certain blacklists and there can be no guarantee that we will not be put on additional blacklists in the future or that we will succeed in removing ourselves from blacklists. Blacklisting of this type could interfere with our ability to market our products and services, communicate with our customers and otherwise operate our websites, and operate and manage our corporate email accounts, all of which could have a material negative impact on our business and results of operations.

We may not succeed in cross selling additional products and services to our customers.

We seek to acquire customers based on their interest in one or more of our products and then offer additional related products to those customers. If our customers are not interested in our additional products or have an adverse experience with the products they were initially interested in, the sale of additional products and services to those customers and our ability to increase our revenue and to improve our results of operations could be adversely affected.

Interruptions to our website operations, information technology systems, production processes or customer service operations for any reason could damage our reputation and brand and substantially harm our business and results of operations.

The satisfactory performance, reliability, security and availability of our websites, transaction processing systems, network infrastructure, production facilities and customer service operations are critical to our reputation and to our ability to attract and retain customers and to maintain adequate customer service levels. Any interruptions that cause any of our websites to be unavailable, reduce our order fulfillment performance or interfere with customer service operations could result in lost revenue and negative publicity, damage our reputation and brand, and cause our business and results of operations to suffer. We may experience temporary interruptions in our operations for a variety of reasons, including human error, software errors, power loss, telecommunication failures, fire, flood, extreme weather, political instability, acts of terrorism, war, break-ins and security breaches, contract disputes, and other similar events. In particular, both Bermuda, where substantially all of the computer hardware necessary to operate our websites is located in a single facility, and Jamaica, the location of most of our customer service and design service operations, are subject to a high degree of hurricane risk and extreme weather conditions that could have a devastating impact on our facilities and operations.

Our technology, infrastructure and processes may contain undetected errors or design faults. These errors or design faults may cause our websites to fail and result in loss of, or delay in, market acceptance of our products and services. In the past, we have experienced delays in website releases and customer dissatisfaction during the period required to correct errors and design faults in our websites that caused us to lose revenue. In the future, we may encounter additional issues, such as scalability limitations, in current or future technology releases. A delay in the commercial release of any future version of our technology or implementing improvements in our infrastructure and processes could seriously harm our business. In addition, our systems could suffer computer viruses and similar disruptions, which could lead to loss of critical data or the unauthorized disclosure of confidential customer data.

Our business requires that we have adequate capacity in our computer systems to cope with the high volume of visits to our websites, particularly during promotional campaign periods and in the seasonal peak in demand that we experience in our second fiscal quarter. As our operations grow in size and scope, we will need to improve and upgrade our computer systems and network infrastructure to offer customers enhanced and new products, services, capacity, features and functionality. The expansion of our systems and infrastructure may require us to commit substantial financial, operational and technical resources before the volume of our business increases, with no assurance that our revenues will increase.

Any failure of our equipment may prevent the production of orders and interfere with our ability to fulfill orders. Substantially all of our production operations are performed in two facilities: our Dutch production facility serving European and Asia-Pacific markets and our Windsor, Ontario production facility serving North American markets.

We do not presently have redundant systems operational in multiple locations. In addition, we are dependent in part on third parties for the implementation and maintenance of certain aspects of our communications and production systems, and because many of the causes of system interruptions or interruptions of the production process may be outside of our control, we may not be able to remedy such interruptions in a timely manner, or at all. We do carry business interruption insurance to compensate us for losses that may occur if operations at our facilities are interrupted, but these policies do not address all potential causes of business interruptions we may experience, and any proceeds we may receive may not fully compensate us for all of the revenue we may lose.

The occurrence of any of the foregoing could materially harm our business and results of operations.

If we are unable to retain security authentication certificates, which are supplied by third party providers over which we exercise little or no control, our business could be harmed.

We are dependent on a limited number of third party providers of website security authentication certificates that may be necessary for some of our customers' web browsers to properly access our websites and upon which many of our customers otherwise rely in deciding whether to purchase products and services from us. Despite any contractual protections we may have, these third party providers can disable or revoke, and in the past have disabled or revoked, our security certificates without our consent, which would render our websites inaccessible to some of our customers and could discourage other customers from accessing our sites, unless we are able to procure a replacement certificate from one of a limited number of alternative third party providers. Any interruption in our customers' ability or willingness to access our websites if our security certificates are disabled or otherwise unavailable for an extended period of time could result in a material loss of revenue and profits and damage to our brand.

Our customers create products that incorporate images, illustrations and fonts that we license from third parties, and any loss of the right to use these licensed materials may substantially harm our business and results of operations.

Many of the images, illustrations, and fonts incorporated in the design products and services we offer are the copyrighted property of other parties that we use under license agreements. If one or more of these licenses were terminated, the amount and variety of content available on our websites would be significantly reduced. In such an event, we could experience delays in obtaining and introducing substitute materials, and substitute materials might be available only under less favorable terms or at a higher cost, or may not be available at all. The termination of one or more of these licenses covering a significant amount of content would have an adverse effect on our business and results of operations.

If we are unable to market and sell products and services beyond our existing target markets and develop new products and services to attract new customers, our results of operations may suffer.

We have developed products and services and implemented marketing strategies designed to attract small business owners and consumers to our websites and encourage them to purchase our products and services. We believe we will need to address additional markets and attract new customers to further grow our business. To access new markets and customers we expect that we will need to develop, market and sell new products and additional services that address their needs. To access new markets, we also intend to continue the geographic expansion of our marketing efforts and customer service operations and to continue to introduce localized websites in different countries and languages. In addition, we intend to focus on developing new strategic relationships to expand our marketing and sales channels, such as co-branded or strategic partner-branded websites and retail in-store offerings. Any failure to develop new products and services, expand our business beyond our existing target markets and customers, and address additional market opportunities could harm our business, financial condition and results of operations.

The development of our business has been primarily attributable to organic growth, but from time to time we may choose to undertake acquisitions to further expand our business, which may pose risks to our business and dilute the ownership of our existing shareholders.

Our business and our customer base have been built primarily through organic growth. However, from time to time we may selectively pursue acquisitions of businesses, technologies or services in order to expand our capabilities, enter new markets, or increase our market share. We have very limited experience making acquisitions. Integrating any newly acquired

businesses, technologies or services is likely to be expensive and time consuming. To finance any acquisitions, it may be necessary for us to raise additional funds through public or private financings. Additional funds may not be available on terms that are favorable to us, or at all. If we were to raise funds through an equity financing, such a financing would result in dilution to our shareholders. If we were to raise funds through a debt financing, such a financing may subject us to covenants restricting the activities we may undertake in the future. We may be unable to operate any acquired businesses profitably or otherwise implement our strategy successfully. If we are unable to integrate newly acquired businesses, technologies or services effectively, our business and results of operations could suffer. The time and expense associated with finding suitable and compatible businesses, technologies or services to acquire could also disrupt our ongoing business and divert our management's attention. Acquisitions could also result in large and immediate write-offs or assumptions of debt and contingent liabilities, any of which could substantially harm our business and results of operations.

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 team and key technical, marketing and production personnel including, in particular, Robert S. Keane, our President and Chief Executive Officer, Wendy Cebula, our President of Vistaprint North America, Michael Giannetto, our Chief Financial Officer and Janet Holian, our President of Vistaprint Europe. Any of these executives may cease their employment with us at any time with minimal advance notice. The loss of one or more of these or other key employees may significantly delay or prevent the achievement of our business objectives. We face intense competition for qualified individuals from numerous technology, marketing, financial services, manufacturing and e-commerce companies. We may be unable to attract and retain suitably qualified individuals, and our failure to do so could have an adverse effect on our ability to implement our business plan.

If we are unable to manage our expected growth and expand our operations successfully, our reputation would be damaged and our business and results of operations would be harmed.

We have rapidly grown to approximately 2,000 full-time employees and approximately 320 temporary employees as of December 31, 2009. As of December 31, 2009, we had production facilities or offices in Australia, Bermuda, Canada, France, Germany, Jamaica, the Netherlands, Spain, Switzerland, Tunisia and the United States. Our growth, combined with the geographical separation of our operations, has placed, and will continue to place, a strain on our management, administrative and operational infrastructure. Our ability to manage our operations and anticipated growth will require us to continue to refine our operational, financial and management controls, human resource policies, reporting systems and procedures in the locations in which we operate. We expect the number of countries and facilities from which we operate to continue to increase in the future.

We may not be able to implement improvements to our management information and control systems in an efficient or timely manner and may discover deficiencies in existing systems and controls. If we are unable to manage expected future expansion, our ability to provide a high-quality customer experience could be harmed, which would damage our reputation and brand and substantially harm our business and results of operations.

If we are unable to manage the challenges associated with our international operations, the growth of our business could be negatively impacted.

