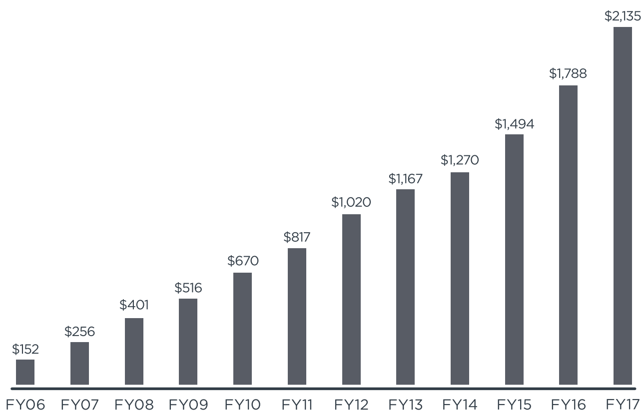
cimpress™

2017 Annual Report

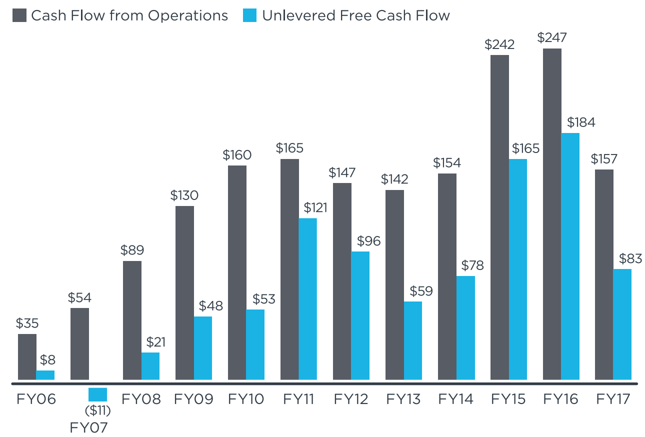
Notice of Annual General Meeting of Shareholders | Proxy Statement

SELECTED ANNUAL FINANCIAL METRICS

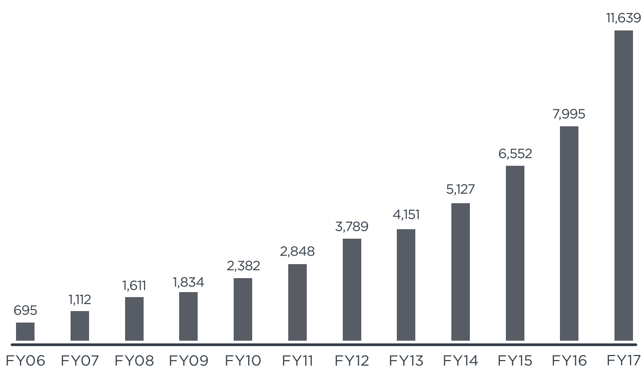
Revenue
U.S. Dollars in Millions



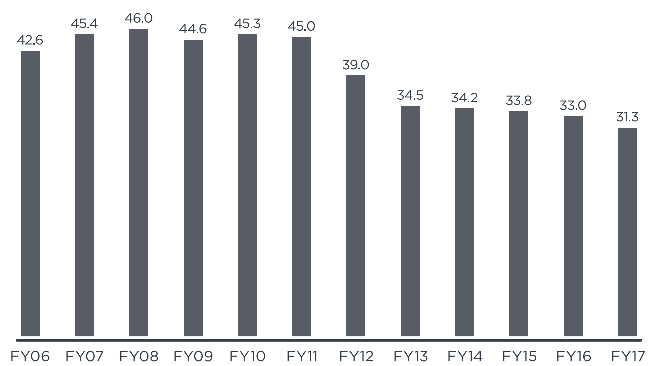
Cash Flow[1]
U.S. Dollars in Millions



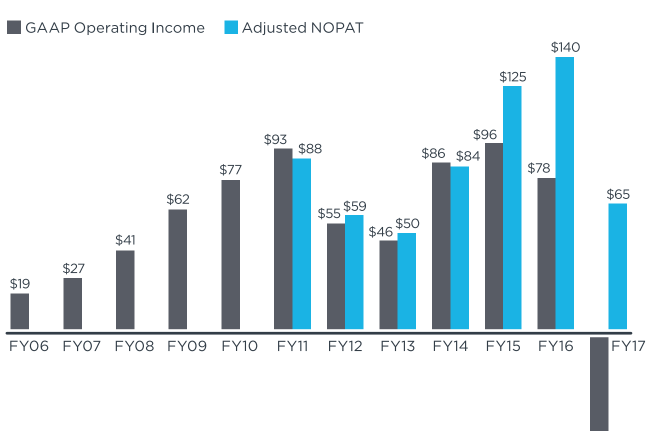
Employees (Including Temporary)
As of June 30



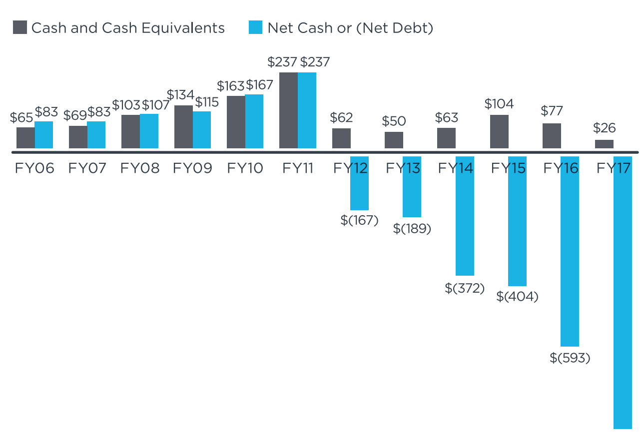
GAAP Weighted Average Diluted Shares Outstanding[2]
In Millions



Profit[1]
U.S. Dollars in Millions



Cash and Equivalents and Net Cash or (Net Debt)[1]
U.S. Dollars in Millions



[1] Please see non-GAAP reconciliation at the end of this Annual Report and proxy statement.

[2] In FY17, Cimpress reported a GAAP net loss, and therefore the weighted average shares outstanding was the same for both basic and diluted shares. We would have had 32.6 million weighted average diluted shares outstanding for FY17 if we had recorded a profit for the year instead of a loss.

July 26, 2017

Dear Investor,

As a complement to our upcoming investor day on August 8, 2017, and to our quarterly earnings release and our other SEC filings, I write you this annual letter to summarize Cimpress' capital allocation philosophy, the evolution of our strategy, the financial characteristics of our investments past and future, and our views as to the underlying ("steady state") cash generation capabilities of our company.

The structure of this letter is as follows:

We hope that, by reading this letter and attending our investor day, you will achieve a clear understanding of Cimpress' goals and a transparent view into the successes and failures that we have had on our continuing journey to build a transformational and enduring business.

Our Objectives, Strategy and Organizational Structure

Our uppermost objectives are as follows:

- Strategic: To be the world leader in mass customization
  By mass customization, we mean producing, with the reliability, quality and affordability of mass production, small individual orders where each and every one embodies the personal relevance inherent to customized physical products.

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

These objectives and Cimpress' vision of empowering millions of people to make an impression are unchanged from the last two years. If we execute well against them we should create significant value for all of our constituents: customers, team members, long-term shareholders, debt investors and society. Similarly, our target market, technologies, marketing methods, core business model, and many other aspects of our business remain consistent with what we have pursued for the past several years.

That being said, we have made some meaningful changes to the organizational structure through which we expect to deliver against our vision and objectives. On January 25, 2017, we announced plans to decentralize Cimpress' organizational structure to improve accountability for customer satisfaction and capital returns, to simplify decision-making, to improve our speed of execution, to develop our cadre of general managers, and to preserve and release entrepreneurial energy. Along with this announcement, we noted that "Cimpress intends to implement these changes to accelerate progress toward its established vision, strategy, and long-term objectives, all of which remain unchanged." The consistency discussed in the previous paragraph illustrates that we got most of that statement right. However, as we have decentralized, and as we went through our annual planning process for the upcoming fiscal year 2018, it became clear to us that the organizational changes we implemented following the January 25 announcement are, in fact, best described as a strategic change.

Given the consistency in most parts of our business, one might wonder if this is just a question of semantics. Nonetheless we describe our evolution as a strategic change so that we can more effectively communicate, to our more than 10,000 team members across the globe, the degree to which we want to operate differently. Since it is important that investors in Cimpress' equity and debt also understand this evolution of our thinking, the remainder of this section provides context on our recent strategic history and how we describe our revised strategy.

From fiscal year 2015 to fiscal year 2017, Cimpress' corporate strategy centered on building a mass customization platform (the "MCP") that would act as an interface layer between our customer-facing business units that were distinct and separately managed from our fulfillment operations. We furthermore pursued significant centralization of global functions such as, but not limited to, human resources, finance, technology operations, legal, market research, strategy, product management and graphic design services. A major objective of our prior strategy was to use scale advantage to drive competitive advantage. Our prior strategy had some significant benefits. It exposed us to customer needs well beyond Vistaprint, teaching us that the potential market for mass customization is very large, with diverse and evolving segments, product categories, go-to-market methods, business maturity levels, technologies and opportunities. We learned that we must fight to deliver greater customer value in the face of competition from many small, nimble, customer-focused competitors. Through internal investments and via M&A, we brought into Cimpress a number of smaller, fast-moving, rapidly growing, customer-focused businesses of our own. We identified common technology and procurement functions where there are clear opportunities for scale-based synergies across our businesses, some of which we have already begun to exploit.

Despite these benefits, as we implemented our fiscal year 2015 to fiscal year 2017 strategy we faced significant side-effects and issues of centralization. Frankly stated, the complexity, bureaucracy, slowness, uniformity and cost of centralization far outweighed the potential advantages. We made numerous adjustments in fiscal year 2016 and fiscal year 2017 to address these issues. However, in the end we needed to go further. We have changed our strategy because the experience of the past several years led us to the conviction that a decentralized organization has the best chance to achieve Cimpress' uppermost objectives of mass customization leadership and maximum IVPS. Our corporate strategy is now as follows:

> *Cimpress invests in and builds customer-focused, entrepreneurial, mass customization businesses for the long term, which we manage in a decentralized, autonomous manner. We drive competitive advantage across Cimpress by investing in a select few shared capabilities that have the greatest potential to create company-wide value. We limit all other central activities to only those which absolutely must be performed centrally.*

Upon first reading, our new strategy may surprise people who may be accustomed to strategies that are based in core competencies or customer needs. Of course, there are strong competency-based and customer-based strategies within each of our autonomous businesses. But at the Cimpress corporate level, we have intentionally crafted our strategy statement to convey a revised vision of where and how we want our corporate center to operate.

In function of our revised strategy, we have made or plan to make a number of significant changes to how we run Cimpress.

First, as described in our January 25, 2017 announcement, we have decentralized our operations by transferring approximately 3,000 team members who were part of central teams into our businesses. We reduced the scope of certain other roles and functions that were previously performed centrally, which led to the termination of approximately 135 employees, and reduced planned hiring in targeted areas. Compared to six months ago, Cimpress now manages only a few select capabilities centrally and the teams responsible for these activities are focused on activities where centralization can drive the most value or which can only be done at the corporate level. The following are the most prominent examples of what we still centrally manage:

a. The global procurement capabilities for major categories of commodities, shipping services and capital equipment which were previously embedded in our prior, much broader, manufacturing and supply chain organization;
b. The capital allocation and SEC reporting activities which were previously embedded in our prior, much broader, finance organization; and
c. The mass customization platform ("MCP") standards and micro-services-based software components which were previously embedded in our prior, much broader, MCP organization.

Second, we are modifying our internal financial management systems to more tightly align reporting with our decentralized organizational structure, capital allocation process and a return-on-capital mindset. We are establishing per-operating-unit balance sheet and cash flow statements. We have changed the primary financial metric that we use to set our annual internal budgets from net operating profit to unlevered free cash flow. This change will directly align our management teams with part "(a)" of our above-described definition of intrinsic value per share. We remain early in the process of making these changes to our internal financial management systems but hope to make substantial progress by the end of fiscal year 2018.

Third, we have narrowed the focus of our MCP. Prior to January 2017 we envisioned an opaque platform across which central software, graphic services, manufacturing and supply chain teams would drive new product introduction and route orders to the production facility with the best combination of cost, speed and quality for a given order of a given merchant. As noted, most of those functions have been decentralized and are no longer part of the MCP nor are they shared across our businesses.

Under our revised strategy, only a growing set of shared standards and technology services constitute the current and future MCP. Lego blocks serve as an analogy of how we are building the MCP. This is not a change from our prior MCP software architecture but it is important to understand because, like other parts of our strategy going forward, our architecture seeks to enable versatility and nimbleness. Lego blocks come in many shapes, colors and sizes, yet every block conforms to a set of interface standards which enable users to combine the blocks into a nearly infinite variety of structures. In the Cimpress analogy, Lego blocks and/or combinations of blocks represent multi-tenant software micro-services which we are developing to fulfill the needs of Cimpress businesses.

We think this narrowed focus increases the MCP's value creation potential by speeding up the delivery of value to our businesses and customers. Our decentralized businesses are actively involved in defining and evaluating the functionality of new or improved Lego blocks so as to ensure the delivery of tangible business value. Once deployed, these same building blocks become available and reusable by any of our businesses, not just the original recipient. Our plan for the MCP is for it to grow based on use cases chosen and defined by decentralized Cimpress businesses. Over time, as more and more of these Lego blocks are deployed, it should become easier, faster and lower cost for additional parts of Cimpress to use these blocks to plug into what will be a continually growing network of supply chain, product selection, technology components and related services. The totality of these Lego blocks and their associated interface standards is what constitutes the Cimpress MCP.

Even though the scope of the MCP and the size of the central team building the MCP is narrower than before, the MCP technology development that we have completed to date is directly relevant and valuable to our current strategy. Since fiscal year 2016 we have broken up much of our former monolithic software and built many foundational components and standards for our platform. In fiscal year 2017 we activated and began to scale the platform to deliver some initial but still small synergies and we proved out the robustness and the scalability of our systems. In fiscal year 2018 and beyond we expect to begin to realize significant benefits. Our MCP technologies, including the low-friction market system for transactions which they are being built to enable, can increasingly be used by our businesses to transact with each other and with third-party fulfillers to introduce new products, improve the user experience related to their products, and improve their fulfillment capabilities (quality, delivery speed, reliability, scalability, cost, etc.).

Organic Growth Performance & Expectations

A large opportunity exists for major markets to shift to a mass customization paradigm and, even though we are organizing in a much more decentralized manner, we still believe that relative scale is a major source of competitive advantage for Cimpress. For these reasons we plan to continue to make significant value-enhancing growth investments. We do not pursue growth for growth's sake: we fully understand that if growth were to result from investments that return below our cost of capital then that growth would destroy value.