We operate production facilities or offices in Bermuda, Canada, France, Germany, Jamaica, the Netherlands, Spain, Switzerland, Tunisia and the United States and have commenced construction of our production facility in Australia. We have localized websites to serve many markets internationally. For the three and six months ended December 31, 2009, we derived 51% and 47%, respectively, of our revenue from our non-United States websites. We are subject to a number of risks and challenges that specifically relate to our international operations. These risks and challenges include, among others:

- fluctuations in currency exchange rates that may increase the United States dollar cost of, or reduce United States dollar revenue from, operations outside of the USA;
- difficulty managing operations in, and communications among, multiple locations and time zones;
- local regulations that may restrict or impair our ability to conduct our business as planned;
- protectionist laws and business practices that favor local producers and service providers;
- interpretation of complex tax laws, treaties and regulations that could expose us to unanticipated taxes on our income and increase our effective tax rate;
- failure to properly understand and develop graphic design content and product formats appropriate for local tastes;

- restrictions imposed by local labor practices and laws on our business and operations; and
- failure of local laws to provide a sufficient degree of protection against infringement of our intellectual property.

Our international operations may not be successful if we are unable to meet and overcome these challenges, which could limit the growth of our business and may have an adverse effect on our business and operating results.

Our business and results of operations may be negatively impacted by general economic and financial market conditions, and such conditions may increase the other risks that affect our business.

Most if not all of the markets in which we operate are currently in an economic downturn that we believe has had and will continue to have a negative impact on our business. Likewise the world's financial markets are currently experiencing significant turmoil, resulting in reductions in available credit, dramatically increased costs of credit, increased volatility in security prices, rating downgrades of investments and reduced valuations of securities generally. These events have materially and adversely impacted the availability of financing to a wide variety of businesses, including small businesses, and the resulting uncertainty has led to reductions in capital investments, overall spending levels, future product plans, and sales projections across industries and markets. These trends could have a material and adverse impact on the overall demand for our products and services and our ability to achieve targeted financial results, as well as our overall financial results from operations. We are unable to predict the likely duration and severity of the current disruption in financial markets and recession in Europe, the U.S. and other countries, but the longer the duration the greater risks we face in operating our business.

The United States government may substantially increase border controls and impose duties or restrictions on cross-border commerce that may substantially harm our business.

For the three and six months ended December 31, 2009, we derived 49% and 53%, respectively, of our revenue from sales to customers made through Vistaprint.com, our United States-focused website. We produce all physical products for our United States customers at our facility in Windsor, Ontario. Restrictions on shipping goods into the United States from Canada pose a substantial risk to our business. Particularly since the terrorist attacks on September 11, 2001, the United States government has substantially increased border surveillance and controls. We have from time to time experienced significant delays in shipping our manufactured products into the United States as a result of these controls, which has, in some instances, resulted in delayed delivery of orders.

The United States also imposes protectionist measures, such as customs duties and tariffs, that limit free trade. Some of these measures may apply directly to product categories that comprise 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. If the United States were to impose further border controls and restrictions, interpret or apply regulations in a manner unfavorable to the importation of products from outside of the U.S., impose quotas, tariffs or import duties, increase the documentation requirements applicable to cross border shipments or take other actions that have the effect of restricting the flow of goods from Canada and other countries to the United States, we may have greater difficulty shipping products into the United States or be foreclosed from doing so, experience shipping delays, or incur increased costs and expenses, all of which would substantially impair our ability to serve the United States market and harm our business and results of operations.

We may not be able to protect our intellectual property rights, which may impede our ability to build brand identity, cause confusion among our customers, damage our reputation and permit others to practice our patented technology, which could substantially harm our business and results of operations.

We rely on a combination of patent, trademark, trade secret and copyright law and contractual restrictions to protect our intellectual property. These protective measures afford only limited protection. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our trademarks, our websites features and functionalities or to obtain and use information that we consider proprietary, such as the technology used to operate our websites and our production operations.

As of December 31, 2009, we had 36 issued United States patents, 4 patents in other countries and more than 50 patent applications pending in the United States and other countries. We intend to continue to pursue patent coverage in the United States and other countries to the extent we believe such coverage is justified, appropriate, and cost efficient. There can be no guarantee that any of our pending applications or continuation patent applications will be granted. In addition, there could be infringement, invalidity, co-inventorship or similar claims brought by third parties with respect to any of our currently issued patents or any patents that may be issued to us in the future. For example, administrative opposition proceedings asking the European Patent Office to reconsider the allowance of one of our European patents relating to certain downloadable

document design programs and methods were filed in 2005. At a hearing held in April 2008, an opposition panel of the European Patent Office indicated its intention to revoke the patent at issue, and in June, 2009, the panel issued a written opinion stating the basis for its decision. Vistaprint has appealed the decision. Any similar claims, whether or not successful, could be extremely costly, could damage our reputation and brand and substantially harm our business and results of operations.

Our primary brand is "Vistaprint." We hold trademark registrations for the Vistaprint trademark in the United States, the European Union, Canada, Japan and various other jurisdictions. Our competitors or other entities may adopt names or marks similar to ours, thereby impeding our ability to build brand identity and possibly leading to customer confusion. There are several companies that currently incorporate or may incorporate in the future "Vista" into their company, product or service names, such as Microsoft Corporation's decision to name one of its operating systems "Vista." There could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of the term Vistaprint or our other trademarks, and we may institute such claims against other parties. Any claims or customer confusion related to our trademarks could damage our reputation and brand and substantially harm our business and results of operations.

If we become involved in intellectual property litigation or other proceedings related to a determination of rights, we could incur substantial costs, expenses or liability, lose our exclusive rights or be required to stop certain of our business activities.

A third party may sue us for infringing its intellectual property rights or for improperly obtaining or using its confidential or proprietary information. In addition, from time to time we receive letters from third parties that state that these third parties have patent rights that cover aspects of the technology that we use in our business and that the third parties believe we are obligated to license in order to continue to use such technology. Similarly, companies or individuals with whom we currently have a business relationship, or have had a past business relationship, may commence an action seeking rights in one or more of our patents or pending patent applications.

The cost to us of any litigation or other proceeding relating to intellectual property rights, even if resolved in our favor, could be substantial, and the litigation would divert our management's efforts from growing our business. Potential adversaries may be able to sustain the costs of complex intellectual property litigation more effectively than we can because they have substantially greater resources. Uncertainties resulting from the initiation and continuation of any litigation could limit our ability to continue our operations. If any parties successfully claim that our sale, use, manufacturing or importation of technologies infringes upon their intellectual property rights, we might be forced to pay significant damages and attorney's fees, and a court could enjoin us from performing the infringing activity. Thus, the situation could arise in which our ability to use certain technologies important to the operation of our business would be restricted by a court order.

Alternatively, we may be required to, or decide to, enter into a license with a third party that claims infringement by us. Any license required under any patent may not be made available on commercially acceptable terms, if at all. In addition, such licenses are likely to be non-exclusive and, therefore, our competitors may have access to the same technology licensed to us. If we fail to obtain a required license and are unable to design around a third party's patent, we may be unable to effectively conduct certain of our business activities, which could limit our ability to generate revenues or maintain profitability and possibly prevent us from generating revenue sufficient to sustain our operations.

In addition, we may need to resort to litigation to enforce a patent issued to us or to determine the scope and validity of third-party proprietary rights. Our ability to enforce our patents, copyrights, trademarks, and other intellectual property is subject to general litigation risks, as well as uncertainty as to the enforceability of our intellectual property rights in various countries. When we seek to enforce our rights, we may be subject to claims that the intellectual property right is invalid, is otherwise not enforceable, or is licensed to the party against whom we are asserting a claim. In addition, our assertion of intellectual property rights could result in the other party seeking to assert alleged intellectual property rights of its own against us, which may adversely impact our business in the manner discussed above. Our inability to enforce our intellectual property rights under these circumstances may negatively impact our competitive position and our business.

You can find information about certain lawsuits that we have filed to enforce or protect our intellectual property rights and that have been filed against us for alleged infringement of other parties' intellectual property rights in the section of this Report entitled, "Item 1 – Legal Proceedings."

We sell our products and services primarily through our websites. If we are unable to acquire or maintain domain names for our websites, then we could lose customers, which would substantially harm our business and results of operations.

We sell our products and services primarily through our websites. We currently own or control a number of Internet domain names used in connection with our various websites, including Vistaprint.com and similar names with alternate URL names, such as .net, .de and .co.uk. Domain names are generally regulated by Internet regulatory bodies. If we are unable to use a domain name in a particular country, then we would be forced to purchase the domain name from the entity that owns or controls it, which we may not be able to do on commercially acceptable terms or at all; incur significant additional expenses to market our products within that country, including the development of a new brand and the creation of new promotional materials and packaging; or elect not to sell products in that country. Any of these results could substantially harm our business and results of operations. Furthermore, the relationship between regulations governing domain names and laws protecting trademarks and similar proprietary rights is unclear and subject to change. We might not be able to prevent third parties from acquiring domain names that infringe or otherwise decrease the value of our trademarks and other proprietary rights. Regulatory bodies could establish additional top-level domains, appoint additional domain name registrars or modify the requirements for holding domain names. As a result, we may not be able to acquire or maintain the domain names that utilize the name Vistaprint in all of the countries in which we currently or intend to conduct business.