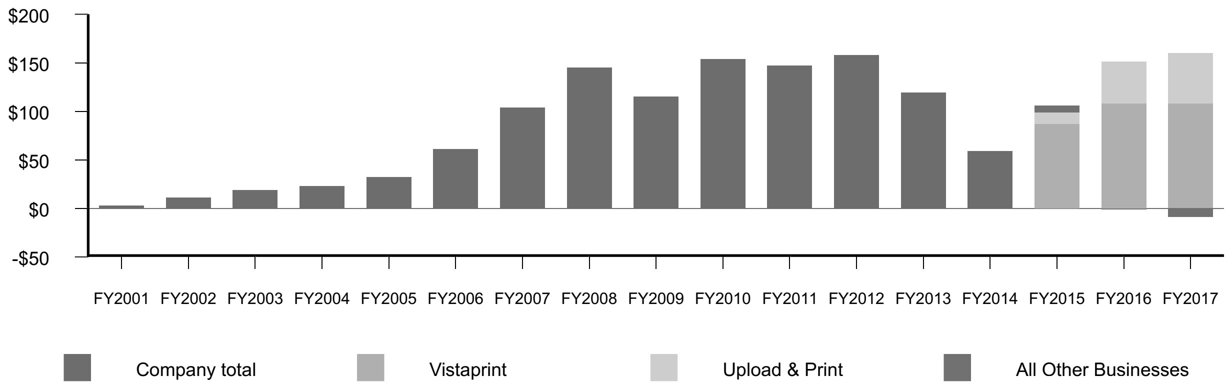
Given our belief that we can make attractive returns by growing the business with organic investment, and given our very substantial investments to do so, our organic growth is an important indicator of our performance. Starting in fiscal year 2012 we ended what we consider, in retrospect, to have been a multi-year period of underinvestment in our business, and we embarked on a multi-year increase to investment levels in order to revitalize organic revenue growth. While our efforts to revitalize growth have taken longer than our original aspirations, we are now seeing positive results from past investments and expect to see additional benefits in the form of greater value-creating growth than we would have had without these investments.

The graph below illustrates that the absolute annual value of our organic growth slowed considerably in 2013 and 2014. We believe that this was a result of underinvestment during the previous five or so years combined with significant growth "headwinds" as we moved Vistaprint away from a customer value proposition which was characterized primarily by free offers that we combined with aggressive up-selling and cross-selling. In the past few years, as the benefits of its repositioning started to take hold, we believe that Vistaprint has begun a multi-year return to stronger growth levels. In addition, the newer parts of our business, especially our Upload and Print reportable segment, are now contributing materially to Cimpress' consolidated growth. In fiscal year 2017 our total annual incremental organic constant currency growth across all segments was approximately $151 million[1]. In terms of percentage growth rate, Cimpress posted an 8% organic constant currency growth rate for fiscal year 2017[2], a deceleration versus our 2016 results due in part to the loss of certain partner revenue as previously

[1] Fiscal year 2017 reported incremental revenue was $347.4 million in USD, including acquisitions as of their respective acquisition dates.
[2] Fiscal year 2017 reported revenue growth was 19% in USD, including acquisitions as of their respective acquisition dates.

described. A few notes about the graph below: In order to remove the impact of volatility in currency markets, we present each fiscal year 2015 through 2017 using currency exchange rates as of June 30, 2017 which we provide for your reference in the Non-GAAP Reconciliations section of this letter. We also exclude from this graph the growth impact of acquisitions which we have held for less than four full quarters in each fiscal year presented in the chart.

Incremental Organic Revenue (Annual, USD millions)
FY2015 - FY2017 use currency exchange rates from June 30, 2017

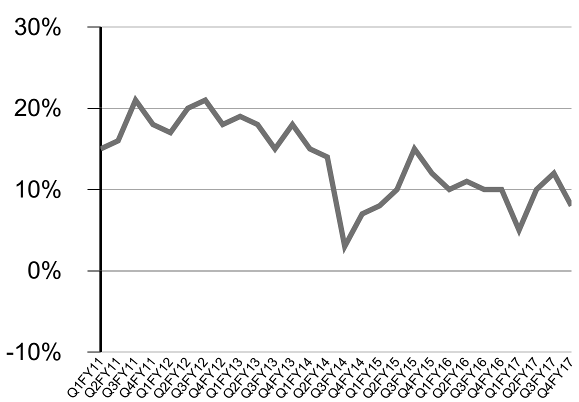


In terms of geographic markets, annual organic constant currency revenue growth in fiscal year 2017 was 7% in both Europe and North America versus 10% in fiscal year 2016; and 19% for the total of our other markets (Brazil, India, Japan, Australia and New Zealand) in both 2017 and 2016[3]. The charts below illustrate our year-over-year quarterly organic constant currency growth in Europe and North America. Please note that our individual businesses are growing at various rates across markets, not at the weighted average Cimpress growth shown in the following graphs.

Organic Constant-Currency Revenue Growth Rate

Each data point excludes any acquisition that was not owned during the prior-year comparable quarter

North America



Europe

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[3] Fiscal year 2017 reported revenue growth in USD in Europe, North America and other markets was 22%, 16%, and 33%, respectively. This includes acquisitions as of their respective acquisition dates. Please see reconciliation of non-GAAP measures at the end of this letter.

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

We describe below our general view as of today regarding the organic constant-currency revenue growth potential of our reportable segments with the important caveat that we are not targeting any specific revenue growth rates for any particular quarter or year. We continue to expect that our reporting segment and consolidated growth rates will fluctuate from quarter-to-quarter or year-to-year as they have done historically. The following estimates reflect our expectation that, as we strengthen our capabilities throughout the organization in terms of measuring and improving returns on capital, our front-line teams in our businesses will become more aware of and accountable for the pursuit of only value-accretive growth and that the resulting decisions would dampen revenue growth but improve value growth.

- Our Vistaprint business grew by 9% for fiscal year 2017 on an organic constant-currency basis, a deceleration from 10% growth in the prior fiscal year influenced by our reduction in shipping prices[4]. We continue to believe this business has the eventual ability to consistently grow at low double-digit rates in the future.

- For our Upload and Print reportable segment, constant-currency revenue growth was 13% in fiscal year 2017 on an organic basis[5]. The organic growth rates of the various businesses within this segment vary significantly. We continue to expect the growth of some of the faster-growing businesses to moderate over time but we expect continued double-digit growth for these business units for the foreseeable future.

- The National Pen business is new to Cimpress as a result of our acquisition which closed on December 30, 2016. On a pro forma basis, if we had owned National Pen for all of fiscal year 2016 and fiscal year 2017, constant-currency revenue growth would have been 2%, adjusting for discontinued operations[6]. Revenue was depressed by National Pen's decision to reorganize marketing roles and activities and curtail marketing investment which was not generating attractive return on investment. We expect single-digit growth for National Pen in fiscal year 2018.

- The growth rate for our All Other Businesses reportable segment was suppressed in fiscal year 2017 because significant partner contracts in both our Albumprinter and Corporate Solutions businesses ended in fiscal year 2016 and because our fast-growing MoW businesses remained relatively small. As we have now fully lapped the loss of partner revenue we expect double-digit organic constant-currency growth for this segment for the next several years. Given that Cimpress has signed a definitive agreement to divest our Albumprinter business, we plan to exclude Albumprinter revenue from our year-over-year organic revenue growth comparison in fiscal year 2018 so that investors can better understand the growth of the remaining businesses in this reporting segment.

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[4] Vistaprint reported growth in USD was 7% in fiscal year 2017 and 6% in fiscal year 2016.
[5] Upload and Print reported growth in USD was 36% in fiscal year 2017 and 120% in fiscal year 2016, inclusive of all acquisitions as of their transaction dates. Please see reconciliation of non-GAAP measures at the end of this letter.
[6] National Pen's fiscal year 2017 revenue growth including the discontinued operations would have been -1%.

Capital Allocation Philosophy & Categories

I wish that I had figured out the importance of capital allocation many years ago, but the reality is that Cimpress is just now entering our fourth year of making capital allocation an explicit focus area of our management routines so we are still learning and revising our internal processes. But better late than never: as CEO, founder and a significant shareholder, I now spend a major amount of my time on activities related to capital allocation and consider it a critical responsibility.

We group our corporate-level capital allocation into the following broad categories and consider our capital to be fungible across all of them. We can deploy capital via organic investments, share repurchases, acquisitions and equity investments, debt reduction, and the payment of dividends. Please note, however, that we do not intend to pay dividends for the foreseeable future. Our sources of capital are the cash we generate from our business, the issuance of debt, the issuance of equity, and the divestiture of assets.

We define corporate-level deployment of capital as any investment of money that we expect to require more than twelve months to return the value of the invested capital. All of our references to corporate-level Cimpress capital deployment, including all figures in the tables and graphs that are part of this letter, should be interpreted as referring only to corporate-level capital allocation as so defined. We delegate to our operating units (and do not seek to manage centrally) capital allocation decisions which our operational executives expect to pay back in less than twelve months. We then hold each operating unit accountable for delivering an aggregate level of cash flow that (a) takes into account the negative cash flow from corporate-level capital allocation, and (b) is net of any short-term payback investments they chose to make on a decentralized basis.

We estimate our weighted average cost of capital ("WACC") to be 8.5%. We seek to have a weighted average return on our portfolio of deployed capital, net of failures, that is materially above our WACC. In support of this objective, we vary hurdle rates based on our judgment of the risks to various types of investment. For example, we typically use a 25% hurdle rate for investments in our Most of World group (i.e. China, Brazil, India and Japan) but only 10% for highly predictable investments located in Europe, North America or Australia such as the replacement or upgrading of capital equipment.

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

At the time of any given investment, we expect to deliver a return that is above its hurdle rate (preferably well above). That being said we recognize that a portfolio of investments that exceeds WACC does not necessarily mean, by itself, that we have made good capital allocation decisions. We need to compare our returns against the opportunity cost of potentially higher returns that might have come from deploying the same capital into even higher-returning opportunities. This more stringent, and we believe more relevant, measure of capital allocation performance clarifies the often painful cost of mistakes.

As an example, for much of fiscal year 2012 and fiscal year 2013 our share price was trading under $40 per share. With the benefit of hindsight we recognize that, for the capital we used for our Namex, Webs and Albumprinter acquisitions, we could have generated very strong returns if we had instead repurchased our own shares. We can also make mistakes when we raise capital. For instance, in 2005 we issued 5.5 million shares for just $11 per share as part of our initial public offering even though we did not need the money at the time and, even if we had, could have raised the same amount of capital via debt instruments. Our improved understanding of the true cost of equity issuance is a central reason why our share-based compensation vehicles now incorporate performance mechanisms that directly link potential payout and its associated dilution to the equity returns which Cimpress delivers to long-term shareholders after such dilution.

We strive to continuously improve our capital allocation and performance-tracking capabilities. Over the past year we strengthened our ability to track investments and to measure their returns and we plan to make further improvements in the coming year. Our recent organizational decentralization should further improve our ability to hold ourselves, and individual teams, accountable for driving these returns. As much as we would prefer to never make capital allocation errors, we believe that innovation and risk taking are critical to value creation so we do not seek to avoid investment risk nor are we able to prevent failure at the level of individual investment projects or other capital allocation decisions.

The next section of this letter reviews our various categories of Cimpress' capital allocation: organic investment; share repurchase and issuance; acquisitions, equity investments and divestitures; and debt issuance and repayment.

Organic Investment

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

The following tables summarize the allocation of capital to organic investment that we made in fiscal year 2017, grouped by reportable segment. We no longer report our organic investments in the broad "Major Organic" and "Diverse Other" investment categories that we used previously since we have stopped looking at them this way internally. Our Columbus investment in promotional products and decorated apparel and a substantial portion of investment that we previously categorized as part of our mass customization platform investment now fall into the Vistaprint segment.

Vistaprint			
Investment Area	**Description**	**FY17 Unlevered Free Cash Flow Net Investment**	**FY17 OI/ Adjusted NOP Net Impact**
Columbus	This category includes the net investment for Vistaprint's offering of promotional products, apparel and gifts that we developed as part of the "Columbus" project in prior years, inclusive of advertising, service and management costs directly related to the project, since the team members delivering on this offering are now part of Vistaprint. Note that starting in fiscal year 2018, Columbus investments will be incorporated into other categories below such as product selection, advertising or technology.	$26M	$26M
Product Selection	We consistently introduce new products and expand the selection of product attributes (such as formats, substrates, finishing options, delivery speeds, available quantities, etc.).	$18M	$19M
Expansion of Production and IT Capacity	This comprises capital expenditures and similar upfront investments to expand or improve our capacity for established products with relatively knowable demand expectations.	$12M	$1M
LTV-based Advertising	Based on analysis of the cash flow characteristics of prior cohorts of acquired customers, we regularly invest in customer acquisition costs that require more than twelve months to pay back. Note that this net investment reflects mix shifts in our product and service offering. We also include here a portion of our internal marketing costs that support these activities.	$63M	$66M
Technology	Vistaprint differentiates itself in the market by an extensive set of technologies, such as but not limited to browser-based design, cross-selling, customer service systems, design-assistance, merchandising and analytics, and we regularly upgrade that technology. Note that technology for the manufacturing and supply chain capabilities that exclusively serve Vistaprint are also now included in this category.	$40M	$37M
Shipping Price Reductions	This is our estimate of the net impact of reducing the prices we charge our customers for shipping their custom products. Our goal is to get to and stay at pricing that is in line with e-commerce norms.	$19M	$19M
Other	This category includes headcount and related costs to enable scalability and to improve performance, as well as miscellaneous small investments. We often seek to “hire ahead of the curve” the talent that works in our technology, manufacturing, service, marketing, finance, legal and other functions. In other words, we employ people and build systems that we need to grow the business further, but which we would not need if we were to stay in a steady-state mode. This category also included, for fiscal year 2015 only, replacement capital expenditures, which we subsequently determined were investments that generally pay back in less than 12 months, so were excluded from fiscal year 2016 forward.	$27M	$23M

Upload and Print			
Investment Area	**Description**	**FY17 Unlevered Free Cash Flow Net Investment**	**FY17 OI/ Adjusted NOP Net Impact**
Various Investments	This includes a broad array of technology, advertising, product selection and production capacity investments. We are making BU-specific and shared technology investments to modernize and modularize our software systems. This includes enabling more rapid new product introduction and connecting to and leveraging the mass customization platform. This also includes our investment in a team of professionals to find and manage shared opportunities across our Upload and Print businesses.	$25M	$18M

National Pen			
Investment Area	Description	FY17 Unlevered Free Cash Flow Net Investment	FY17 OI/ Adjusted NOP Net Impact
Various Investments	This category would typically include a wide array of relatively small investments, and we expect to make such investments in fiscal year 2018. However, during our first six months of ownership we made no investments that we estimate have a greater than 12 month payback.	$0M	$0M

All Other Businesses			
Investment Area	Description	FY17 Unlevered Free Cash Flow Net Investment	FY17 OI/ Adjusted NOP Net Impact
Most of World (MoW)	This category represents the cost of our expansion into Japan, China, Brazil, India and, possibly in the future, to other parts of the world other than North America, Europe or Australia/NZ. Equity investments that we have made in MoW are also discussed below under the category of “M&A and Similar Equity Investments”.	$29M	$25M
Corporate Solutions	The objective of our Corporate Solutions team is to serve third-party merchants and mid- and large-size businesses. We are investing in technology, business development, sales, marketing and customer support teams. Corporate solutions goes to market via the Vistaprint Corporate and Cimpress Open brands and via private-label partnerships. This investment does not include the year-over-year profit reduction that resulted from the previously described wind-down of our partnership with Staples even though the Corporate Solutions team managed that partnership.	$9M	$8M
Other	This category contains miscellaneous other investments to expand Cimpress into new markets, products, services or geographies that do not clearly fall into one of the other categories. This category also includes Albumprinter through completion of our anticipated (early fiscal year 2018) divestiture.	$8M	$8M

Central Investments			
Investment Area	Description	FY17 Unlevered Free Cash Flow Net Investment	FY17 OI/ Adjusted NOP Net Impact
Mass Customization Platform	Please note the discussion in this letter regarding the narrowed focus of the MCP. We classify elsewhere (primarily in Vistaprint) costs that we would have previously included in the MCP category but which are not part of the narrowed focus.	$24M	$25M
Other	Other centrally managed investments are in this category, including headcount and operating expense for certain corporate and administrative functions, compliance, and centrally funded environmental, social and governance programs.	$17M	$18M

Share Repurchase and Issuance

We consider share repurchases to be an important category of capital deployment. We make our share repurchase decisions by comparing the increase to intrinsic value per share that we believe we would gain from a share repurchase against the increase we believe we would gain from deploying the same amount of capital to other investments. Over the past nine years we allocated $722 million of capital to repurchase 19.4 million shares at an average price per share of $37.16, inclusive of commissions. That nine-year total includes, for fiscal year 2017, $50.0 million of capital with which we repurchased 0.6 million shares at an average share price of $84.22, inclusive of commissions.

We have repurchased and issued, and may also in the future repurchase or issue, shares to cover obligations under our equity compensation plans, for acquisitions or similar transactions, and other valid corporate purposes. To date, our primary reason for share issuance has been to motivate and retain key employees via share-based compensation ("SBC"). Last year we proposed to our shareholders, and they approved, an SBC vehicle that provides substantial financial rewards to our senior team members if and when Cimpress succeeds in growing our intrinsic value per share (“IVPS”). Since estimating IVPS requires subjective judgments about Cimpress’ returns on invested capital over the very long-term future, for the purposes of SBC performance measurement the vehicle uses what we believe to be an independent proxy of the multi-year trend of changes to our IVPS: the compounded annual rate of growth of our share price over a six to ten-year period. To reduce the impact of short-term share price volatility we measure this change using the average share price over a trailing three-year period.

When we issue shares, we are willing to do so at prices that are at or below our estimate of our intrinsic value per share if we believe the return for the investment of the capital from the equity issuance will be higher than any loss of value by issuing shares below their intrinsic value. Our choice to repurchase or issue shares is guided by the above principles and by a variety of other debt covenant, securities and legal subjects. Because of the complexity of these criteria, periods in which we issue or buy back shares, or in which we do not do so, should not be considered as an indication of our views on our intrinsic value per share relative to the share price.

Acquisitions, Equity Investments and Divestitures

Acquisitions are risky investments that, if successful, can produce strong returns and fortify our competitive position. We believe that partial equity investments, be they majority or minority positions, can also be attractive under the right circumstances since such structures may help us to motivate and retain co-owners and/or partners who are important to driving strong performance. We may also divest and/or sell all or a portion of the equity of certain businesses when we believe our capital can be more productive elsewhere.

Looking back at the last six years of M&A, we have learned a lot and have used those insights to develop more rigorous deal screening, negotiation, due diligence, integration processes and talent retention mechanisms which we believe will improve our odds of success. For each acquisition or equity investment, we typically seek to earn a projected return at the time of the deal at least equal to our cost of capital using reasonable assumptions of the stand-alone business. In addition, we typically expect to extract revenue and cost synergies such that our ultimate returns per deal equal or exceed a 15% return on capital hurdle. For acquisitions, equity investments and joint ventures outside of Europe, North America and Australia, we typically use a 25% return on capital hurdle to reflect the materially higher risk typically associated with those markets.

The following are our views on all acquisitions and equity investments that we have made in the past six years, net of cash acquired:

- National Pen: $211 million, inclusive of costs of transfer of intellectual property, in fiscal year 2017
  We believe National Pen has unrivaled supply chain, manufacturing and marketing capabilities for customized pens and other promotional products which deliver unique customer value through a broad, deep product line and low minimum order quantities. Since closing this transaction on December 30, 2016 we have achieved significant cost synergies and we have made initial connections of National Pen to our mass customization platform by which we plan to enable the sale of its products via other Cimpress brands. Revenue in the first six months of our ownership fell relative to the same period in the year prior to our ownership. This was because National Pen discontinued certain operations, reorganized its marketing team, and cut back on marketing campaigns that had unattractive returns on investment. National Pen is currently implementing changes that should re-expand the opportunities for attractive marketing investment, and we expect National Pen to return to solid single-digit growth in the coming fiscal year. Although we remain early in this investment, we believe that returns will meet or exceed our expectations at the time of the investment.

- Upload and Print: €459 million between fiscal year 2014 and fiscal year 2017
  This reportable segment consolidates our past acquisitions of WIRmachenDRUCK, Tradeprint, Alcione, Druck.at, Exagroup, EasyFlyer, Pixartprinting and Printdeal. The performance of the individual acquisitions in this segment has varied greatly. Two businesses have performed below what we expected at the time of our investment, others have been approximately in line with our plans, and others have performed well above their respective deal models.

  In order to avoid publicly disclosing business-specific information which we believe to be competitively sensitive, and because we judge our financial and strategic performance of these businesses as a portfolio, we provide more detailed commentary only on the consolidated view of this reportable segment as a group.

  For fiscal year 2017, this reportable segment generated approximately €53 million in unlevered free cash flow (net of reductions to reflect partial equity ownership of Exagroup), which is approximately 12% of the €459 million of consideration we have paid to date[7]. As noted in the prior section, we allocated capital of approximately $25 million USD to this segment in fiscal year 2017, of which only a minimal portion we believe to be necessary for maintaining steady state free cash flow. We also feel confident that the revenues and free cash flow of this segment will grow at attractive rates. These factors give us confidence that our investments will generate returns that are comfortably in excess of our 15% hurdle rate for equity investments.

- Printi: 49.99% share acquired in fiscal year 2015 for $18 million
  This business, the leading upload and print business in Brazil, continues to develop strongly and we are happy with our investment. In the quarter ending June 30, 2017 we signed a definitive agreement with two co-founders of Printi by which Cimpress will defer a previously agreed contractual call-right that would have otherwise increased our shareholding to 90% in the second half of fiscal year 2018. Under the revised agreement, Cimpress deferred a 100% ownership position to as late as 2023. As a result of the new agreement, the co-founders will remain as co-CEOs of Printi, whereas under the prior agreement they would most likely have left the company within a year of Cimpress moving to 90% ownership. We believe that retaining these highly talented leaders as co-owners will engage and motivate themselves and the Printi team in a way

[7] The consideration paid to date for Upload and Print businesses excludes any earn-outs not yet paid. Adjusted net operating profit, our GAAP profit measure for segment reporting, was $63.8 million in fiscal year 2017 for the Upload and Print reportable segment. This includes 100% of Exagroup results.

which will translate into greater returns to capital and greater customer value than if we had not forgone our right to increase our share to 90% of Printi next year.

- Albumprinter (€57 million in fiscal year 2012) and FotoKnudsen (€13 million in fiscal year 2015)
  We have entered into a definitive agreement to divest our Albumprinter business, including its FotoKnudsen subsidiary, in the first quarter of fiscal year 2018 for total cash proceeds of approximately €92 million prior to any fees and pre-closing dividends. Although Albumprinter's capabilities clearly fall within the sphere of mass customization, we believe that we can more attractively invest this capital elsewhere. The cash-on-cash annual IRR since our October 2011 purchase, inclusive of the purchase of FotoKnudsen and net of cash dividends that Albumprinter has paid to Cimpress, will be slightly above our WACC if measured in Euros and slightly below our WACC in US dollar terms. As a result, we did not create any intrinsic value over the course of our ownership. That being said, Cimpress has benefited from our investment in Albumprinter in multiple ways which are not counted in our IRR: two senior Cimpress executives came from Albumprinter (Kees Arends, our EVP for the Upload and Print segment and Maarten Wensveen, our Chief Technology Officer) and Albumprinter strengthened the selection of our photo products for multiple other Cimpress businesses. We expect to continue to partner with Albumprinter after the sale of the business.

- Cimpress Japan: $17 million, net, between fiscal year 2014 and fiscal year 2017
  In fiscal year 2017, we acquired the remaining equity of this business bringing our ownership to 100% but retained a distribution partnership with our former joint venture partner, Plaza Create. The above-specified investment amount is net of after tax gains which we made on the purchase and subsequent sale of shares in our former joint venture partner in Japan. We are pleased with the progress of this business and its trajectory toward becoming a growing and profitable business.

- Namex (China): $18 million between fiscal year 2013 and fiscal year 2014
  This investment was clearly a failure that resulted in a total loss when we disposed of our equity interest after discussions with Namex management and our partner in China identified very different visions for the execution of the long-term strategic direction of the entity. We continue to believe in the Chinese market as a long-term opportunity, but we intend to use the hard lessons we learned to take a very different future approach to operating in this country.

- Webs: $141 million, inclusive of costs of transfer of intellectual property, in fiscal year 2012
  The technology and team that we acquired via Webs remains central to and comprises the majority of the technology and talent that drives our Vistaprint Digital product line. This is a strongly profitable revenue stream that generated approximately $59 million in revenues in fiscal year 2017 that is highly cash flow generative and, in absolute terms, is a healthy and attractive business. However, from the perspective of capital allocation and with the benefit of years of hindsight, we believe that the acquisition of Webs was a poor financial investment and use of capital in that we overpaid relative to the DCF of the incremental per-share cash flows that Webs generated in comparison to alternative uses of that capital.

Debt issuance and repayment
We view debt as an important source of capital that, when maintained at manageable levels, helps us maximize intrinsic value per share. Given our fluctuating needs for capital in any one year we often choose to deploy capital to the reduction of debt.

We greatly value our debt investors and believe that Cimpress represents a compelling issuer for bonds and a strong customer for financial institutions. In March 2015 we issued $275 million of senior unsecured notes for which we pay 7.0% interest. Recently, in July 2017, we extended and increased our senior secured credit facility that includes a $745 million revolver and $300 million Term Loan A, both of which bear interest at a rate of LIBOR plus 1.5% to 2.25% depending on our leverage. As of June 30, 2017 we had $876.7 million of outstanding debt on our balance sheet, net of issuance costs.

Our debt covenants give proforma effect for acquired businesses that closed within the trailing twelve month period ending June 30, 2017. Based on our debt covenant definitions, our total leverage ratio (which is debt to trailing twelve month EBITDA) was 3.45 as of June 30, 2017, and our senior secured leverage ratio (which is senior secured debt to trailing twelve month EBITDA) was 2.38.

We believe that calculated entrepreneurial risk taking inherent in our investments is fully compatible with our commitment to maintain conservative levels of debt because each individual investment we make is small relative to our overall financial performance. As we have described in the past, we intend to maintain a conservative leverage profile for the foreseeable future, typically at or below approximately three times trailing twelve month EBITDA as defined by our debt covenants, albeit with possible temporary step-ups beyond three times in order to pursue what we believe to be strongly value-creating acquisitions or other investments. We took an opportunity to make a temporary step-up in fiscal year 2017 to repurchase shares and complete our National Pen acquisition. We are in the process of de-levering and expect to bring our leverage ratio back to approximately 3x by the end of calendar year 2017.

Fiscal Year 2018 Organic Investment Plans

We make capital allocation decisions based on our forecasts of project-specific discounted cash flow. However, to help investors understand our capital allocation in terms that may be important to them, we provide supplementary perspectives by also expressing our investments as reductions to (a) unlevered free cash flow before tax effects and (b) operating income and adjusted net operating profit ('NOP'). The table below lays out our estimate of the amounts of capital that we allocated to organic investment in fiscal year 2017 and the approximate amount we plan to invest during fiscal year 2018. Many of our investments begin to return cash in the same fiscal year as their initial investment so, where practical from a tracking perspective, the investment estimates provided below represent our net investment, not the gross investment. Because we cannot precisely estimate the rate of investment or precisely isolate the returning cash flows of most of our investments, and because we may make changes to our plans during the course of the future fiscal year based on new information we may receive, both actual and plan numbers should be considered only as directional and approximate. Note that the numbers in the tables below are rounded estimates, are not tax effected, and do not include changes to working capital.

Approximate Net Impact of Organic Investments (Millions of USD) on	FY17 Approximate Actual	FY18 Approximate and Rounded Forecast	Increase/ (Decrease) ($)	Increase/ (Decrease) (%)
Unlevered Free Cash Flow (prior to adjustment for tax and working capital impacts)	$317	$270	($47)	(15)%
Operating Income and Adjusted NOP	$293	$255	($38)	(13)%

The next two tables below provide additional details on our capital allocation plans for fiscal year 2018 and approximate historical expenditures for the prior three years using our segment-based categorization. Note that we have not included any restructuring charges from our fiscal year 2017 reorganization in the analysis. Additionally, these investments reflect 100% of investments for businesses that we have partial or full ownership of. For example, we own 49.99% of Printi in Brazil, but we reflect 100% of the investments below within the All Other Businesses segment impact.

Estimated Net Impact on Unlevered Free Cash Flow ($M USD)		FY15	FY16	FY17	FY18 Est.
Vistaprint	Columbus	34	36	26	Included below
	Selection (new products and attributes)	14	8	18	5
	Advertising	65	49	63	65
	Technology	40	26	40	50
	Shipping price reductions	—	3	19	20
	Expansion of production and IT capacity	27	42	12	10
	Other	20	39	27	25
	Total Vistaprint	**$200**	**$203**	**$205**	**$175**
Upload and Print	Various investments	—	2	25	25
	Post-merger integration	6	9	—	—
	Total Upload and Print	**$6**	**$11**	**$25**	**$25**
National Pen	Various Investments	—	—	—	5
	Total National Pen	**$0**	**$0**	**$0**	**$5**
All Other Businesses	Most of World	26	38	29	15
	Corporate Solutions	—	4	9	10
	Other	—	—	8	5
	Total All Other Businesses	**$26**	**$42**	**$46**	**$30**
Central Investments	Mass customization platform	14	27	24	25
	Other	9	7	17	10
	Total Central Investments	**$23**	**$34**	**$41**	**$35**
Total	**Net Impact on Unlevered FCF**	**$255**	**$290**	**$317**	**$270**

Estimated Net Impact on Operating Income and Adjusted NOP ($M USD)		FY15	FY16	FY17	FY18 Est.
Vistaprint	Columbus	25	35	26	Included below
	Selection (new products and attributes)	—	4	19	5
	Advertising	69	51	66	70
	Technology	36	22	37	45
	Shipping price reductions	—	3	19	20
	Expansion of production and IT capacity	6	22	1	—
	Other	24	31	23	25
	Total Vistaprint	$160	$168	$191	$165
Upload and Print	Various investments	—	2	18	10
	Post-merger integration	6	9	—	—
	Total Upload and Print	$6	$11	$18	$10
National Pen	Technology, advertising and other investments	—	—	—	5
	Total National Pen	$0	$0	$0	$5
All Other Businesses	Most of World	22	30	25	20
	Corporate Solutions	—	4	8	10
	Other	—	—	8	5
	Total All Other Businesses	$22	$34	$41	$35
Central Investments	Mass customization platform	15	24	25	30
	Other	14	11	18	10
	Total Central Investments	$29	$35	$43	$40
Total	**Net Impact on OI/Adjusted NOP**	**$217**	**$248**	**$293**	**$255**

Steady State Free Cash Flow ("SSFCF")

We use a concept that we refer to as steady state after-tax free cash flow. We define "steady state" as having a sustainable and defensible business over the long term that is capable of growing after-tax free cash flow per share at the rate of United States inflation. Steady state free cash flow is an estimate that is inherently based on many subjective business judgments and approximations, so you should consider our statements about this concept to be directional range estimates, definitely not specific or precise.