Our revenues may be negatively affected if we are required to charge sales, value added or other taxes on purchases.

Outside of the European Union, in most jurisdictions where we sell products and services, we do not collect or have imposed upon us sales tax, value added tax or other taxes related to our revenues. However, additional countries, regions or states where we are not currently collecting such taxes may seek to impose sales or other tax collection obligations on us in the future. For example, the United States Congress and a number of states in the United States, including New York, have been considering or have adopted laws or initiatives that would impose sales and use taxes on Internet sales. In January 2009, a New York state court dismissed a complaint filed by Amazon.com challenging the New York law on various constitutional grounds. In addition, a substantial amount of our business is derived from customers in the European Union, whose tax environment is also complex and subject to changes that could be adverse to our business. The imposition by national, state or local governments, whether within or outside the United States, of various taxes upon Internet commerce could create administrative burdens for us and could decrease our future revenue. In addition, a successful assertion by one or more governments, especially in jurisdictions where we are not already collecting sales taxes or value added taxes, that we should be, or should have been, collecting sales or other taxes on the sale of our products could result in substantial tax liabilities for past sales, discourage customers from purchasing products from us, decrease our ability to compete with traditional retailers or otherwise substantially harm our business and results of operations.

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

Due to our dependence on the Internet for most of our sales, regulations and laws specifically governing the Internet and e-commerce may have a greater impact on our operations than other more traditional businesses. Existing and future laws and regulations, including the taxation of sales through the Internet, may impede the growth of e-commerce and our ability to compete with traditional graphic designers, printers and small business marketing companies, as well as desktop printing products. These regulations and laws may cover taxation (as discussed above), restrictions on imports and exports, customs, tariffs, user privacy, data protection, pricing, content, copyrights, distribution, electronic contracts and other communications, consumer protection, the provision of online payment services, broadband residential Internet access and the characteristics and quality of products and services. It is not clear how existing laws governing many of these issues apply to the Internet and e-commerce, as the vast majority of applicable laws were adopted before the advent of the Internet and do not contemplate or address the unique issues raised by the Internet or e-commerce. Those laws that do reference the Internet, such as the Bermuda Electronic Transactions Act 1999, the U.S. Digital Millennium Copyright Act and the U.S. CAN-SPAM Act of 2003, are only beginning to be interpreted by the courts, and their applicability and reach are therefore uncertain. Those current and future laws and regulations or unfavorable resolution of these issues may substantially harm our business 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, our operations do not involve any human-based review of content for the vast majority of our sales. Although our websites' terms of use specifically require customers to represent that they have the right and authority to reproduce a given content and that the content is in full compliance with all relevant laws

and regulations, we do not have the ability to determine the accuracy of these representations on a case-by-case basis. There is a risk that a customer may supply an image or other content 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, racist, scandalous, obscene, or otherwise objectionable or illegal under the laws of the jurisdiction(s) where that customer lives or where we operate. There is, therefore, a risk that customers may intentionally or inadvertently order and receive products from us that are in violation of the law or the rights of another party. If we should become legally obligated in the future to perform manual screening and review for all orders destined for a jurisdiction, we will encounter increased production costs or may cease accepting orders for shipment to that jurisdiction, which could substantially harm our business and results of operations. In addition, if we were held liable for actions of our customers, we could be required to pay substantial penalties, fines or monetary damages.

We expect that revenues we derive from third party referral programs will decrease in the future due to our termination of membership discount program offerings, which could adversely affect our results of operations.

For the three and six months ended December 31, 2009 we derived approximately 1.9% and 2.6% of our total revenues from referral fees generated from all sources, as compared to 4.6% and 5.3% for the three and six months ended December 31, 2008. For the three and six months ended December 31, 2009, 0.9% and 1.5%, respectively, of total Vistaprint revenue was derived from third party membership discount programs as compared to 3.8% and 4.4% in the same prior year periods. We removed the membership discount program offerings from our websites in November 2009 and terminated our relationship with the third party merchant responsible for these programs. We expect that referral fee revenue from all sources will account for about 2% of our total revenue for fiscal year 2010. However, longer-term, referral fees could generate more or less of our total revenues due to a variety of factors, including, among others, new product and service offering decisions. We expect to partially offset the anticipated reductions in referral fee revenues from a variety of sources, but if we are not successful in doing so our revenues and profitability could be adversely affected.

Purported Federal class action lawsuits have been filed alleging that certain of our customers were, without their knowledge or consent, enrolled in and billed for membership discount programs previously offered by third party merchants on our Vistaprint.com website. If we or the third party merchants are unable to successfully resolve these lawsuits or similar claims that may be brought in the future, our reputation, revenues and results of operations could be adversely affected.

During each of the last three fiscal years, we generated a small portion of our revenue from order referral fees, revenue share and other fees paid to us by third party merchants for customer click-throughs, distribution of third-party promotional materials, and referrals arising from products and services of the third party merchants we offer to our customers on our website, which we collectively refer to as referral fees. Some of these third party referral-based offers were for memberships in discount programs or similar promotions made to customers who have purchased products from us, in which we received a payment from a third party merchant for every customer that accepted the promotion. Some of these third party membership discount programs have been the subject of consumer complaints, litigation, and regulatory actions alleging that the enrollment and billing practices involved in the programs violate various consumer protection laws or are otherwise deceptive. For example, various state attorneys general have brought similar consumer fraud lawsuits against certain of the third party merchants asserting that they have not adequately disclosed the terms of their offers and have not obtained proper approval from consumers before debiting the consumers' bank account or billing the consumers' credit card. From time to time we have received complaints from our customers and inquiries by state attorneys general regarding certain of the membership discount programs previously offered on our websites. Although we removed all such membership discount program offerings from our websites in November 2009 and terminated our relationship with the third party merchant responsible for these programs, we have continued to receive complaints and inquiries about these programs.

In addition, we are currently involved in several purported class action lawsuits that were filed against us and two affiliated third party merchants, which lawsuits have been consolidated into one suit, alleging that we and the merchants violated certain Federal and state consumer protection laws in connection with the offer of membership discount programs on our Vistaprint.com website. You can find more information about this lawsuit in the section of this Report entitled, "Item 1 – Legal Proceedings." We and the third party merchants may receive other complaints in the future regarding these types of membership discount programs. Governmental authorities also may institute proceedings alleging similar alleged misconduct. For example, on May 28, 2009, Senator John D. Rockefeller IV, Chairman of the United States Senate Committee on Commerce, Science and Transportation announced that his Committee is investigating membership discount programs marketed by Vertrue, Inc., Webloyalty.com, Inc. and Affinion Group, Inc. through e-commerce retailers due to the high volume of consumer complaints concerning the programs. The purported class action lawsuits or any other private or governmental claims or actions that may be brought against us in the future relating to these third party membership programs could result in our being obligated to pay substantial damages or incurring substantial legal fees in defending

claims. These damages and fees could be disproportionate to the revenues we generated through these relationships, which would have an adverse affect on our results of operations. Even if we are successful in defending against these claims, such a defense may result in distraction of management and significant costs. In addition, customer dissatisfaction or damage to our reputation as a result of these claims could have a negative impact on our brand, revenues and profitability.

Our practice of offering free products and services could be subject to judicial or regulatory challenge, which, if successful, would hinder our ability to attract customers and generate revenue.

We regularly offer free products and services as an inducement for customers to try our products and services. Although we believe that we conspicuously and clearly communicate all details and conditions of these offers—for example, that customers are required to pay shipping and processing charges to take advantage of a free product offer—we have in the past, and may in the future, be subject to claims from individuals or governmental regulators in Europe, the United States and other countries that our free offers are misleading or do not comply with applicable legislation or regulation. In addition, customers and competitors have filed complaints with governmental and standards bodies in other jurisdictions claiming that customers were misled by the terms of our free offers. If our free product offers are subject to further challenges or actions in the future, or if we are compelled or determine to curtail or eliminate our use of free offers as the result of any such actions, our business prospects and results of operations could be materially harmed.

Our failure to protect our network and the confidential information of our customers against security breaches and to address risks associated with credit card fraud could damage our reputation and brand and substantially harm our business and results of operations.

A significant prerequisite to online commerce and communications is the secure transmission of confidential information over public networks. Our failure to prevent security breaches of our network could damage our reputation and brand and substantially harm our business and results of operations. Currently, a majority of our sales are billed to our customers' credit card accounts directly. We retain the credit card information of all of our customers for a limited period of time for the purpose of issuing refunds and of our subscription customers for a longer period of time for the purpose of recurring billing. We rely on encryption and authentication technology licensed from third parties to effect secure transmission of confidential information, including credit card numbers. Advances in computer capabilities, new discoveries in the field of cryptography or other related developments, among other factors, may result in a compromise or breach of our network or the technology that we use to protect our network and our customer transaction data including credit card information. Any such compromise of our network or our security could damage our reputation and brand and expose us to a risk of loss or litigation and possible liability, which would substantially harm our business and results of operations. In addition, anyone who is able to circumvent our security measures could misappropriate proprietary information or cause interruptions in our operations. We may need to expend significant resources to protect against security breaches or to address problems caused by breaches.

In addition, under current credit card practices, we may be liable for fraudulent credit card transactions conducted on our websites, such as through the use of stolen credit card numbers, because we do not obtain a cardholder's signature. To date, quarterly losses from credit card 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. Although we seek to maintain insurance to cover us against this risk, we cannot be certain that our coverage will be adequate to cover liabilities actually incurred as a result of such fraud or that insurance will continue to be available to us on economically reasonable terms, or at all. Our failure to limit fraudulent credit card transactions could damage our reputation and brand and substantially harm our business and results of operations.

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 card, debit card and bank check. In most geographic regions, we rely on one or two third party companies to provide payment processing services, including the processing of credit cards, debit cards and electronic checks. If either of these companies became unwilling or unable to provide these services to us, 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, which could be costly and time consuming, either of which scenarios could disrupt our business.

As we offer new payment options to our customers, we may be subject to additional regulations, compliance requirements and fraud risk. For certain 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.

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

Some of the products we sell may expose us to product liability claims relating to personal injury, death, or property damage, and may require product recalls or other actions. Although we maintain product liability insurance, we cannot be certain that our coverage will be adequate for liabilities actually incurred or that insurance will continue to be available to us on reasonable terms, or at all.

Risks Related to Our Corporate Structure

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

Our international structure is complex. Vistaprint N.V. is organized in the Netherlands. Certain management services relating to the activities of the Vistaprint group are provided by employees of our non-Dutch subsidiaries, who are based in jurisdictions other than the Netherlands. We have endeavored to structure our business so that our operations outside the Netherlands are carried out by our local subsidiaries and the business income of the Vistaprint group is, in general, not subject to tax in these jurisdictions outside the Netherlands, such as Jamaica, the United States, Canada, Spain, France, or Switzerland. Many countries' tax laws, including United States tax law, impose taxation upon entities that are engaged in a business in that country, but do not clearly define activities that constitute being engaged in a business. The tax authorities in these countries could contend that some or all of the income of the Vistaprint N.V. group should be subject to income or other tax. If the income of the Vistaprint N.V. group is taxed in these other jurisdictions, such taxes will increase our effective tax rate and adversely affect our results of operations.

We are subject to changing tax laws, treaties and regulations in and between countries in which we and our subsidiaries operate or are resident, including, among others, treaties between the United States, countries in the European Union, Canada and other countries. These tax laws, treaties and regulations are highly complex and subject to interpretation. U.S. corporations are subject to United States federal income tax on the basis of their worldwide income. Non-U.S. corporations generally are subject to United States federal income tax only on income that has a sufficient nexus to the United States. On October 22, 2004, the United States enacted the American Jobs Creation Act of 2004, or the AJCA. Under the AJCA, non-U.S. corporations that after March 4, 2003 complete the acquisition of substantially all of the properties of a U.S. corporation and that meet certain ownership, operational and other tests are treated as U.S. corporations for United States federal income tax purposes and, therefore, are subject to United States federal income tax on their worldwide income. The amalgamation of our predecessor U.S. corporation with Vistaprint Limited, our Bermuda subsidiary and our parent company prior to our redomestication to the Netherlands, occurred in April 2002. The AJCA grants broad regulatory authority to the Secretary of the Treasury to provide regulations as may be appropriate to determine whether a non-U.S. corporation is treated as a U.S. corporation. We do not believe that the relevant provisions of the AJCA as currently enacted apply to Vistaprint N.V., but there can be no assurance that the United States Internal Revenue Service will not challenge this position or that a court will not sustain any such challenge. Furthermore, at various times during the last few years there have been legislative proposals in the U.S. Congress which, if enacted into law, would retroactively change the March 4, 2003 AJCA measurement date to March 20, 2002. A successful challenge by the Internal Revenue Service, or a change of the March 4, 2003 date in the AJCA to an earlier date, could result in Vistaprint N.V. being subject to tax in the United States on its worldwide income, which would increase our effective rate of tax and adversely affect our results of operations. Similarly, there have been other legislative proposals introduced in the United States Congress from time to time that seek to impose taxes and similar obligations and restrictions on foreign companies with operations in the United States, such as by classifying certain foreign corporations that are managed and controlled primarily in the United States as domestic corporations for U.S. tax purposes. We cannot predict whether these or other similar legislative proposals will become law. If any such legislative proposals become law and are deemed to apply to Vistaprint N.V., our effective tax rate could increase and our results of operations could be materially adversely affected.

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

We operate pursuant to written intercompany service and related agreements, which we also refer to as transfer pricing agreements, among Vistaprint N.V. and our subsidiaries. These agreements establish transfer prices for printing, marketing, management, technology development and other services performed by these subsidiaries for Vistaprint N.V. and other group companies. Transfer prices are prices that one company in a group of related companies charges to another member of the group for goods, services or the use of property. 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 the same as those between unrelated companies dealing at arm's length. With the exception of the transfer pricing arrangements applicable to our Dutch and French operations, 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 to successfully challenge 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. Changes in laws and regulations may require us to change our transfer pricings or operating procedures. If tax authorities were to allocate income to a higher tax jurisdiction, subject our income to double taxation or assess penalties, it would result in a higher tax liability to us, which would adversely affect our earnings.

We will pay taxes even if we are not profitable on a consolidated basis, which would cause increased losses and further harm to our results of operations.

The intercompany service and related agreements among Vistaprint N.V. and our direct and indirect subsidiaries in general guarantee that the subsidiaries realize profits. As a result, even if the Vistaprint group is not profitable on a consolidated basis, the majority of our subsidiaries will be profitable and incur income taxes in their respective jurisdictions. If we are unprofitable on a consolidated basis, as has been the case in some prior periods, this structure will increase our consolidated losses and further harm our results of operations.

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

A Dutch withholding tax may be levied on dividends and similar distributions made by Vistaprint N.V. to its shareholders at the statutory rate of 15% if we cannot structure the distributions as distributions made to shareholders in relation to a reduction of par value, which would be non-taxable for Dutch withholding tax purposes if properly structured. We have in the past, and may in the future, repurchase outstanding ordinary shares. Under our Dutch Advanced Tax Ruling, a repurchase of shares should not result in any Dutch withholding tax if we hold the repurchased shares in treasury for the purpose of issuing shares upon the exercise of certain stock awards and other potential uses. However, if the shares cannot be used for these purposes, or the Dutch tax authorities challenge the use of the shares for these purposes, such a repurchase of shares for the purposes of capital reduction may be treated as a partial liquidation subject to the 15% Dutch withholding tax to be levied on the difference between our recognized paid in capital for Dutch tax purposes and the redemption price.

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, 2009 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 for our current tax year or for any subsequent year.

If a United States shareholder acquires 10% or more of our ordinary shares, it may be subject to increased United States taxation under the "controlled foreign corporation" rules.

Each "10% U.S. Shareholder" of a non-U.S. corporation that is a "controlled foreign corporation," or CFC, for an uninterrupted period of 30 days or more during a taxable year, and that owns shares in the CFC directly or indirectly through non-U.S. entities on the last day of the CFC's taxable year, must include in its gross income for United States federal income tax purposes its pro rata share of the CFC's "subpart F income," even if the subpart F income is not distributed. A non-U.S. corporation is considered a CFC if one or more 10% U.S. Shareholders together own more than 50% of the total combined voting power of all classes of voting shares of the non-U.S. corporation or more than 50% of the total value of all shares of the corporation on any day during the taxable year of the corporation. The rules defining ownership for these purposes are complicated and depend on the particular facts relating to each investor. For taxable years in which we are a CFC for an

uninterrupted period of 30 days or more, each of our 10% U.S. Shareholders will be required to include in its gross income for United States federal income tax purposes its pro rata share of our subpart F income, even if the subpart F income is not distributed to enable such taxpayer to satisfy this tax liability. Based upon our existing share ownership, we do not believe we are a CFC. However, whether we are treated as a CFC depends on questions of fact as to our share ownership 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 CFC for our current tax year or for any subsequent year.

Provisions of our Articles of Association, the Articles of Association of the independent foundation, *Stichting Continuïteit Vistaprint,* Dutch law and the call option we granted to the independent foundation may make it difficult to replace or remove management and may inhibit or delay a change of control, including a takeover attempt that might result in a premium over the market price for our ordinary shares, and dilute your voting power.

Our Articles of Association, or Articles, 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 vote of two-thirds of the votes cast representing more than 50% of the outstanding ordinary shares 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.

Our Articles also allow us to issue preferred shares. We have established an independent foundation, Stichting Continuïteit Vistaprint, which we refer to as the Foundation, whose board consists of three members, at least two of whom are independent of Vistaprint N.V. We 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. The objective of the Foundation is to serve the interests of Vistaprint N.V. In carrying out this objective, the Foundation may acquire, own and vote our preferred shares in order to maintain the independence, continuity or identity of Vistaprint N.V. 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.