Despite its approximate nature, our SSFCF analysis is important for us and shareholders because the difference between our actual free cash flow and our approximate estimates of our likely range of steady state free cash flow represents an approximate range estimate of the capital which we allocate to organic investments in anticipation of growing the value of our business. We see SSFCF analysis as a helpful input for determining the intrinsic value of our business (as discussed below) as well as a tool to hold us accountable over time to driving returns on our portfolio of past investments.

Some investors have asked if our removal of an estimated range of growth investments in our steady-state analysis implies that growth investments should be "ignored". Our answer is no; we ask investors to understand our investments and to then make their own assessment of their value.

It is important to understand that the maintenance of steady state is not something we protect or favor in our capital allocation processes. As with all capital allocation choices, we seek to make such investments only if we believe that they will both meet or exceed relevant hurdle rates and will be the best choice relative to alternative uses of that capital. We would rather accept that such a portion of our business is mature and declining and use the cash flows that are generated from it to invest elsewhere. The fact that we currently invest large amounts of capital into the maintenance of steady state reflects our belief in the strong returns available to us in our current business.

The table below illustrates our calculation of the high and low ends of our approximate estimate of our likely range of SSFCF for fiscal year 2017.

Million USD - Most numbers in this table are only approximate	**FY17**
Free cash flow	$ 45
Add back cash interest expense*	$ 38
Unlevered free cash flow	$ 83
Adjustment for pro-forma UFCF of the acquisition of National Pen, planned divestiture of Albumprinter and non-steady state working capital change	$ 9
Adjustment for pro-forma impact of January 2017 restructuring	$ 30
Approximate pro-forma unlevered free cash flow normalized for the above items	$ 122
Add back organic investments	$ 317
Pro-forma unlevered free cash flow prior to organic investments	$ 439
Subtract low estimate of investment needed to maintain steady state	$ (99)
High estimate of steady state free cash flow	$ 340
Subtract the increment between the low and high estimates of investment needed to maintain steady state	$ (50)
Low estimate of steady state free cash flow	$ 290

* Excludes cash interest for Waltham, Massachusetts facility lease

This is the third year in which we have provided an approximate estimate of our likely range of steady state free cash flow. We believe that each year we have improved our understanding of, and confidence in, estimates of our investments necessary for maintaining steady state. We expect to continue to improve this analysis over time. We have not tried to retroactively change or narrow the range from our fiscal year 2015 or 2016 analyses. The table below includes the estimates that we made 12 and 24 months ago, along with our estimate for fiscal year 2017. The table also provides each year's weighted average diluted shares outstanding.

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

	FY2015 (Estimate made in July 2015)	**FY2016 (Estimate made in July 2016)**	**FY2017 (Estimate made in July 2017)**
High estimate of SSFCF	$385	$351	$340
Low estimate of SSFCF	$210	$271	$290
Weighted average diluted shares outstanding	33.8	33.0	32.6

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

If our capital allocation activities create value then our approximate estimate of our likely range of steady state free cash flow per share should grow over time at an average annual rate which is higher than our cost of capital. As such, this estimated likely range is a measure by which we can evaluate our track record over time. That being said, as I wrote last year, we do not believe that we are ready to draw conclusions from the trend implied by the above data. This is because SSFCF remains a relatively new concept for us that depends on tracking systems, assumptions and judgment which we are internally creating, learning about, and debating about how to improve. We expect that over time we will improve our ability to differentiate between, and measure, growth and maintenance investments.

As our business (or our understanding of our business) changes from one year to the next this will drive corresponding changes to our approximate estimates of our likely range of steady state free cash flow. For example, our fiscal year 2017 calculation of steady state free cash flow accounts for our acquisition of National Pen, our decentralization which eliminated significant ongoing costs, and our plans to divest our Albumprinter business. One could easily argue that some of these adjustments should also be reflected in our estimates of SSFCF for fiscal years 2015 and 2016 now that we know about them; however we do not plan on recasting our prior SSFCF estimates. Instead, we seek to be transparent, explicit and approximate: transparent about where these changes to our estimates occur; explicit about the lack of precision inherent in any calculation of SSFCF; and approximate by providing only range estimates, not specific, SSFCF estimates.

There are also some things that we do not seek to adjust for, or haven't yet adjusted for, in our steady state free cash flow analysis. One example of this is our cash taxes, which fluctuate based on a variety of factors. Of course there are tax implications of the investments we are making but often these tax attributes are deeply linked with the operational and corporate structures required to generate our steady state cash flow. Our cash taxes increased by $30 million in fiscal 2017, a portion of which is non-steady state but none of which is reflected in our steady state calculations. Exactly how much is difficult to estimate, but we do expect our cash taxes to be lower next year.

Our IVPS Modeling Methodology

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

The following table provides our calculation of part (b).

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

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

* USD estimate made using July 25, 2017 USD/Euro spot rate of 1.1655

We use our SSFCF analysis as an input into one method by which we estimate part (a) of our IVPS definition (the other method being traditional long-term DCF models). We estimate the pre-debt value of a single share of Cimpress to be equal to:

(i) unlevered steady state free cash flow per share divided by our WACC;
plus
(ii) the per share net present value of future expected returns on the capital not required to maintain our steady state that we have allocated in the past and may allocate in the future.

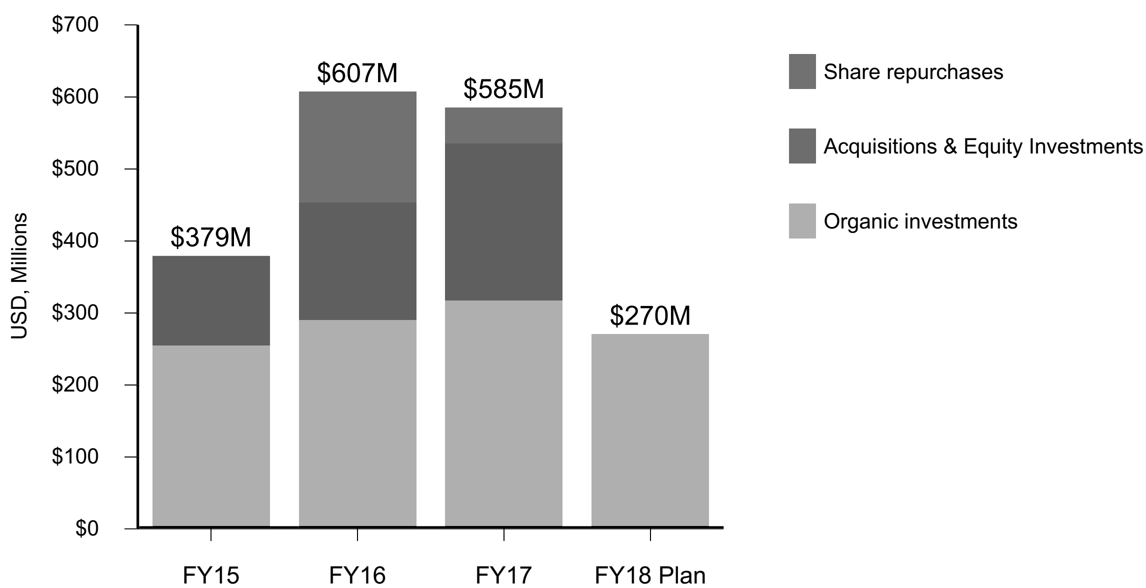
The difference between the organic investments that we make to maintain steady state and the total organic investments represents the organic investment component of item (ii) above.

Be it via such organic investments, or via other categories such as acquisitions or share repurchases, a major portion of our estimate of intrinsic value per share derives from our belief that we will continue to have a large set of attractive investment opportunities for the foreseeable future. We also believe that our significant SSFCF along with our financing capacity provide us with substantial streams of capital with which we can make such investments.

The chart below and the supporting table which follows summarize the capital allocation that we have made over the past three fiscal years and the approximate plans we have to deploy capital into organic investments in fiscal year 2018. We make these organic investments, even though doing so results in a major reduction in our free cash flow, because investing at portfolio-level aggregate returns above (preferably well above) our WACC should increase our IVPS.

With more than $1.8 billion of anticipated capital deployment over the four-year period from fiscal years 2015 to 2018, clearly we are bullish on Cimpress' future and are investing accordingly.

Capital Allocation Summary



Allocated Capital ($M)	FY15	FY16	FY17	FY18 Plan	4-Year Total	Percent of Total
All organic investments	$255	$290	$317	$270	$1,132	61%
M&A	$124	$163	$218	*	$505	27%
Share repurchases	—	$154	$50	*	$204	11%
Total capital deployed	**$379**	**$607**	**$585**	**$270**	**$1,841**	**100%**

* We do not include potential future capital allocation to M&A and share repurchases in this letter as it is dependent on many conditions that are not predictable and often times outside of our control. This should not be read as an indication of intent in either direction.

Summary & Conclusion

I trust this letter's articulation of our top-level strategy evolution, capital allocation philosophy, past and future investments, and the steady state cash generation capabilities of our company is helpful to you as an investor. We reiterate that most of the numbers in this letter are estimates for which we necessarily make judgment-based approximations. Despite its inexact and subjective nature, we share this information with you because I, our Supervisory and Management Boards, and our executive team use this same analysis as a central part of how we manage Cimpress. We believe therefore that transparently communicating this data may assist you as you make your own assessment of the value of a share of Cimpress.

Beyond this letter, our GAAP financial results, and our other SEC filings, we believe that an important complementary piece of information for investors is an understanding of the more qualitative aspects of our business. So at our upcoming investor day on August 8, 2017 we will try to convey those qualitative aspects in addition to discussing the subjects covered in this letter.

I hope you will come to share our view that, over the past year, Cimpress has improved its future prospects through continued focus on our uppermost strategic and financial objectives, the evolution of our strategy, our ongoing commitment to improve our capital allocation capabilities, and the insights we have gained through frank assessments of our successes and failures. Our team members are highly motivated to optimize the many tools at our disposal which should enhance Cimpress' intrinsic value of per share.

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

Sincerely,

Robert Keane
President & CEO
Cimpress N.V.

July 26, 2017

Non-GAAP Reconciliations

About non-GAAP financial measures

To supplement Cimpress' consolidated financial statements presented in accordance with U.S. generally accepted accounting principles, or GAAP, Cimpress has used the following measures defined as non-GAAP financial measures by Securities and Exchange Commission, or SEC, rules: free cash flow, unlevered free cash flow, constant-currency revenue growth excluding revenue from acquisitions in the first year of ownership, and incremental annual organic revenue. We also use a GAAP measure, adjusted Net Operating Profit (NOP), our segment profitability measure, and in this letter describe the impact of our investments on that measure.

- Free cash flow is defined as net cash provided by operating activities less purchases of property, plant and equipment, purchases of intangible assets not related to acquisitions, and capitalization of software and website development costs, plus payment of contingent consideration in excess of acquisition-date fair value.

- Unlevered free cash flow starts with the definition of free cash flow above, and then adds cash paid during the period for interest, less interest expense for the Waltham lease.

- Adjusted NOP is defined as GAAP Operating Income with the following adjustments: exclude the impact of M&A related items including amortization of acquisition-related intangibles, the change in fair value of contingent consideration, and expense for deferred payments or equity awards that are treated as compensation expense; exclude the impact of unusual items such as discontinued operations, restructuring charges, and impairments; and include realized gains or losses from currency forward contracts that are not included in operating income as we do not apply hedge accounting.

- Constant-currency revenue growth is estimated by translating all non-U.S. dollar denominated revenue generated in the current period using the prior year period's average exchange rate for each currency to the U.S. dollar and excludes the impact of gains and losses on effective currency hedges recognized in revenue in the prior year periods.

- Constant-currency revenue growth excluding revenue from acquisitions and joint ventures during the first year of ownership excludes the impact of currency as defined above and revenue from:
  - Albumprinter for the period from Q2 fiscal 2012 through Q3 fiscal 2013;
  - Webs for the period from Q3 fiscal 2012 through Q3 fiscal 2013;
  - Digipri from the period from Q3 fiscal 2014 through Q3 fiscal 2015;
  - Printdeal and Pixartprinting from the period from Q4 fiscal 2014 through Q3 fiscal 2015;
  - FotoKnudsen from the period from Q1 fiscal 2015 through Q4 fiscal 2015;
  - Printi from the period from Q2 fiscal 2015 through Q1 fiscal 2016;
  - Easyflyer (FL Print), Exagroup, and druck.at from Q4 fiscal 2015 through Q4 fiscal 2016;
  - Tradeprint from Q1 fiscal 2016 through Q1 fiscal 2017;
  - Alcione from Q1 fiscal 2016 through Q1 fiscal 2017;
  - WIRmachenDRUCK from Q3 fiscal 2016 through Q3 fiscal 2017; and
  - National Pen from Q3 fiscal 2017.

- Incremental annual organic revenue removes the revenue from acquired businesses and joint ventures as listed directly above. For the periods from fiscal years 2001 through 2014, the incremental revenue is stated in U.S. dollars. For the periods from fiscal years 2014 through 2017, non-U.S. revenue has been converted at exchange rates as of June 30, 2017, in order to eliminate the impact of currency movements. The exchange rates for the currencies with the greatest influence on revenue are listed in the reconciliation below.

The presentation of non-GAAP financial information is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. For more information on these non-GAAP financial measures, please see the tables captioned "Reconciliations of Non-GAAP Financial Measures" in this release. The tables have more details on the GAAP financial measures that are most directly comparable to non-GAAP financial measures and the related reconciliation between these financial measures.

Cimpress' management believes that these non-GAAP financial measures provide meaningful supplemental information in assessing our performance and liquidity by excluding certain items that may not be indicative of our recurring core business operating results, which could be non-cash charges or benefits or discrete cash charges or benefits that are infrequent in nature. These non-GAAP financial measures also have facilitated management's internal comparisons to Cimpress' historical performance and our competitors' operating results.