In addition, our management board may issue preferred shares up to an amount equal to the number of ordinary shares under our authorized share capital. This authorization must be renewed by our shareholders at least every five years.

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

Dutch law requires shareholder approval for the issuance of ordinary shares. In August 2009, our shareholders granted our supervisory board and management board the authority to issue ordinary shares as the boards determine appropriate without obtaining specific shareholder approval for each issuance, but this authorization is limited to the number of ordinary shares under our authorized share capital and must be submitted to shareholders for renewal at least every five years. Additionally, subject to specified exceptions, Dutch law grants preemptive rights to existing shareholders to subscribe for new issuances of shares and reserves for approval by shareholders many corporate actions, such as the approval of dividends. Situations may arise where the flexibility to issue shares, pay dividends or take other corporate actions without a shareholder vote would be beneficial to us, but is not available under Dutch law.

Because of our articles of association and our organization under Dutch law, you 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. The rights of our shareholders and the responsibilities of the supervisory board and management board that direct our affairs are different from those established under United States laws. For example, class action lawsuits and derivative lawsuits are generally not available under Dutch law. You may find it more difficult to protect your interests against actions by members of our supervisory board or management board than you would if we were a U.S. corporation. Under Dutch law, the supervisory board and the management board are responsible for acting in the best interests of the company, its business and all of its stakeholders generally, which includes employees, customers and creditors, not just shareholders. Furthermore, under our Articles, we are obligated to indemnify the members of our supervisory board and our management board against liabilities resulting from proceedings against such members in connection with their membership on either board, if such member acted in good faith and in a manner he believed to be in our best interests and such member has not been adjudged in a final and non-appealable judgment by a Dutch judge to be liable for gross negligence or willful misconduct, subject to various exceptions.

We are incorporated under the laws of the Netherlands, and the majority of our assets are located outside the United States, which may make it difficult for shareholders to enforce civil liability provisions of the federal or state securities laws of the United States.

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, certain members of our management board and our officers reside outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon us or such other persons, to enforce outside the U.S. judgments obtained against such persons in U.S. courts, or to enforce rights predicated upon the U.S. securities laws. There is no treaty between the United States and the Netherlands for the mutual recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon the federal securities laws, would not be directly enforceable in the Netherlands; the party in whose favor such final judgment is rendered would need to bring a new suit in a competent court in the Netherlands and petition the Dutch court to enforce the final judgment rendered in the United States. Therefore, there can be no assurance that U.S. shareholders will be able to enforce against us, members of our management board or supervisory board or officers who are residents of the Netherlands or countries other than the United States any judgments obtained in U.S. courts in civil and commercial matters, including judgments under the federal securities laws. In addition, it is possible that a Dutch court would not impose civil liability on us, the members of our management board or supervisory board or our officers in an original action predicated solely upon the federal securities laws of the United States brought in a court of competent jurisdiction in the Netherlands against us or such members or officers.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On August 12, 2008, we had announced that the Vistaprint Limited Board of Directors authorized the repurchase of up to an aggregate of $50.0 million of our common shares from time to time on the open market. The timing and amount of any shares repurchased have been and will continue to be determined by our management based on its evaluation of market conditions and other factors. During fiscal 2009, $45.5 million of common shares of Vistaprint Limited were repurchased, leaving $4.5 million authorized for repurchase. The share repurchase authorization, which has been assumed by Vistaprint N.V., expires on February 8, 2010, but may be suspended or discontinued by us at any time.

Vistaprint N.V. also acquires ordinary shares in satisfaction of employee tax withholding requirements in connection with the vesting of restricted shares. During the three months ended December 31, 2009, we withheld 28,383 shares at an average price per share of $51.77. During the six months ended December 31, 2009, we withheld 57,901 shares at an average price per share of $46.84.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

We held our annual general meeting of shareholders on November 17, 2009, at which our shareholders approved all five of the proposals presented for consideration at the meeting. You can find more information about the meeting, including the voting results for each proposal, in our Current Report on Form 8-K filed with the Securities and Exchange Commission on November 23, 2009, which is incorporated herein by this reference.

ITEM 6. EXHIBITS

We are filing the exhibits listed on the Exhibit Index following the signature page to this Report.

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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.

Date: January 29, 2010

VISTAPRINT N.V.

By: /S/ MICHAEL GIANNETTO

Michael Giannetto
Chief Financial Officer
(Principal Financial and Accounting Officer)

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EXHIBIT INDEX

Exhibit No.	Description
10.1*	Performance Incentive Plan for Covered Employees is incorporated by reference to Appendix A to our Definitive Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on October 23, 2009
10.2*	Form of Annual Award Agreement under our Performance Incentive Plan for Covered Employees
10.3*	Form of Four-Year Award Agreement under our Performance Incentive Plan for Covered Employees
10.4*	Form of Restricted Share Unit Agreement for Supervisory Board members under our Amended and Restated 2005 Equity Incentive Plan
10.5	Call Option Agreement between Vistaprint N.V. and the Foundation dated November 16, 2009 is incorporated by reference to our Current Report on Form 8-K filed with the Securities and Exchange Commission on November 19, 2009
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)/15(d)-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

* Management contract or compensatory plan or arrangement.

Exhibit 10.2

ANNUAL AWARD AGREEMENT

Vistaprint N.V.

Award Agreement For Fiscal Year [20XX]
under the
Vistaprint N.V. Performance Incentive Plan For Covered Employees

Participant: __________

Vistaprint N.V. (the "Company") hereby agrees to award to the participant named above (the "Participant") on the date set forth below (the "Vesting Date") a cash amount determined pursuant to the formula set forth below (the "Cash Payment Amount").

By your acceptance of this Award Agreement, you agree that the Cash Payment Amount will be awarded under and governed by the terms and conditions of the Vistaprint N.V. Performance Incentive Plan, as amended from time to time (the "Plan") and by the terms and conditions of the Vistaprint N.V. Performance Incentive Award Agreement – Terms and Conditions ("Terms and Conditions"), which is attached hereto (this Award Agreement and the Terms and Conditions are together referred to as the "Agreement"). If the conditions described in this Agreement are satisfied, the Cash Payment Amount will be paid under the Plan on the applicable Payment Date (as defined in the Terms and Conditions).

For purposes of this Agreement, the performance period shall last for one fiscal year of the Company (the "Performance Period") and shall end on the Vesting Date set forth below. Except as otherwise provided in the Plan and the Terms and Conditions, the Compensation Committee of the Supervisory Board of the Company (the "Compensation Committee") must certify in writing that the performance criteria set forth below have been satisfied for the Performance Period.

Base Amount, EPS Target and Revenue Target

As more fully described below and in the Terms and Conditions, the Cash Payment Amount paid on the Payment Date shall be determined based on the base amount indicated below (the "Base Amount") and the extent to which the Company achieves the earnings per share target ("EPS Target") and revenue target ("Revenue Target") indicated below.

Base Amount for the Performance Period: $______

Targets:

Vesting Date	EPS Target	Revenue Target
June 30, 2010		

Calculation of Cash Payment Amount

Payout Percentage = (0.5 X Revenue Target Percentage$^{\wedge 0.5}$ + 0.5 X EPS Target Percentage$^{\wedge 0.5}$)$^{\wedge 19.2}$

The Cash Payment Amount for the Performance Period shall equal the Base Amount set forth above multiplied by the Payout Percentage (as defined below).

- If achievement of either the EPS Target or Revenue Target is less than 90% of such Target for the Performance Period, then the Payout Percentage shall be deemed to be equal to 0% and no Cash Payment Amount shall be paid.
- If achievement of both of the EPS Target and Revenue Target is greater than 90%, the Payout Percentage shall be determined based on the formula set forth above, where:
    - "Revenue Target Percentage" equals the percentage obtained by dividing

      (i) the "Constant Currency Revenue", defined below, achieved by the Company during the Performance Period, by

      (ii) the Revenue Target.

        - Constant Currency Revenue will be calculated by adjusting the revenue achieved in accordance with United States generally accepted accounting principles ("US GAAP") to use the currency exchange rates set forth in the Company's budget for the Performance Period, so long as the Company's Supervisory Board approves such budget before the 90th day of the Performance Period. If the Supervisory Board fails to approve the budget for the Performance Period before the 90th day, then the Company shall use the currency exchange rates set forth in the Company's budget for the fiscal year immediately preceding the Performance Period In each case, the Compensation Committee must certify the adjusted revenue so calculated.
    - "EPS Target Percentage" equals the percentage obtained by dividing

      (i) the earnings per share determined in accordance with US GAAP achieved by the Company during the Performance Period, by

      (ii) the EPS Target.

        - For avoidance of doubt, EPS calculations shall be inclusive (net of) the expense associated with any and all employee compensation or bonus plans, including those made pursuant to the Plan.
- Notwithstanding anything herein to the contrary, in no event shall the Payout Percentage exceed 250%.

Example (the following is an example only and does not reflect actual targets or awards)

The following chart sets forth example Payout Percentages that would result from the formula set forth above based on various combinations of Revenue Target Percentages and EPS Target Percentages. The table shows only a subset of possible combinations: actual target percentages are to be calculated directly using the methodology described above.

Revenue Target Percentage

		90%	95%	100%	105%	110%	115%	120%
	90%	36%	47%	61%	77%	98%	122%	152%
	95%	47%	61%	78%	99%	125%	156%	194%
EPS Target Percentage	100%	61%	78%	100%	127%	159%	198%	245%
	105%	77%	99%	127%	160%	200%	248%	250%
	110%	98%	125%	159%	200%	250%	250%	250%
	115%	122%	156%	198%	248%	250%	250%	250%
	120%	152%	194%	245%	250%	250%	250%	250%

For example, if for the Performance Period ending June 30, 2010 the Base Amount, EPS Target and Revenue Target were as follows:

Example Base Amount	Example EPS Target	Example Revenue Target
$ 50,000	**$ 2.00**	**$ 50,000,000**

and the Company’s adjusted earnings per share as certified by the Compensation Committee for such Performance Period were $2.10 and the Company’s adjusted revenue as certified by the Compensation Committee for such Performance Period was $45,000,000, then the Payout Percentage would be 77% and the Cash Payout Amount would be $38,500, determined as follows: “EPS Target Percentage” is equal to 105% (the amount obtained by dividing the $2.10 adjusted earnings per share as certified by the Compensation Committee by the $2.00 EPS Target) and “Revenue Target Percentage” is equal to 90% (the amount obtained by dividing the $45,000,000 adjusted revenue as certified by the Compensation Committee by the $50,000,000 Revenue Target), resulting in the following calculations:

Payout Percentage $= (0.5 \text{ X } 90\%^{\wedge 0.5} + 0.5 \text{ X } 105\%^{\wedge 0.5})^{\wedge 19.2}$
Payout Percentage = 77%
Cash Payment Amount = Base Amount × Payout Percentage
Cash Payment Amount = $50,000 × 77%
Cash Payment Amount = $38,500

Accepted and Agreed:

____

Vistaprint N.V.

By: ______________________________

Name: ______________________________

Title ______________________________

Vistaprint N.V.

Award Agreement For Fiscal Year [20XX]
under the
Vistaprint N.V. Performance Incentive Plan For Covered Employees

Terms and Conditions

1. Award. If all the conditions set forth in this Agreement are satisfied, on the Payment Date (as defined below), a Cash Payment Amount will be made under the Plan to the Participant named in the accompanying Award Agreement. Except as provided in Section 3 below or Articles VI and XI of the Plan, (i) no Cash Payment Amount shall be made until the Payment Date, and (ii) the Participant shall have no rights to any Cash Payment Amount until the Vesting Date. Except where the context otherwise requires, the term “the Company” shall include any Related Company. Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Award Agreement or the Plan.

2. Conditions for the Award. Except as provided in Section 3 below or Articles VI and XI of the Plan, a Cash Payment Amount shall be paid only if:

(a) The Participant is, and has continuously been, an employee of the Company beginning with the date of this Agreement and continuing through the Vesting Date; and

(b) The performance criteria set forth in the accompanying Award Agreement are satisfied during the Performance Period. The Compensation Committee must determine and certify in writing at the end of the Performance Period the extent, if any, to which the performance criteria have been achieved. In making its determination, the Compensation Committee shall adjust the performance criteria to take into account proportionate reductions in earnings per share and revenue, as compared to earnings per share and revenue budgeted for the Performance Period, that the Compensation Committee reasonably determines to have resulted from any acquisitions or dispositions of businesses by the Company.

(c) The Cash Payment Amount shall be paid only in the amount determined pursuant to the formula provided under the heading “Calculation of Cash Payment Amount” in the Award Agreement. If achievement of either the EPS Target or Revenue Target is below 90% for the Performance Period, no Cash Payment Amount shall be paid for such period.

3. Employment Events Affecting Payment of Award.

(a) If the Participant dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the end of the Performance Period, then the Participant or his estate will nevertheless be eligible to receive on the Payment Date the pro rata share of the Cash Payment Amount based on the number of months of participation during any portion of the Performance Period in which the death or disability occurs.

(b) If the Participant is terminated other than by reason of death or disability, then except to the extent specifically provided to the contrary in any other agreement between the Participant and the Company, no Cash Payment Amount will be paid and this Agreement will be of no further force or effect unless the performance criteria set forth in the accompanying Award Agreement are satisfied and the Compensation Committee determines, in its sole discretion, that the Cash Payment Amount is merited.

(c) If, at any time after the Vesting Date but before the Payment Date, (i) the Participant’s relationship with the Company is terminated by the Company for Cause (as defined below) or (ii) the Participant’s conduct after termination of the employment relationship violates the terms of any non-competition, non-solicitation or confidentiality provision contained in any employment, consulting, advisory, proprietary information, non-competition, non-solicitation or other similar agreement between the Participant and the Company, then, without limiting any other remedy available to the Company, all right, title and interest in and to the Cash Payment Amount shall be forfeited and revert to the Company as of the date of such determination and the Company shall be entitled to recover from the Participant the Cash Payment Amount.

(d) “Cause,” as determined by the Company (which determination shall be conclusive), means:

(1) the Participant’s willful and continued failure to substantially perform his or her reasonable assigned duties (other than any such failure resulting from incapacity due to physical or mental illness or, if applicable, any failure after the Participant gives notice of termination for Good Reason, as defined in an agreement between the Participant and the Company), which failure is not cured within 30 days after a written demand for substantial performance is received by the Participant from the Supervisory Board which specifically identifies the manner in which the Board believes the Participant has not substantially performed the Participant’s duties; or

(2) the Participant’s willful engagement in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Company.

For purposes of this Section 3(d), no act or failure to act by the Participant shall be considered “willful” unless it is done, or omitted to be done, in bad faith and without reasonable belief that the Participant’s action or omission was in the best interests of the Company.

4. Change in Control. Upon a Change in Control, the performance criteria set forth in the accompanying Award Agreement for the EPS Target and Revenue Target shall be deemed satisfied for the Performance Period in which the Change in Control occurs, and in lieu of the amounts to be determined pursuant to the formula under the heading “Calculation of Cash Payment Amount” in the Award Agreement, the Participant shall be entitled to receive instead a Cash Payment Amount equal to 100% of the Base Amount, pro-rated through the date of the Change in Control, for the Performance Period in which the Change in Control occurs, which amount shall be payable as soon as practicable following the Change in Control, but no later than two and one-half months following the Change in Control.

5. No Special Employment or Similar Rights. Nothing contained in the Plan or this Agreement shall be construed or deemed by any person under any circumstances to bind the Company to continue the employment or other relationship of the Participant with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with the Participant free from any liability or claim under the Plan or this Agreement.

6. Withholding Taxes. The Company’s obligation to pay the Cash Payment Amount shall be subject to the Participant’s satisfaction of all applicable income, employment, social charge and other tax withholding requirements under all applicable rules and regulations.

7. Transferability. This Agreement may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of (whether by operation of law or otherwise) (collectively, a “transfer”) by the Participant, except that this Agreement may be transferred (i) by the laws of descent and distribution, (ii) pursuant to a qualified domestic relations order, or (iii) with the prior consent of the Compensation Committee, to or for the benefit of any immediate family member, family trust, family partnership or family limited liability company established solely for the benefit of the Participant and/or an immediate family member of the Participant.

8. Miscellaneous.

(a) Except as provided herein, this Agreement may not be amended or otherwise modified unless evidenced in writing and signed by the Company and the Participant, unless the Compensation Committee determines that the amendment or modification, taking into account any related action, would not materially and adversely affect the Participant.

(b) All notices under this Agreement shall be mailed or delivered by hand to the Company at its main office, Attn: Secretary, and to the Participant at his or her last known address on the employment records of the Company or at such other address as may be designated in writing by either of the parties to one another.

(c) This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, USA.

Exhibit 10.3

FOUR-YEAR AWARD AGREEMENT

Vistaprint N.V.

Award Agreement for Fiscal Years [20] to [20]
under the
Vistaprint N.V. Performance Incentive Plan For Covered Employees

Participant: __________

Vistaprint N.V. (the "Company") hereby agrees to award to the participant named above (the "Participant") on each of the dates set forth below (the "Vesting Dates") a cash amount determined pursuant to the formula set forth below (the "Cash Payment Amount").

By your acceptance of this Award Agreement, you agree that any Cash Payment Amounts will be awarded under and governed by the terms and conditions of the Vistaprint N.V. Performance Incentive Plan For Covered Employees, as amended from time to time (the "Plan") and by the terms and conditions of the Vistaprint N.V. Performance Incentive Award Agreement – Terms and Conditions ("Terms and Conditions"), which is attached hereto (this Award Agreement and the Terms and Conditions are together referred to as the "Agreement"). If the conditions described in this Agreement are satisfied, the applicable Cash Payment Amounts will be paid under the Plan on the applicable Payment Date (as defined in the Terms and Conditions).