Reconciliation of Non-GAAP Financial Measures

Free Cash Flow and Unlevered Free Cash Flow[1]
Annual, in $ thousands

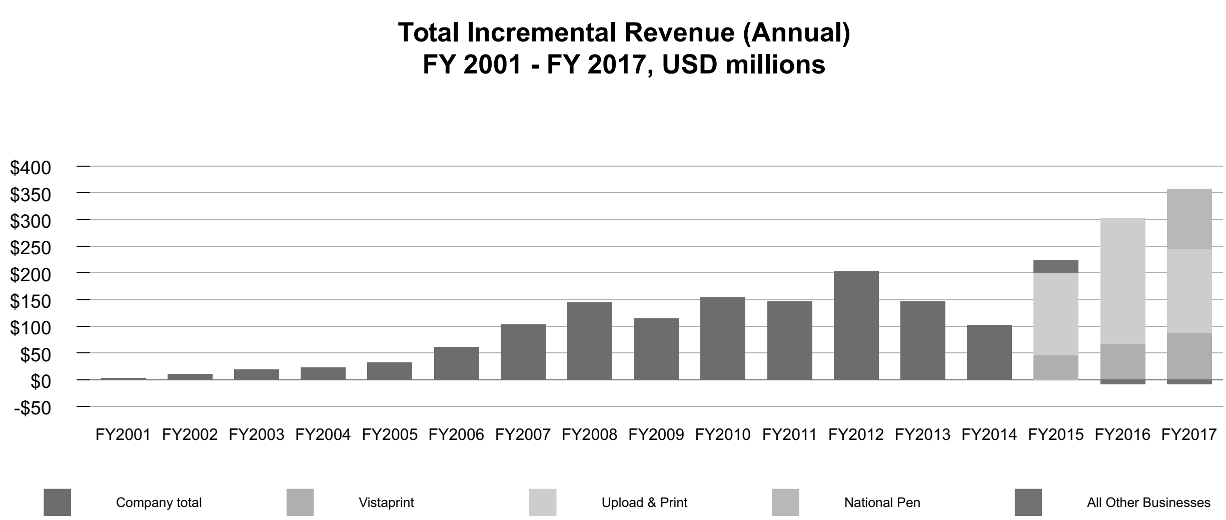
	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Net cash provided by operating activities	$165,149	$146,749	$141,808	$153,739	$242,022	$247,358	$156,736
Purchases of property, plant and equipment	($37,405)	($46,420)	($78,999)	($72,122)	($75,813)	($80,435)	($74,157)
Purchases of intangible assets not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

[1] During fiscal 2016, we adopted the new share-based compensation accounting standard, ASU 2016-09 and elected to apply the amendment related to the presentation of excess tax benefits on the consolidated statements of cash flows on a retrospective basis. We have updated our previously filed consolidated statements of cash flows for all prior presented periods. This change is reflected in the free cash flow reconciliation above.

Revenue growth reconciliation by reportable segment
Annual, in $ thousands

	FY2017	FY2016	Year-over-year Growth	Currency Impact	Constant-Currency Revenue Growth	Impact of Acquisitions	Constant-Currency Revenue Growth Excluding Acquisitions
Vistaprint	$ 1,305,285	$ 1,217,162	7%	2%	9%	—%	9%
Upload and Print	588,613	432,638	36%	3%	39%	(26)%	13%
National Pen	112,712	-	100%	—%	100%	(100)%	—%
All Other Businesses	128,795	138,244	(7)%	—%	(7)%	—%	(7)%
Total revenue	**$ 2,135,405**	**$ 1,788,044**	**19%**	**2%**	**21%**	**(13)%**	**8%**

Incremental revenue, reported



Reconciliation of Non-GAAP Financial Measures (continued)

Incremental organic revenue
Annual, in $ thousands
For the periods from fiscal years 2001 through 2011 the incremental revenue is stated in U.S. dollars and total company revenue is considered organic as we did not make any acquisitions during this time.

Total Company	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Reported Revenue (USD) [A]	$6,100	$16,851	$35,431	$58,784	$90,885	$152,149	$255,933	$400,657	$515,826	$670,035	$817,009
Prior-Year Comparable	**FY2000**	**FY2001**	**FY2002**	**FY2003**	**FY2004**	**FY2005**	**FY2006**	**FY2007**	**FY2008**	**FY2009**	**FY2010**
Reported Revenue (USD) [B]	$2,700	$6,100	$16,851	$35,431	$58,784	$90,885	$152,149	$255,933	$400,657	$515,826	$670,035
Total organic year-over-year incremental revenue [A] - [B]	**$3,400**	**$10,800**	**$18,531**	**$23,353**	**$32,075**	**$61,290**	**$103,784**	**$144,724**	**$115,170**	**$154,208**	**$149,632**

Incremental organic revenue
Annual, in $ thousands
The tables below show the longer-term incremental revenue for fiscal years 2012 - 2017. Non-U.S. revenue for all periods beginning with FY2015 and comparable FY2014 have been converted at exchange rates as of June 30, 2017, in order to eliminate the impact of currency movements (earlier periods are presented at rates realized in the respective periods). The exchange rates for the currencies with the greatest influence on revenue are listed below.

Currency	Exchange rate (USD per currency)
Euro	1.144
Great British Pound	1.302
Australian Dollar	0.770
Swiss Franc	1.045
Canadian Dollar	0.770

Currency	Exchange rate (USD per currency)
Norwegian Krone	0.119
Swedish Krona	0.118
Danish Krone	0.154
Japanese Yen	0.009
New Zealand Dollar	0.733

Total Company	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Reported Revenue (USD)	$1,020,269	$1,167,478	$1,270,236	$1,494,206	$1,788,044	$2,135,405
Impact of TTM Acquisitions	($45,123)	($43,644)	($44,219)	($175,191)	($235,344)	($261,283)
Organic revenue excl TTM acquisitions	$975,146	$1,123,834	$1,226,017	$1,319,015	$1,552,700	$1,874,121
Impact of Currency	—	—	—	($45,229)	$5,895	$42,104
Organic revenue excluding impact of currency and TTM Acquisitions [A]	$975,146	$1,123,834	$1,226,017	$1,273,785	$1,558,594	$1,916,226
Prior-Year Comparable	**FY2011**	**FY2012**	**FY2013**	**FY2014**	**FY2015**	**FY2016**
Reported Revenue (USD)	$817,009	$1,020,269	$1,167,478	$1,270,236	$1,494,206	$1,788,044
Impact of TTM Acquisitions	—	($15,739)	—	—	($28,693)	($32,476)
Organic revenue excl TTM acquisitions	$817,009	$1,004,561	$1,167,478	$1,270,236	$1,465,513	$1,755,568
Impact of Currency	—	—	—	($102,465)	($56,385)	$9,422
Organic revenue excluding impact of currency and TTM Acquisitions [B]	$817,009	$1,004,561	$1,167,478	$1,167,771	$1,409,128	$1,764,990
Total organic year-over-year incremental revenue excluding the impact of currency	**$149,632**	**$120,645**	**$50,306**	**$106,014**	**$149,466**	**$151,236**

Reconciliation of Non-GAAP Financial Measures (continued)

Incremental organic revenue
Annual, in $ thousands

Vistaprint	FY2015	FY2016	FY2017
Reported revenue (USD)	$1,149,706	$1,217,162	$1,305,285
Currency Impact	($42,341)	($2,136)	$18,177
Revenue excluding the impact of currency [A]	$1,107,365	$1,215,026	$1,323,462
Prior-Year Comparable	**FY2014**	**FY2015**	**FY2016**
Reported revenue (USD)	$1,103,217	$1,149,706	$1,217,162
Currency Impact	($82,824)	($42,341)	($2,136)
Revenue excluding the impact of currency [B]	**$1,020,393**	**$1,107,365**	**$1,215,026**
Organic year-over-year incremental revenue excluding the impact of currency [A] - [B]	**$86,972**	**$107,661**	**$108,436**

Upload and Print	FY2015	FY2016	FY2017
Reported revenue (USD)	$197,075	$432,638	$588,613
Impact of TTM Acquisitions	($150,074)	($234,083)	($148,571)
Organic revenue excl TTM acquisitions	$47,001	$198,555	$440,042
Impact of Currency	$1,602	$5,777	$21,051
Revenue excluding the impact of currency and TTM Acquisitions [A]	$48,603	$204,332	$461,093
Prior-Year Comparable	**FY2014**	**FY2015**	**FY2016**
Reported revenue (USD)	$43,590	$197,075	$432,638
Impact of TTM Acquisitions	—	($28,693)	($32,476)
Organic revenue excl TTM acquisitions	$43,590	$168,382	$400,162
Impact of Currency	($6,926)	($6,621)	$9,205
Revenue excluding the impact of currency and TTM Acquisitions [B]	$36,664	$161,761	$409,367
Organic year-over-year incremental revenue excluding the impact of currency [A] - [B]	**$11,939**	**$42,571**	**$51,726**

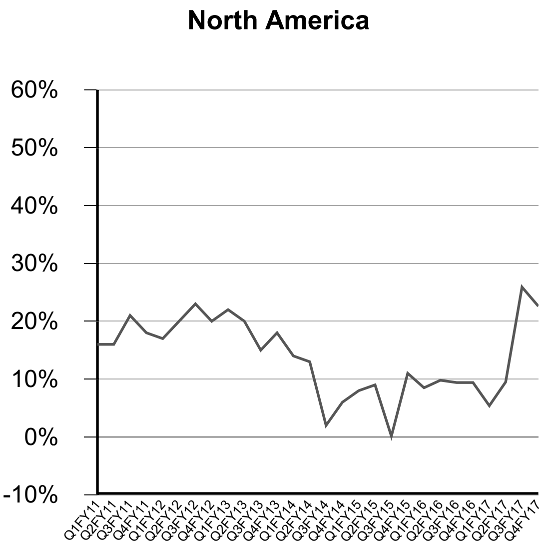
National Pen	FY2015	FY2016	FY2017
Reported revenue (USD)	—	—	$112,712
Impact of TTM Acquisitions	—	—	($112,712)
Organic revenue excl TTM acquisitions	—	—	—
Impact of Currency	—	—	—
Revenue excluding the impact of currency and TTM Acquisitions [A]	—	—	—
Prior-Year Comparable	**FY2014**	**FY2015**	**FY2016**
Reported revenue (USD)	—	—	—
Impact of TTM Acquisitions	—	—	—
Organic revenue excl TTM acquisitions	—	—	—
Impact of Currency	—	—	—
Revenue excluding the impact of currency and TTM Acquisitions [B]	—	—	—
Organic year-over-year incremental revenue excluding the impact of currency [A] - [B]	—	—	—

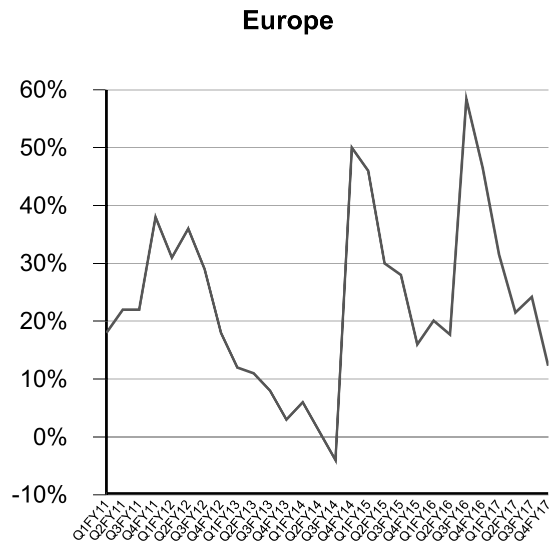
All Other Businesses	FY2015	FY2016	FY2017
Reported revenue (USD)	$147,425	$138,244	$128,795
Impact of TTM Acquisitions	($25,117)	($1,261)	—
Organic revenue excl TTM acquisitions	$122,308	$136,983	$128,795
Impact of Currency	($4,489)	$2,254	$2,876
Revenue excluding the impact of currency and TTM Acquisitions [A]	$117,819	$139,237	$131,671
Prior-Year Comparable	**FY2014**	**FY2015**	**FY2016**
Reported revenue (USD)	$123,429	$147,425	$138,244
Impact of TTM Acquisitions	—	—	—
Organic revenue excl TTM acquisitions	$123,429	$147,425	$138,244
Impact of Currency	($12,714)	($7,423)	$2,353
Revenue excluding the impact of currency and TTM Acquisitions [B]	$110,715	$140,002	$140,597
Organic year-over-year incremental revenue excluding the impact of currency [A] - [B]	**$7,104**	**($765)**	**($8,926)**

Total organic year-over-year incremental revenue excluding the impact of currency	**$106,015**	**$149,467**	**$151,236**

Reconciliation of Non-GAAP Financial Measures (continued)

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





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

	North America			Europe			Other		
	FY2015	FY2016	FY2017	FY2015	FY2016	FY2017	FY2015	FY2016	FY2017
Reported revenue growth	11%	9%	16 %	28 %	34 %	22 %	12 %	4%	33 %
Currency impact	—	1%	—	11 %	8 %	4 %	11 %	15%	(7)%
Revenue growth in constant currency	11%	10%	16 %	39 %	42 %	26 %	23 %	19%	27 %
Impact of acquisitions and joint ventures in the first year of ownership	—	—	(7)%	(33)%	(32)%	(19)%	(10)%	—	(8)%
Revenue growth in constant currency ex. acquisitions and joint ventures in the first year of ownership	11%	10%	9 %	6 %	10 %	7 %	13 %	19%	19 %

Reconciliation of Non-GAAP Financial Measures (continued)

Revenue by Geography (continued)

	North America					Europe				
	Reported revenue growth	Currency impact	Revenue growth in constant currency	Impact of acquisitions and joint ventures in the first year of ownership	Revenue growth in constant currency ex. acquisitions and joint ventures in the first year of ownership	Reported revenue growth	Currency impact	Revenue growth in constant currency	Impact of acquisitions and joint ventures in the first year of ownership	Revenue growth in constant currency ex. acquisitions and joint ventures in the first year of ownership
Q1FY2011	16%	(1)%	15%	—	15%	18 %	9 %	27 %	—	27 %
Q2FY2011	16%	—	16%	—	16%	22 %	8 %	30 %	—	30 %
Q3FY2011	21%	—	21%	—	21%	22 %	(1)%	21 %	—	21 %
Q4FY2011	18%	—	18%	—	18%	38 %	(16)%	22 %	—	22 %
Q1FY2012	17%	—	17%	—	17%	31 %	(10)%	21 %	—	21 %
Q2FY2012	20%	—	20%	—	20%	36 %	1 %	37 %	(15)%	22 %
Q3FY2012	23%	—	23%	(2)%	21%	29 %	5 %	34 %	(16)%	18 %
Q4FY2012	20%	1 %	21%	(3)%	18%	18 %	12 %	30 %	(19)%	11 %
Q1FY2013	22%	—	22%	(3)%	19%	12 %	11 %	23 %	(22)%	1 %
Q2FY2013	20%	—	20%	(2)%	18%	11 %	3 %	14 %	(5)%	9 %
Q3FY2013	15%	—	15%	—	15%	8 %	—	8 %	—	8 %
Q4FY2013	18%	—	18%	—	18%	3 %	(1)%	2 %	—	2 %
Q1FY2014	14%	1 %	15%	—	15%	6 %	(4)%	2 %	—	2 %
Q2FY2014	13%	1 %	14%	—	14%	1 %	(3)%	(2)%	—	(2)%
Q3FY2014	2%	1 %	3%	—	3%	(4)%	(3)%	(7)%	—	(7)%
Q4FY2014	6%	1 %	7%	—	7%	50 %	(7)%	43 %	(45)%	(2)%
Q1FY2015	8%	—	8%	—	8%	46 %	(1)%	45 %	(44)%	1 %
Q2FY2015	9%	1 %	10%	—	10%	30 %	11 %	41 %	(37)%	4 %
Q3FY2015	14%	1 %	15%	—	15%	28 %	16 %	44 %	(39)%	5 %
Q4FY2015	11%	1 %	12%	—	12%	16 %	19 %	35 %	(21)%	14 %
Q1FY2016	9%	1 %	10%	—	10%	20 %	16 %	36 %	(24)%	12 %
Q2FY2016	10%	1 %	11%	—	11%	18 %	12 %	30 %	(21)%	9 %
Q3FY2016	9%	1 %	10%	—	10%	58 %	4 %	62 %	(52)%	10 %
Q4FY2016	9%	1 %	10%	—	10%	46 %	— %	46 %	(34)%	12 %
Q1FY17	5%	—	5%	—	5%	32 %	2 %	34 %	(28)%	6 %
Q2FY17	10%	—	10%	—	10%	21 %	5 %	26 %	(21)%	5 %
Q3FY17	26%	—	26%	(14)%	12%	24 %	5 %	29 %	(20)%	9 %
Q4FY17	23%	—	23%	(15)%	8%	12 %	4 %	16 %	(8)%	9 %

About Cimpress
Cimpress N.V. (Nasdaq: CMPR) is the world leader in mass customization. For more than 20 years, the company has focused on developing software and manufacturing capabilities that transform traditional markets in order to make customized products accessible and affordable to everyone. Cimpress brings its products to market via a portfolio of more than 20 brands including Vistaprint, Drukwerkdeal, Pixartprinting, Exaprint, WIRmachenDRUCK, National Pen and many others. That portfolio serves multiple customer segments across many applications for mass customization. The company produces more than 46 million unique ordered items a year. To learn more, visit http://www.cimpress.com.

Risks Related to Our Business
This investor letter contains statements about our future expectations, plans, and prospects of our business that constitute forward-looking statements for purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995, including but not limited to our expectations for the growth and development of our business, financial results, reporting segments, and acquired businesses, the effects of our newly decentralized structure on our business and financial results, our expectations for our debt position, the expected sale of our Albumprinter business, the development and success of our mass customization platform, our estimates and plans for future investments in our business, and the anticipated results of our past and future investments and acquisitions, including but not limited to our discussion under the heading “Fiscal Year 2018 Organic Investment Plans.” Forward-looking projections and expectations are inherently uncertain, are based on assumptions and judgments by management, and may turn out to be wrong. The sale of our Albumprinter business may be delayed or may not close at all if either Cimpress or the buyer fails to satisfy the conditions to close the transaction. Our actual results may differ materially from those indicated by these forward-looking statements as a result of various important factors, including but not limited to flaws in the assumptions and judgments upon which our forecasts are based; our failure to execute our strategy; our inability to make the investments in our business that we plan to make or the failure of those investments to have the effects that we expect; our failure to manage the growth and complexity of our business; our ability to realize the anticipated benefits of the decentralization of our operations; our failure to promote and strengthen our brands; our failure to develop our mass customization platform or to realize the anticipated benefits of the platform; our failure to acquire new customers and enter new markets, retain our current customers, and sell more products to current and new customers; costs and disruptions caused by acquisitions and strategic investments; the failure of the businesses we acquire or invest in to perform as expected; the willingness of purchasers of customized products and services to shop online; unanticipated changes in our markets, customers, or business; competitive pressures; loss of key personnel; our failure to maintain compliance with the covenants in our revolving credit facility and senior notes or to pay our debts when due; changes in the laws and regulations or in the interpretations of laws or regulations to which we are subject, including tax laws, or the institution of new laws or regulations that affect our business; general economic conditions; and other factors described in our Form 10-Q for the fiscal quarter ended March 31, 2017 and the other documents we periodically file with the U.S. Securities and Exchange Commission.

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

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

Form 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended June 30, 2017

or

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

Commission file number 000-51539

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The aggregate market value of the ordinary shares held by non-affiliates of the registrant was approximately $2.66 billion on December 31, 2016 (the last business day of the registrant's most recently completed second fiscal quarter) based on the last reported sale price of the registrant's ordinary shares on the NASDAQ Global Select Market.

As of August 4, 2017, there were 31,303,590 Cimpress N.V. ordinary shares, par value €0.01 per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The registrant intends to file a definitive proxy statement pursuant to Regulation 14A within 120 days of the end of the fiscal year ended June 30, 2017. Portions of such proxy statement are incorporated by reference into Items 10, 11, 12, 13, and 14 of Part III of this Annual Report on Form 10-K.

CIMPRESS N.V.
ANNUAL REPORT ON FORM 10-K
For the Fiscal Year Ended June 30, 2017

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PART I

Item 1. *Business*

Overview

We are a technology driven company that aggregates, largely via the internet, large volumes of small, individually customized orders for a broad spectrum of print, signage, apparel and similar products. We operate in a largely decentralized manner. Our businesses, discussed in more detail below, fulfill orders with manufacturing capabilities that include Cimpress owned and operated manufacturing facilities and a network of third-party fulfillers to create customized products on-demand. Those businesses bring their products to market through a portfolio of customer-focused brands serving the needs of micro, small and medium sized businesses, resellers and consumers. These brands include Vistaprint, our global brand for micro business marketing products and services, as well as brands that we have acquired that serve the needs of various market segments, including resellers, micro, small and medium sized businesses with differentiated service needs, and consumers purchasing products for themselves and their families.

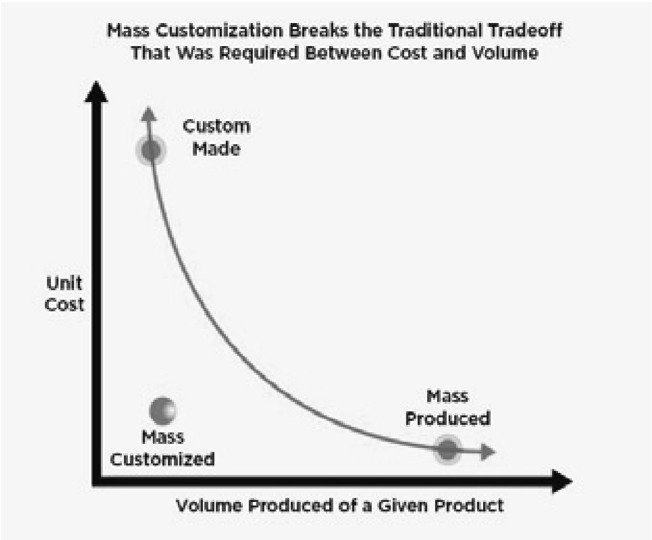
Our Priorities

We have two uppermost objectives:

1. **Strategic**: To be the world leader in mass customization.
2. **Financial**: To maximize intrinsic value per share, defined as (a) the unlevered free cash flow per share that, in our best judgment, will occur between now and the long-term future, appropriately discounted to reflect our cost of capital, minus (b) net debt per share.

World Leader in Mass Customization

Cimpress' strategic objective is to defend and extend its position as the world leader in mass customization. Mass customization is a business model that allows companies to deliver major improvements to customer value across a wide variety of customized printed product categories. Companies that master mass customization are able to produce, with the reliability, quality and affordability of mass production, small individual orders where each one embodies the personal relevance inherent to customized products.



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

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

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

Cimpress’ focus on mass customization lies at the intersection of three overlapping areas:

- ***Empowering People to Make an Impression (what we are passionate about***) - Cimpress empowers people to make an impression through individually meaningful physical products. In other words, we make it easy and affordable for our customers to convey, in tangible and enduring media, the thoughts, design aesthetics, messages and/or sentiments that are important to them, their customers, their organization or their loved ones.

- ***Computer Integrated Manufacturing (where we can be the best in the world)*** - Low-volume custom products traditionally have a very high per-unit cost because of significant fixed costs related to conveying and using information that is required to process each order. Throughout our history, a differentiating capability of Cimpress has been our ability to develop systems to integrate every step of the value chain, from design creation to delivery. This greatly reduces the marginal cost of processing information related to each individual, customized order. We use computer integrated manufacturing, which harnesses the power of software and IT networks to automate the flow of information, allowing individual processes to exchange information with each other, to schedule activities, to initiate actions, and to route and control a broad range of activities related to the specification and production of physical goods.

- ***Large Scale in Small Quantities (what drives our economic engine)*** - By large scale we mean a large volume of orders; by small quantities we mean small individual orders. Large scale is an important driver of our competitive advantage because increasingly larger volumes of orders allow us to sort and then produce those orders in increasingly focused processes. This allows us to generate economic value by capturing a portion of the per-unit cost difference that exists between relatively high-volume, specialized processes and low volume (job shop) processes. When we have increased the volume of orders that we process and produce we have seen material improvements in quality, product selection, speed and cost. Cimpress' businesses process tens of millions of uniquely customized items per year.

Our Corporate Strategy

We believe the mass customization opportunity is very large, with extremely diverse and continuously changing customer segments, product categories, go-to-market methods, business maturity levels, technologies and emerging opportunities. We face competition from hundreds of smaller, customer-focused companies as well as very large firms. Focus, nimbleness and speed are critical for Cimpress if we are to serve customers well. Given this context, we have chosen a deeply decentralized organizational strategy through which we hope to “stay small as we get big”.

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

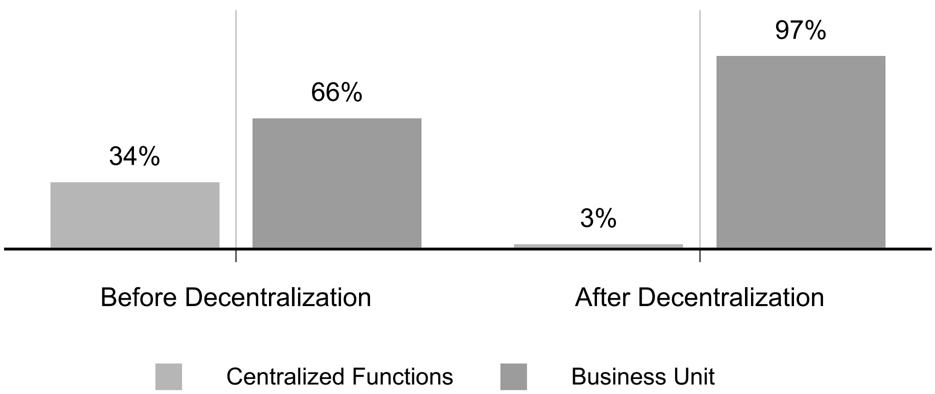
Organizational Structure

On January 23, 2017, the Supervisory Board of Cimpress N.V. approved a plan to restructure the company and implement organizational changes that decentralized the company’s operations in order to improve accountability for customer satisfaction and capital returns, simplify decision-making, improve the speed of execution, further develop our cadre of general managers, and release entrepreneurial energy. In order to enact the plan, we transferred approximately 3,000 team members that were part of central teams into our businesses. We also reduced the scope of certain other roles and functions that were previously performed centrally, which led to the termination of approximately 135 team members, and reduction of planned hiring in targeted areas. We also eliminated the positions of four Cimpress executive officers who, as a result, left the company.

Several groups that previously were part of our corporate and global functions, including significant portions of our technology, manufacturing and supply chain, finance, legal and other related groups, have been decentralized into our operating segments. The majority of the groups that transferred into our operating segments joined our Vistaprint business and to a much smaller extent our Upload and Print businesses.

Corporate and global functions now consist primarily of global procurement, a central technology team whose primary focus is building the mass customization platform, and essential corporate services, such as the corporate finance, communications, strategy and legal functions.

New Organizational Structure
Team Member Distribution



Market and Industry Background

Mass Customization Opportunity

Product:
- Small format
- Large format
- Promotional products and gifts
- Decorated apparel
- Packaging
- Photo products
- Invitations and announcements

Geography:
- North America
- Europe
- Australia/New Zealand
- South America
- Asia Pacific

Customer:
- Businesses (micro, small, medium, large)
- Graphic designers, resellers, and print providers
- Teams, associations and groups
- Consumers (home and family)

Large traditional markets undergoing disruptive innovation

We believe that our mass customization business model can deliver great customer value across a diverse set of product applications, including marketing materials such as business cards, brochures, catalogs and flyers; signage and displays; promotional products; writing instruments; decorated apparel and bags; fabrics and textiles; keepsakes and gifts, packaging, photo products, invitations and announcements. Many different customers appreciate access to affordable, high quality, customized products in these categories, including businesses of all sizes, teams, associations and groups, consumers, and resellers and designers who serve customers in these groups.

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

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

Cimpress' current revenue represents a very small fraction of this market opportunity. Even though we believe Cimpress is the largest single player in this market, there are many other companies who are pursuing mass customization and/or business models that incorporate many aspects of mass customization. These non-traditional suppliers include both large firms and hundreds of focused smaller firms. We believe that Cimpress and competitors who have built their business around a mass customization model are “disruptive innovators” to these large markets because we enable small volume production of personalized high quality products at an affordable price. Disruptive innovation, a term coined by Harvard Business School professor Clayton Christensen, describes a process by which a product or service takes root initially in simple applications at the bottom of a market (such as free business cards for the most price sensitive of micro-businesses) and then moves up market, eventually displacing established competitors (such as those in the markets mentioned above).

We believe this opportunity to deliver substantially better customer value and to therefore disrupt very large traditional industries can translate into tremendous future opportunity for Cimpress if we execute well and constantly improve our business model over a long period of time. Until recently, we focused primarily on a narrow set of customers within the list above (micro businesses and consumers) with a very limited product offering. With acquisitions and via internal investments over the last several years, we have extended our ability to serve our traditional customers and have also gained a capability to serve larger businesses as well as resellers who, in turn, serve many different types of customers.