For purposes of this Agreement, there shall be four performance periods, each of which shall last for one fiscal year of the Company (the "Performance Periods") and each of which ends on a Vesting Date. Except as otherwise provided in the Plan and the Terms and Conditions, for each Performance Period, the Compensation Committee of the Supervisory Board of the Company (the "Compensation Committee") must certify in writing that the performance criteria set forth below have been satisfied.

Base Amount and EPS Targets

As more fully described in the Terms and Conditions, the Cash Payment Amount paid on the applicable Payment Date shall be determined based on the base amount indicated below (the "Base Amount") and the extent to which the Company achieves the earnings per share targets ("EPS Targets") indicated below. The EPS achieved by the Company during a given Performance Period shall be determined in accordance with US generally accepted accounting principles ("US GAAP"). For avoidance of doubt, EPS calculations shall be inclusive (net of) the expense associated with any and all employee compensation or bonus plans, including those made pursuant to the Plan.

Base Amount Per Performance Period: $______

EPS Targets:

	Performance Periods ending on the following Vesting Dates			
	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
EPS Low Target				
EPS Medium Target				
EPS Upper Target				

Calculation of Cash Payment Amount

Payout Threshold Percentages:

	Performance Periods ending on the following Vesting Dates			
	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
EPS Low Target	**50%**	**50%**	**50%**	**50%**
EPS Medium Target	**100%**	**100%**	**100%**	**100%**
EPS Upper Target	**130%**	**160%**	**200%**	**250%**

The Cash Payment Amount for any Performance Period shall equal the Base Amount set forth above multiplied by the Applicable Percentage (as defined below).

- If the EPS Low Target is not achieved for the applicable Performance Period, then the Applicable Percentage shall be deemed to be equal to 0% and no Cash Payment Amount shall be paid.
- If the EPS Upper Target is achieved or exceeded for the applicable Performance Period, then the Applicable Percentage shall be equal to the highest Payout Threshold Percentage set forth above (for the applicable Vesting Date).
- If the Company's earnings per share are greater than or equal to the EPS Low Target, but less than the EPS Upper Target, the Applicable Percentage shall be equal to
  - i. the Payout Threshold Percentage for the highest EPS Target achieved with respect to the applicable Performance Period, plus
  - ii. a number calculated as follows: (A) a percentage equal to a fraction, the numerator of which shall equal the amount by which earnings per share exceeded such applicable EPS Target and the denominator of which shall equal the difference between the next highest EPS Target that was not achieved and the highest EPS Target achieved, multiplied by (B) the difference between the Payout Threshold Percentage for the next highest EPS Target that was not achieved and the Payout Threshold Percentage for the highest EPS Target achieved.

Example (the following is an example only and does not reflect actual targets or awards)

For example, if for the Performance Period ending June 30, 2013 the Base Amount was $50,000 and the EPS Targets were as follows:

Example EPS Low Target	Example EPS Medium Target	Example EPS Upper Target
$ 1.64	**$ 2.96**	**$ 3.65**

and the earnings per share as certified by the Compensation Committee for such Performance Period were $3.00, then the Applicable Percentage would be equal to 108.68%, calculated as follows:

(i) the Payout Threshold Percentage for the EPS Medium Target (the highest EPS Target achieved), or 100%, plus

(ii) 8.68%, calculated as follows: (A) a percentage equal to $0.04 (the amount by which the $3.00 earnings per share achieved exceeded the $2.96 EPS Medium Target) divided by $0.69 (the difference between the $3.65 EPS Upper Target (the next highest EPS Target that was not achieved) and the $2.96 EPS Medium Target (the highest EPS Target achieved), or 5.79%, multiplied by (B) the difference between the Payout Threshold Percentage for the EPS Upper Target (the next highest EPS Target that was not achieved) and the Payout Threshold Percentage for the EPS Medium Target (the highest EPS Target achieved), or 150%.

The Cash Payment Amount for the applicable Performance Period would equal $50,000 (the Base Amount) multiplied by 108.68% (the Applicable Percentage) or $54,340.

Accepted and Agreed:

By: ______________________________

Name:

Vistaprint N.V.

By: ______________________________

Name: ______________________________

Title ______________________________

Vistaprint N.V.

Award Agreement for Fiscal Years [20] to [20]
under the
Vistaprint N.V. Performance Incentive Plan For Covered Employees

Terms and Conditions

1. Award. If all the conditions set forth in this Agreement are satisfied, on the applicable Payment Date (as defined below), a Cash Payment Amount will be made under the Plan to the Participant named in the accompanying Award Agreement. Except as provided in Section 3 below or Articles VI and XI of the Plan, (i) no Cash Payment Amount shall be made until the applicable Payment Date, and (ii) the Participant shall have no rights to any Cash Payment Amount until the Vesting Date. Except where the context otherwise requires, the term "the Company" shall include any Related Company. Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Award Agreement or the Plan.

2. Conditions for the Award. Except as provided in Section 3 below or Articles VI and XI of the Plan, a Cash Payment Amount shall be paid only if:

(a) The Participant is, and has continuously been, an employee of the Company beginning with the date of this Agreement and continuing through the Vesting Date; and

(b) The performance criteria set forth in the accompanying Award Agreement are satisfied during the applicable Performance Period. The Compensation Committee must determine and certify in writing at the end of each applicable Performance Period the extent, if any, to which the performance criteria have been achieved. In making its determination, the Compensation Committee shall adjust the performance criteria to take into account proportionate reductions in earnings per share, as compared to earnings per share budgeted for the applicable Performance Period, that the Compensation Committee reasonably determines have resulted from any acquisitions or dispositions of businesses by the Company.

(c) Cash Payment Amounts shall be paid only in the amounts determined pursuant to the formula provided under the heading "Calculation of Cash Payment Amount" in the Award Agreement. If the applicable EPS Low Target is not achieved during the applicable Performance Period, no Cash Payment Amount shall be paid for such period.

3. Employment Events Affecting Payment of Award.

(a) If the Participant dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the end of any Performance Period, then the Participant or his estate will nevertheless be eligible to receive on the Payment Date the pro rata share of the Cash Payment Amount based on the number of months of participation during any portion of the Performance Period in which the death or disability occurs.

(b) If the Participant is terminated other than by reason of death or disability at any time prior to the Vesting Date, then except to the extent specifically provided to the contrary in any other agreement between the Participant and the Company, no Cash Payment Amount will be paid and this Agreement will be of no further force or effect unless the performance criteria set forth in the accompanying Award Agreement are satisfied and the Compensation Committee determines, in its sole discretion, that the Cash Payment Amount is merited.

(c) If, at any time after the Vesting Date but before the Payment Date, (i) the Participant's relationship with the Company is terminated by the Company for Cause (as defined below) or (ii) the Participant's conduct after termination of the employment relationship violates the terms of any non-competition, non-solicitation or confidentiality provision contained in any employment, consulting, advisory, proprietary information, non-competition, non-solicitation or other similar agreement between the Participant and the Company, then, without limiting any other remedy available to the Company, all right, title and interest in and to the Cash Payment Amount shall be forfeited and revert to the Company as of the date of such determination and the Company shall be entitled to recover from the Participant the Cash Payment Amount.

(d) “Cause,” as determined by the Company (which determination shall be conclusive), means:

(1) the Participant’s willful and continued failure to substantially perform his or her reasonable assigned duties (other than any such failure resulting from incapacity due to physical or mental illness or, if applicable, any failure after the Participant gives notice of termination for Good Reason, as defined in an agreement between the Participant and the Company), which failure is not cured within 30 days after a written demand for substantial performance is received by the Participant from the Supervisory Board which specifically identifies the manner in which the Board believes the Participant has not substantially performed the Participant’s duties; or

(2) the Participant’s willful engagement in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Company.

For purposes of this Section 3(d), no act or failure to act by the Participant shall be considered “willful” unless it is done, or omitted to be done, in bad faith and without reasonable belief that the Participant’s action or omission was in the best interests of the Company.

4. Change in Control. Upon a Change in Control, the performance criteria set forth in the accompanying Award Agreement for each EPS Medium Target shall be deemed satisfied for the Performance Period in which the Change in Control occurs and for each subsequent Performance Period that is a part of this Award. In lieu of amounts to be determined pursuant to the formula under the heading “Calculation of Cash Payment Amount” in the Award Agreement for each such subsequent Performance Period, the Participant shall be entitled to receive instead a Cash Payment Amount equal to the Base Amount multiplied by the Applicable Percentage for the EPS Medium Target for each applicable subsequent Performance Period, which amount shall be payable as soon as practicable following the Change in Control, but no later than two and one-half months following the Change in Control.

5. No Special Employment or Similar Rights. Nothing contained in the Plan or this Agreement shall be construed or deemed by any person under any circumstances to bind the Company to continue the employment or other relationship of the Participant with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with the Participant free from any liability or claim under the Plan or this Agreement.

6. Withholding Taxes. The Company’s obligation to pay the Cash Payment Amount shall be subject to the Participant’s satisfaction of all applicable income, employment, social charge and other tax withholding requirements under all applicable laws and regulations.