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

Today, we believe that the revenue opportunity for low-to-medium order quantities (i.e. still within our focus of small-sized individual orders) in the four product categories below is over $100 billion annually in North America and Europe. The addition of other geographies and the consumer products space adds at least 50% to this number:

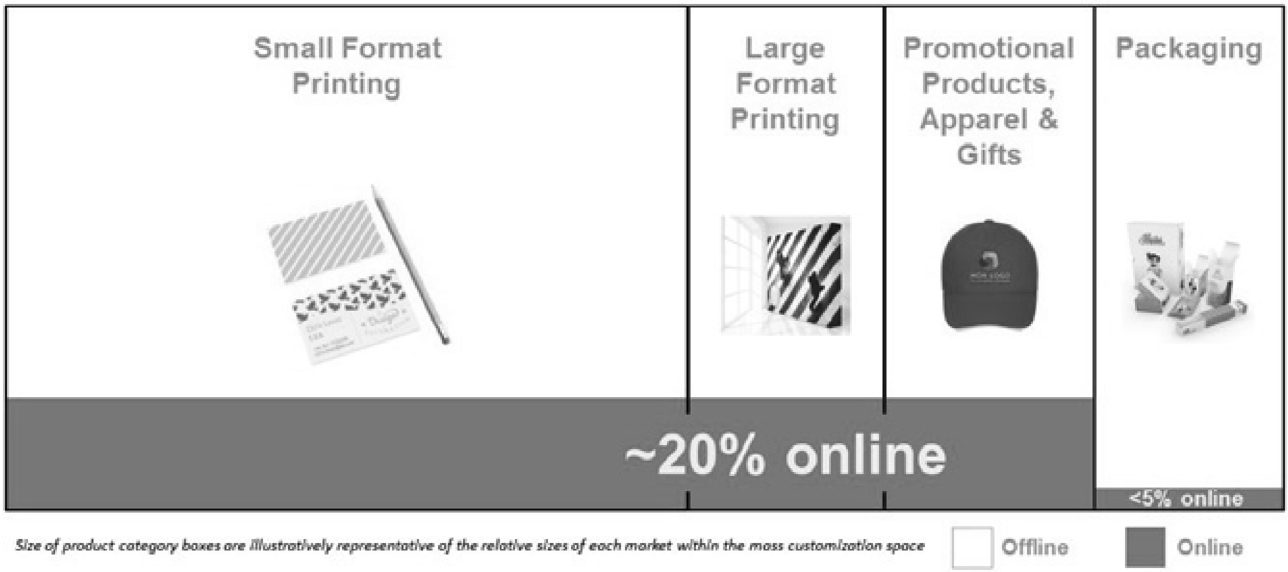
- Small format marketing materials such as business cards, flyers, leaflets, inserts, brochures and magazines. Businesses of all sizes are the main end users of short-and-medium run lengths (per order quantities below 2,500 units for business cards and below 20,000 units for other materials).

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

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

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

Our Opportunity: Over $100 billion total addressable market in North America and Europe



Our Business

Today's Cimpress includes 13 previously independent businesses that we have acquired plus Vistaprint and several small startup businesses, which we grew organically. Prior to its acquisition, each of our acquired companies pursued business models which embodied the principles of mass customization. In other words, each provided a standardized set of products that could be configured and customized by customers, could be ordered in relatively low volumes, and could produce via relatively standardized, homogeneous production processes either internally and/or through third parties.

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

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

We believe that the standard business cards sold by our Vistaprint business provide a concrete example of the potential of our mass customization business model to deliver significant customer value and to develop strong profit franchises in large markets that were previously low growth and commoditized. The current Vistaprint operations for a typical order of 250 business cards in Europe and North America require less than 14 seconds of human labor for all of pre-press, printing, cutting and packaging, versus an hour or more for traditional printers. Combined with advantages of scale in purchasing of materials, our self-service ordering, pre-press automation, auto-scheduling and automated manufacturing processes enable us to produce standard business cards at a fraction of the cost of typical traditional printers with very consistent quality and delivery reliability. Achieving this type of efficiency took us more than a decade and required massive volume, significant engineering investments and significant capital. Standard Vistaprint business cards (which account for approximately 28% of the Vistaprint business' total bookings for fiscal 2017) represent a mature, highly refined, and highly profitable example of the power of mass customization. Even though we do not expect many other products to reach this extreme level of automation, we do currently produce multiple other product categories (such as flyers, brochures, signage, mugs, calendars, pens, t-shirts, hats, embroidered soft goods, rubber stamps, photobooks, labels and holiday cards) via analogous methods whose volume and processes are well along the spectrum of mass customization relative to traditional suppliers and thus provide great customer value and a strong, profitable and growing revenue stream.

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

Our Businesses

We have adopted a multi-business approach, which we believe will help us effectively develop value propositions that resonate strongly with very different parts of our large and fragmented addressable market for mass customization. As such, we have structured our organization to provide significant autonomy and decentralization for the individual businesses. We believe that this autonomy allows for greater customer responsiveness, increased focus, and more innovation than if we were to manage our customer value proposition centrally.

We have many localized websites serving countries in North America, Europe, Asia Pacific and South America. Our websites offer a broad assortment of tools and features allowing customers to create a product design or upload their own complete design, and place an order on a completely self-service basis or with varying levels of assistance.

As of June 30, 2017, our businesses were organized into the following four reportable segments:

1. **Vistaprint**:

   Includes the operations of our Vistaprint-branded websites focused on the North America, Europe, Australia and New Zealand markets, and our Webs-branded business, which is managed with the Vistaprint-branded digital business in these same geographies.

   vistaprint®

   Our Vistaprint business helps more than 17 million micro businesses (companies with fewer than 10 employees) create beautiful, professional quality marketing products at affordable prices and at low volumes. To help our customers market in the digital world, the teams at our Pagemodo and Webs brands develop intuitive DIY solutions that are brought to market via their own brands as well as via the Vistaprint brand.

2. **Upload and Print**:

   Includes the operations of our druck.at, Easyflyer, Exagroup, Pixartprinting, Printdeal, Tradeprint, and WIRmachenDRUCK businesses.

   Businesses regularly turn to trusted graphic professionals (either internal to their firm or at third parties) for advice and design services in order to create great looking, customized products like magazines, brochures, flyers, catalogs, packaging, posters, presentation folders, signs, banners, logo apparel, business cards, labels, corporate gifts and more. These Cimpress businesses focus on serving graphic professionals: local printers, print resellers, graphic artists, advertising agencies and other customers with professional desktop publishing skill sets.

Druck.at, based in Austria, is a leading provider of customized web-to-print products including multi-page brochures, folders, flyers, business cards, signs and banners.

Easyflyer, based in France, provides customers with a range of small and large format printed products available online, with a focus on providing the best customer experience.

Exaprint, based in France, is an online printer that exclusively serves the needs of print, design and marketing professionals. It offers a wide range of printed products, with a strong focus on both small format products like business cards, flyers and brochures and large-format products like banners, posters, roll-ups and rigid signage.

Pixartprinting, based in Italy, is a leading web-to-print company serving customers across Europe. The company provides printing services for graphic design agencies, print resellers and local printers.

Printdeal, a Dutch company with a focus on the “upload and print” market, specializes in high-volume, large-format printing. Printdeal also has offices in Belgium.

Tradeprint, a leading online trade printer in the UK, serves local printers, print buyers and graphic arts professionals. Tradeprint offers customized products including flyers, leaflets, business cards, booklets, posters, letterheads and more.

WIRmachenDRUCK, a German web-to-print company, offers graphic designers and print resellers an exciting range of highly customized products at low-cost prices, from promotional products to customized beverage cans.

3. **National Pen**:

Includes the global operations of our National Pen business and a few smaller brands that are focused on custom writing instruments and promotional products, apparel and gifts for small- and medium-sized businesses.

On December 30, 2016, we acquired 100% of the equity interests of National Pen Co. LLC, the leading provider of a wide array of customized writing instruments for small- and medium-sized businesses in more than 20 countries. The company also sells other promotional products, including travel mugs, water bottles, tech gadgets and trade show items.

National Pen's scale and vertical integration in writing instruments complements our organic investments in technology and supply chain capabilities for promotional products, apparel and gift offerings. It serves about a million small business customers through a successful direct mail marketing and telesales approach, as well as a small growing e-commerce business.

4. **All Other Businesses**:

Includes the operations of our Albumprinter, Most of World, and Corporate Solutions businesses. These businesses have been combined into one reportable segment based on materiality.

Albumprinter, a photo products business serving consumer needs in Europe, including in the Netherlands, Belgium, Sweden, Norway and the United Kingdom, via several brands. On July 21, 2017 we entered into a definitive agreement to sell our Albumprinter business. Refer to Note 2 in the accompanying notes to the consolidated financial statements included in Item 8 of Part II of this Report for additional details.

Corporate Solutions, a business serving the needs of retail partners, small- and medium-sized businesses and third-party merchants and franchise businesses. This is achieved via partnership with third party firms and with two internal startup businesses: Vistaprint Corporate and Cimpress Open.

Most of World, focused on our emerging market portfolio, including operations in Brazil, China, India and Japan. Most of World is a small, but fast growing portfolio, building foundations in regions with large market opportunities.

Our products

Customers visiting our websites can select the type of product they wish to design from our broad range of available products and services for the business, reseller and home and family markets. The combined product assortment across our businesses is extensive, including offerings in the following product categories: business cards, marketing materials such as flyers and postcards, digital and marketing services, writing instruments, signage, decorated apparel, promotional products and gifts, packaging, textiles and magazines and catalogs.

Central procurement

We are focused on achieving the lowest total cost in our strategic sourcing efforts by concentrating on quality, logistics, technology and cost, while also striving to use responsible sourcing practices within our supply chain. Our efforts include the procurement of high quality materials and equipment that meet our strict specifications at a low total cost across a growing number of manufacturing locations, with an increasing focus on supplier compliance with our sustainable paper procurement policy as well as our Supplier Code of Conduct. Additionally, we work to develop and implement logistics, warehousing, and outbound shipping strategies to provide a balance of low-cost material availability while limiting our inventory exposure. We believe investing in a strategic supply chain management capability that is tightly integrated with our other manufacturing teams helps us benefit from our large scale, improve efficiency and reduce costs, and increase the sustainability of our business.

Our Proprietary Technology, including our Mass Customization Platform

We rely on our advanced proprietary technology to market to, attract and retain our customers, to enable customers to create graphic designs and place orders on our websites, and to aggregate and produce multiple orders from all over the world. Technology is core to our competitive advantage, as without it we would not be able to produce custom orders in small quantities while achieving the economics that are more analogous to mass produced items.

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

We are currently building a mass customization platform, which is a collection of software services, application programming interfaces and related technology that can be leveraged across our businesses and third parties. Different businesses can deploy different combinations of these services, depending on what capabilities these businesses need to complement their existing technology stack. This multi-year investment is still in its early stages, though many of our businesses are leveraging some of the technologies that have already been developed and/or shared by other businesses. The capabilities that are available in the mass customization platform today include customer-facing technologies, such as those that enable customers to visualize their designs on various products, as well as manufacturing, supply chain, and logistics technologies that automate various stages of the production and delivery of a product to a customer. The anticipated benefits of the mass customization platform include improved speed to market for new product introduction, and more cost-efficient cost of production and customer delivery. Over time, we believe we can generate significant customer and shareholder value from increased specialization of production facilities, aggregated scale from multiple businesses, increased product offerings and shared technology development costs.

Technology Development

We intend to continue developing and enhancing our customer-facing and manufacturing, supply chain and logistics technologies and processes. We have designed (and/or are upgrading) our website technologies and infrastructure to accommodate future geographic expansion and growth in the number of customer visits, orders, and product and service offerings. This architecture makes our applications highly scalable and offers our customers fast system responsiveness. In addition, our production technologies for aggregating jobs in preparation for manufacturing are designed to readily scale as we grow. We have engineering and research and development centers in multiple businesses. We also develop technology centrally, primarily at our offices in Switzerland, India, the Netherlands, the Czech Republic and the United States. We are constantly seeking to strengthen our manufacturing and supply chain capabilities through engineering disciplines such as automation, manufacturing, choice of equipment, product manufacturability, materials science, process control and color control. Our technology and development expenses were approximately $243 million (11% of total revenues), $210 million (12% of total revenues) and $187 million (12% of total revenues) in the fiscal years ended June 30, 2017, 2016 and 2015, respectively.

Competition

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

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

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

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

Environmental Responsibility

We regularly evaluate ways to minimize the impact of our operations on the environment. Our past efforts have substantially reduced the energy consumption of our operations. In fiscal 2017, we converted the vast majority of the paper we use in our Cimpress owned production facilities to FSC (Forest Stewardship Council) certified paper. FSC is an international non-profit organization committed to promoting the practice of sustainable forestry worldwide. FSC certification confirms that the paper comes from responsibly managed forests that meet FSC’s environmental and social standards.

Also, in fiscal 2017, we conducted an extensive planning process to reduce Cimpress’ carbon emissions at a rate in line with science-based targets established in 2015 by the United Nations Global Compact and others. As a result, we are embarking on a path to reduce emissions, through a combination of abatement measures and renewable energy sourcing.

Intellectual Property

We seek to protect our proprietary rights through a combination of patents, copyrights, trade secrets, and trademarks and contractual restrictions. We enter into confidentiality and proprietary rights agreements with our employees, consultants and business partners, and control access to, and distribution of, our proprietary information.

As of June 30, 2017, we held 295 issued patents worldwide, and we continue to file new patent applications around the world. Subject to our continued payment of required patent maintenance fees, our currently issued patents will expire between December 2017 and June 2035. We hold 222 trademark registrations in various jurisdictions globally.

Business Segment and Geographic Information

As of June 30, 2017, our reportable operating segments consisted of (a) Vistaprint, (b) Upload and Print, which includes our druck.at, Easyflyer, Exagroup, Pixartprinting, Printdeal, Tradeprint, and WIRmachenDRUCK businesses, (c) National Pen, which includes the global operations of our National Pen business, and (d) All Other Businesses, which include our Albumprinter business, our Most of World businesses and our Corporate Solutions business. Our Most of World businesses operate in China, India and Japan and (via partial equity ownership) Brazil. For more segment and geographic information about our revenues, adjusted net operating profit and long-lived assets, see Item 8 of Part II, “Financial Statements and Supplementary Data — Note 16 — Segment Information” and Item 7 of Part II, “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” The descriptions of our business, products, and markets in this section apply to all of our operating segments.

Seasonality

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

Operating income during the second fiscal quarter represented 86%, and 62% of annual operating income in the years ended June 30, 2016 and 2015, respectively, and during the year ended June 30, 2017, in a period we recognized a loss from operations, the second quarter remained the only profitable quarter during the year.

Employees

As of June 30, 2017, we had approximately 10,700 full-time and approximately 900 temporary employees worldwide.

Corporate Information

Cimpress N.V. (formerly named Vistaprint N.V.) was incorporated under the laws of the Netherlands on June 5, 2009 and on August 30, 2009 became the publicly traded parent company of the Cimpress group of entities. We maintain our registered office at Hudsonweg 8, 5928 LW Venlo, the Netherlands. Our telephone number in the Netherlands is +31-77-850-7700. As a result of our change of domicile from Bermuda to the Netherlands on August 30, 2009, the common shareholders of Vistaprint Limited became ordinary shareholders of Vistaprint N.V. and Vistaprint N.V. became the publicly traded parent company of the Vistaprint group of entities. Vistaprint Limited, the immediate predecessor corporation to Vistaprint N.V., was incorporated under the laws of Bermuda in April 2002.