7. Transferability. This Agreement may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of (whether by operation of law or otherwise) (collectively, a “transfer”) by the Participant, except that this Agreement may be transferred (i) by the laws of descent and distribution, (ii) pursuant to a qualified domestic relations order, or (iii) with the prior consent of the Compensation Committee, to or for the benefit of any immediate family member, family trust, family partnership or family limited liability company established solely for the benefit of the Participant and/or an immediate family member of the Participant.

8. Miscellaneous.

(a) Except as provided herein, this Agreement may not be amended or otherwise modified unless evidenced in writing and signed by the Company and the Participant, unless the Compensation Committee determines that the amendment or modification, taking into account any related action, would not materially and adversely affect the Participant.

(b) All notices under this Agreement shall be mailed or delivered by hand to the Company at its main office, Attn: Secretary, and to the Participant at his or her last known address on the employment records of the Company or at such other address as may be designated in writing by either of the parties to one another.

(c) This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, USA.

Exhibit 10.4

Supervisory Director

Restricted Share Unit Agreement
Granted Under The Amended and Restated 2005 Equity Incentive Plan

1. Grant of Award.

Pursuant to authority delegated by the Supervisory Board and Management Board of Vistaprint N.V., a Netherlands company (the "Company "), to VistaPrint USA, Incorporated, a Delaware corporation, pursuant to Section 3 of the Amended and Restated 2005 Equity Incentive Plan (the "Plan"), this Agreement evidences the grant by the Company on **«GrantDate»** (the "Grant Date") to **«Name»** (the "Participant") of **«Numbershares»** restricted share units (the "Units") with respect to a total of **«Numbershares»** ordinary shares of the Company (the "Shares"), €0.01 par value per share (the "Ordinary Shares").

Except as otherwise indicated by the context, the term "Participant," as used in this award, is deemed to include any person who acquires rights under this award validly under its terms.

2. Vesting Schedule.

(a) Subject to the terms and conditions of this award, the Units vest as to 8.33% of the original number of Units each successive three-month period following the Grant Date until the third anniversary of the Grant Date.

(b) Continuous Relationship with the Company Required. This vesting schedule requires that the Participant, at the time any Units vest, is, and has been at all times since the Grant Date, an employee, officer or director of, or consultant or advisor to, the Company or any parent or subsidiary of the Company and as defined in Section 424(e) or (f) of the United States Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code") (an "Eligible Participant"). If the Participant is employed by a parent or subsidiary of the Company, any references in this Agreement to employment by or with the Company or termination of employment by or with the Company are instead deemed to refer to such parent or subsidiary.

(c) Termination of Relationship with the Company. If the Participant ceases to be an Eligible Participant for any reason, then the vesting of Units ceases and the Participant has no further rights with respect to any unvested Units. Notwithstanding the foregoing, if the Participant, before this Award becomes vested in full, violates the non-competition or confidentiality provisions of any employment contract, confidentiality and nondisclosure agreement or other agreement between the Participant and the Company or a parent or subsidiary of the Company, the vesting of Units ceases and this award terminates immediately upon such violation.

3. Timing and Form of Distribution.

The distribution date (the "Distribution Date") for Units that become vested pursuant to this award will be made in a lump sum on the date that such Units vest. The Company shall distribute vested Units in Ordinary Shares (on a one-to-one basis) on or as soon as practicable after the Distribution Date with respect to such vested Units. The Participant will only receive distributions in respect of his/her vested Units and has no right to distribution of an Ordinary Share with respect to unvested Units unless and until such Units vest. Once an Ordinary Share with respect to a vested Unit has been distributed pursuant to this award, the Participant has no further rights with respect to that Unit.

4. Dividend Equivalent Rights.

During such time as each Unit remains outstanding and before the distribution of such Unit in accordance with Section 3, the Participant has the right to receive, in cash, with respect to such Unit, the amount of any cash dividend paid by the Company on an Ordinary Share (a "Dividend Equivalent Right"). The Participant has a Dividend Equivalent Right with respect to each Unit that is outstanding on the record date of such dividend. The Company shall pay Dividend Equivalent Rights to the Participant at the same time or within 30 days after dividends are paid to shareholders of the Company. The Company has no obligation to pay Dividend Equivalent Rights to the Participant with respect to any Units that are forfeited pursuant to Section 2(c), effective as of the date such Units are forfeited. The Participant has no Dividend Equivalent Rights as of the record date of any cash dividend in respect of any Units that have been distributed in Ordinary Shares.

5. Withholding.

The Participant is required to pay in cash any sums required by federal, state or local tax law to be withheld ("Withholding Taxes") with respect to the payment of Dividend Equivalent Rights. The Participant is also required to satisfy Withholding Taxes with respect to the vesting of Units. In order to satisfy the Withholding Taxes owed with respect to the vesting of Units, the Participant agrees that:

(a) Unless the Company, in its sole discretion, determines that the procedure set forth in this Section 5(a) is not advisable, at the Distribution Date, the Company shall withhold a number of Ordinary Shares with a market value (based on the closing price of the Ordinary Shares on the last trading day prior to the Distribution Date) equal to the amount necessary to satisfy the minimum amount of Withholding Taxes due on such Distribution Date.

(b) If the Company, in its sole discretion, determines that the procedure set forth in Section 5(a) is not advisable or sufficient, then the Participant, as a condition to receiving any Ordinary Shares upon the vesting of Units, shall either (i) pay to the Company, by cash or check, an amount sufficient to satisfy any Withholding Taxes or otherwise make arrangements satisfactory to the Company in its sole discretion for the payment of such amounts (including through offset of any amounts otherwise payable by the Company to the Participant, including salary or other compensation), or (ii) if the Company in its sole discretion determines to permit Participants to so elect, execute and deliver to the Company an irrevocable standing order authorizing E-Trade or any broker approved by the Company (the "Broker") to sell, at the market price on the applicable Distribution Date, the number of Ordinary Shares that the Company has instructed the Broker is necessary to obtain proceeds sufficient to satisfy the Withholding Taxes applicable to the Ordinary Shares to be distributed to the Participant on the Distribution Date (based on the closing price of Ordinary Shares on the last trading day prior to the Distribution Date) and to remit such proceeds to the Company. The Participant agrees to execute and deliver such documents as may be reasonably required in connection with the sale of any Ordinary Shares pursuant to this Section 5(b).

6. Nontransferability of Award.

The Participant may not sell, assign, transfer, pledge or otherwise encumber this award, either voluntarily or by operation of law, except by will or the laws of descent and distribution or pursuant to a qualified domestic relations order, or to or for the benefit of any immediate family member, family trust, family partnership or family limited liability company established solely for the benefit of the holder and/or an immediate family member of the holder if, with respect to such proposed transferee, the Company would be eligible to use a Form S-8 for the registration of the issuance and sale of the Ordinary Shares subject to such award under the United States Securities Act of 1933, as amended.

7. No Right to Employment or Other Status.

This award shall not be construed as giving the Participant the right to continued employment or any other relationship with the Company or any parent or subsidiary of the Company. The Company and any parent or subsidiary of the Company expressly reserve the right to dismiss or otherwise terminate its relationship with the Participant free from any liability or claim under the Plan or this award, except as expressly provided in this award.

8. No Rights as Shareholder.

Except for the Dividend Equivalent Rights described in Section 4, the Participant has no rights as a shareholder with respect to any Ordinary Shares distributable under this award until becoming recordholder of such shares.

9. Acceleration of Vesting Upon a Change in Control Event.

Upon the occurrence of a Change in Control Event (as defined in the Plan), regardless of whether such event also constitutes a Reorganization Event (as defined in the Plan), the vesting of all of the Units subject to this award automatically accelerate, such that all Units become fully vested immediately before the Change in Control Event without any action on the part of the Company or the Participant.

10. Provisions of the Plan.

This award is subject to the provisions of the Plan, a copy of which is furnished to the Participant with this award.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by Vistaprint N.V. This Agreement shall take effect as a sealed instrument.

Vistaprint N.V.

Dated:

By: ______________________________
Name:
Title:

PARTICIPANT'S ACCEPTANCE

The undersigned hereby accepts the foregoing Agreement and agrees to the terms and conditions thereof. The undersigned hereby acknowledges receipt of a copy of the Vistaprint N.V. Amended and Restated 2005 Equity Incentive Plan.

PARTICIPANT:

____

Address: ______________________________

____

____

Exhibit 31.1

CERTIFICATION

I, Robert S. Keane, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vistaprint N.V.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 29, 2010

/S/ ROBERT S. KEANE

Robert S. Keane
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Michael Giannetto, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vistaprint N.V.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 29, 2010

/s/ MICHAEL GIANNETTO

Michael Giannetto
Chief Financial Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Vistaprint N.V. (the "Company") for the fiscal quarter ended December 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Robert S. Keane, Chief Executive Officer of the Company, and Michael Giannetto, Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, that, to his knowledge on the date hereof:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 29, 2010

/s/ ROBERT S. KEANE

Robert S. Keane
Chief Executive Officer

Date: January 29, 2010

/s/ MICHAEL GIANNETTO

Michael Giannetto
Chief Financial Officer