Available Information

We are registered as a reporting company under the U.S. Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. Accordingly, we file or furnish with the U.S. Securities and Exchange Commission, or the SEC, annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and proxy statements as required by the Exchange Act and the rules and regulations of the SEC. The public may read and copy our reports, proxy statements and other materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. Information on the operation of the Public Reference Room is available by calling 1-800-SEC-0330. In addition, the SEC maintains an Internet website that contains reports, proxy and information statements and other information regarding issuers, such as Cimpress N.V, that file electronically with the SEC. The address of this website is www.sec.gov. We make available, free of charge through our United States website, the reports, proxy statements, amendments and other materials we file with or furnish to the SEC as soon as reasonably practicable after we electronically file or furnish such materials with or to the SEC. The address of our United States website is www.cimpress.com. We are not including the information contained on our website, or information that can be accessed by links contained on our website, as a part of, or incorporating it by reference into, this Annual Report on Form 10-K.

Item 1A. ***Risk Factors***

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

Risks Related to Our Business

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

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

- our failure to adequately execute our strategy or anticipate and overcome obstacles to achieving our strategic goals;
- our failure to develop our mass customization platform or the failure of the platform to drive the efficiencies and competitive advantage we expect;

- our failure to manage the growth, complexity, and pace of change of our business and expand our operations;

- our failure to acquire, at a value-accretive price or at all, businesses that enhance the growth and development of our business or to effectively integrate the businesses we do acquire into our business;

- our inability to purchase or develop technologies and other key assets and capabilities to increase our efficiency, enhance our competitive advantage, and scale our operations;

- our failure to realize the anticipated benefits of the decentralization of our operations;

- the failure of our current supply chain to provide the resources we need at the standards we require and our inability to develop new or enhanced supply chains;

- our failure to acquire new customers and enter new markets, retain our current customers, and sell more products to current and new customers;

- our failure to address inefficiencies and performance issues in some of our businesses and markets;

- our failure to sustain growth in relatively mature markets;

- our failure to promote, strengthen, and protect our brands;

- our failure to effectively manage competition and overlap within our brand portfolio;

- the failure of our current and new marketing channels to attract customers;

- our failure to realize expected returns on our capital allocation decisions;

- unanticipated changes in our business, current and anticipated markets, industry, or competitive landscape;

- our failure to attract and retain skilled talent needed to execute our strategy and sustain our growth; and

- general economic conditions.

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

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

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

- concerns about buying customized products without face-to-face interaction with design or sales personnel;

- the inability to physically handle and examine product samples before making a purchase;

- delivery time associated with Internet orders;

- concerns about the security of online transactions and the privacy of personal information;

- delayed or lost shipments or shipments of incorrect or damaged products;

- limited access to the Internet; and
- the inconvenience associated with returning or exchanging purchased items.

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

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

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

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

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

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

- our pricing and marketing strategies and those of our competitors;
- expenses and charges related to our compensation arrangements with our executives and employees, including expenses and charges relating to the new long-term incentive compensation program we launched at the beginning of fiscal year 2017;
- costs and charges resulting from litigation;
- significant increases in credits, beyond our estimated allowances, for customers who are not satisfied with our products;
- changes in our income tax rate;
- costs to acquire businesses or integrate our acquired businesses;
- financing costs;
- impairments of our tangible and intangible assets including goodwill; and
- the results of our minority investments and joint ventures.

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

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

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

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

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

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

- difficulty managing operations in, and communications among, multiple locations, businesses, and time zones;
- difficulty complying with multiple tax laws, treaties, and regulations and limiting our exposure to onerous or unanticipated taxes, duties, and other costs;

- our failure to improve and adapt our financial and operational controls to manage our decentralized business and comply with our legal obligations;
- 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;
- our inexperience in marketing and selling our products and services within unfamiliar countries and cultures;
- challenges of working with local business partners;
- our failure to properly understand and develop graphic design content and product formats and attributes appropriate for local tastes;
- disruptions caused by political and social instability that may occur in some countries;
- corrupt business practices, such as bribery or the willful infringement of intellectual property rights, that may be common in some countries or in some sales channels and markets;
- difficulty expatriating cash from some countries;
- difficulty importing and exporting our products across country borders and difficulty complying with customs regulations in the many countries where we sell products;
- disruptions or cessation of important components of our international supply chain;
- the challenge of complying with disparate laws in multiple countries;
- 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.

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

In addition, we are exposed to fluctuations in currency exchange rates that may impact items such as the translation of our revenues and expenses, remeasurement of our intercompany balances, and the value of our cash and cash equivalents and other assets and liabilities denominated in currencies other than the U.S. dollar, our reporting currency. While we engage in hedging activities to mitigate some of the net impact of currency exchange rate fluctuations, our financial results may differ materially from expectations as a result of such fluctuations. For example, the Brexit vote has caused significant currency volatility that was mitigated in the near term by our currency hedging programs but that could potentially hurt our financial results in the future.

Acquisitions and strategic investments may be disruptive to our business.

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

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

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

- The business we acquired or invested in may not perform as well as we expected.
- We may overpay for acquired businesses, which can, among other things, negatively affect our intrinsic value per share.
- We may fail to integrate acquired businesses, technologies, services, or internal systems effectively, or the integration may be more expensive or take more time than we anticipated.
- The management of our minority investments and joint ventures may be more expensive or may take more resources than we expected.
- We may not realize the anticipated benefits of integrating acquired businesses into our mass customization platform.
- We may encounter unexpected cultural or language challenges in integrating an acquired business or managing our minority investment in a business.
- We may not be able to retain customers and key employees of the acquired businesses, and we and the businesses we acquire or invest in may not be able to cross sell products and services to each other's customers.

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

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

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

In addition, the accounting for our acquisitions requires us to make significant estimates, judgments, and assumptions that can change from period to period, based in part on factors outside of our control, which can create volatility in our financial results. For example, we often pay a portion of the purchase price for our acquisitions in the form of an earn-out based on performance targets for the acquired companies, which can be difficult to forecast. We accrue liabilities for estimated future contingent earn-out payments based on an evaluation of the likelihood of achievement of the contractual conditions underlying the earn-out and weighted probability assumptions of the required outcomes. If in the future our assumptions change and we determine that higher levels of achievement are likely under our earn-outs, we will need to pay and record additional amounts to reflect the increased purchase price. These additional amounts could be significant and could adversely impact our results of operations. In addition, earn-out provisions can lead to disputes with the sellers about the achievement of the earn-out performance targets, and earn-out performance targets can sometimes create inadvertent incentives for the acquired company's management to take short-term actions designed to maximize the earn-out instead of benefiting the business.

If we are unable to attract visitors to our websites and convert those visitors to customers, our business and results of operations could be harmed.

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

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

Our profitability has historically been highly seasonal. Our second fiscal quarter includes the majority of the holiday shopping season and accounts for a disproportionately high portion of our earnings for the year, primarily due to higher sales of home and family products such as holiday cards, calendars, photo books, and personalized gifts. In addition, the National Pen business we acquired in December 2016 has historically generated nearly all of its profits during the December quarter. Our operating income during the second fiscal quarter represented more than 60% of annual operating income in the years ended June 30, 2016 and 2015, and during the year ended June 30, 2017, in a period we recognized a loss from operations, the second quarter remained the only profitable quarter during the year. In anticipation of increased sales activity during our second fiscal quarter holiday season, we typically incur significant additional capacity related expenses each year to meet our seasonal needs, including facility expansions, equipment purchases and leases, and increases in the number of temporary and permanent employees. Lower than expected sales during the second quarter would likely have a disproportionately large impact on our operating results and financial condition for the full fiscal year. In addition, if our manufacturing and other operations are unable to keep up with the high volume of orders during our second fiscal quarter or we experience inefficiencies in our production, then our costs may be significantly higher, and we and our customers can experience delays in order fulfillment and delivery and other disruptions. If we are unable to accurately forecast and respond to seasonality in our business, our business and results of operations may be materially harmed.

Our hedging activity could negatively impact our results of operations and cash flows.

We have entered into derivatives to manage our exposure to interest rate and currency movements. If we do not accurately forecast our results of operations, execute contracts that do not effectively mitigate our economic exposure to interest rates and currency rates, elect to not apply hedge accounting, or fail to comply with the complex accounting requirements for hedging, our results of operations and cash flows could be volatile, as well as negatively impacted. Also, our hedging objectives may be targeted at non-GAAP financial metrics, which could result in increased volatility in our GAAP results.

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

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

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

- human error, including poor managerial judgment or oversight

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

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

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

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

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

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

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

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

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

- damage our reputation and brands;
- expose us to losses, litigation, enforcement actions, and possible liability;
- result in a failure to comply with legal and industry privacy regulations and standards;
- lead to the misuse of our and our customers' confidential or personal information; or
- cause interruptions in our operations.

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

We rely heavily on email to market to and communicate with customers, and email communications are subject to regulatory and reputation risks.

Various private entities attempt to regulate the use of commercial email solicitation by blacklisting companies that the entities believe do not meet their standards, which results in those companies' emails being blocked from some Internet domains and addresses. Although we believe that our commercial email solicitations comply with all applicable laws, from time to time some of our Internet protocol addresses appear on some of these blacklists, which can interfere with our ability to market our products and services, communicate with our customers, and operate and manage our websites and corporate email accounts. Further, we have contractual relationships with partners that market our products and services on our behalf, and some of our marketing partners engage third-party email marketers with which we do not have any contractual or other relationship. Although our contracts with our partners generally require that they comply with all applicable laws relating to email solicitations, we do not always have control over the third-party email marketers that our partners engage. If one of our partners or another third party were to send emails marketing our products and services in violation of applicable anti-spam or other laws, then our reputation could be harmed and we could potentially be liable for their actions.

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

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

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

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

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

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

Our senior secured credit facility, which we refer to as our credit facility, and the indenture that governs our 7.0% senior unsecured notes due 2022, which we refer to as our senior notes, contain a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our best interest, including restrictions on our ability to:

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

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

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

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

- Our lenders could declare all outstanding principal and interest to be due and payable, and we and our subsidiaries may not have sufficient assets to repay that indebtedness.

- Our secured lenders could foreclose against the assets securing their borrowings.

- Our lenders under the credit facility could terminate all commitments to extend further credit under that facility.

- We could be forced into bankruptcy or liquidation.

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

As of June 30, 2017, our total debt was $882.6 million, made up of $275.0 million of senior notes, $600.0 million of loan obligations under our credit facility and $7.5 million of other debt. We had unused commitments of $211.8 million under our credit facility (after giving effect to letter of credit obligations).

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

- making it more difficult for us to satisfy our obligations with respect to our debt;

- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions, or other general corporate requirements;

- requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions, and other general corporate purposes;

- increasing our vulnerability to general adverse economic and industry conditions;

- exposing us to the risk of increased interest rates as some of our borrowings, including borrowings under our credit facility, are at variable rates of interest;

- limiting our flexibility in planning for and reacting to changes in the industry and marketplaces in which we compete;

- placing us at a disadvantage compared to other, less leveraged competitors; and

- increasing our cost of borrowing.

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

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

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

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

Borrowings under our credit facility are at variable rates of interest and expose us to interest rate risk. If interest rates were to increase, our debt service obligations on the variable rate indebtedness would increase even if the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. As of June 30, 2017, a hypothetical 100 basis point increase in rates, inclusive of our outstanding interest rate swaps, would result in an increase of interest expense of approximately $5.4 million over the next 12 months. Although we generally enter into interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility, we might not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk.

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

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

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

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

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

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

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

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

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

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

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

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

We are subject to customer payment-related risks.

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

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

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

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

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

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

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

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

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

If we are unable to retain security authentication certificates, which are supplied by a limited number of 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 are necessary for conducting secure transactions over the Internet. 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. Any interruption in our customers' ability or willingness to access our websites if we do not have adequate security certificates could result in a material loss of revenue and profits and damage to our brands.

Risks Related to Our Corporate Structure

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

We are a Dutch limited liability company that operates through various subsidiaries in a number of countries throughout the world. Consequently, we are subject to tax laws, treaties and regulations in the countries in which we operate, and these laws and treaties are subject to interpretation. From time to time, we are subject to tax audits, and the tax authorities in these countries could claim that a greater portion of the income of the Cimpress N.V. group should be subject to income or other tax in their respective jurisdictions, which could result in an increase to our effective tax rate and adversely affect our results of operations. For more information about audits to which we are currently subject refer to Note 13 “Income Taxes” in the accompanying notes to the consolidated financial statements included in Item 8 of Part II of this Report.

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

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

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

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

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

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

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

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

Subject to specified exceptions, Dutch law requires shareholder approval for many corporate actions, such as the approval of dividends, authorization to issue new shares or purchase outstanding shares, and corporate acquisitions of a certain size. Situations may arise where the flexibility to issue shares, pay dividends, purchase shares, acquire other companies, or take other corporate actions without a shareholder vote would be beneficial to us, but is not available under Dutch law.

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

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

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

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

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

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

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

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

We believe that we were not a PFIC for the tax year ended June 30, 2017 and we expect that we will not become a PFIC in the foreseeable future. However, whether we are treated as a PFIC depends on questions of fact as to our assets and revenues that can only be determined at the end of each tax year. Accordingly, we cannot be certain that we will not be treated as a PFIC in future years.

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

If a United States shareholder owns 10% or more of our ordinary shares, it may be subject to increased United States federal income taxation (and possibly state income taxation) under the "controlled foreign corporation" rules. In general, if a U.S. person owns (or is deemed to own) at least 10% of the voting power of a non-U.S. corporation, or "10% U.S. Shareholder," and if such non-U.S. corporation is a "controlled foreign corporation," or "CFC," for an uninterrupted period of 30 days or more during a taxable year, then such 10% U.S. Shareholder who owns (or is deemed to own) shares in the CFC on the last day of the CFC's taxable year must include in its gross income for United States federal income tax (and possibly state income tax) purposes its pro rata share of the CFC's "subpart F income," even if the "subpart F income" is not distributed. In general, a non-U.S. corporation is considered a CFC if one or more 10% U.S. Shareholders together own more than 50% of the voting power or value of the corporation on any day during the taxable year of the corporation. "Subpart F income" consists of, among other things, certain types of dividends, interest, rents, royalties, gains, and certain types of income from services and personal property sales.

The rules for determining ownership for purposes of determining 10% U.S. Shareholder and CFC status are complicated, depend on the particular facts relating to each investor, and are not necessarily the same as the rules for determining beneficial ownership for SEC reporting purposes. For taxable years in which we are a CFC 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 by us. We currently do not believe we are a CFC. However, whether we are treated as a CFC can be affected by, among other things, facts as to our share ownership that may change. Accordingly, we cannot be certain that we will not be treated as a CFC in future years.

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

We will pay taxes even if we are not profitable on a consolidated basis, which could harm our results of operations.

The intercompany service and related agreements among Cimpress N.V. and its direct and indirect subsidiaries ensure that many of the subsidiaries realize profits based on their operating expenses. As a result, if the Cimpress group is less profitable, or even not profitable on a consolidated basis, many of our subsidiaries will be profitable and incur income taxes in their respective jurisdictions.

Item 1B. *Unresolved Staff Comments*

None.

Item 2. *Properties*

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

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

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

As of June 30, 2017, a summary of our currently occupied leased spaces is as follows:

Business Segment (1)	Square Feet	Type	Lease Expirations
Vistaprint	640,799	Technology development, marketing, customer service and administrative	December 2018 - November 2026
Upload & Print	584,837	Technology development, marketing, customer service, manufacturing and administrative	July 2017 - December 2025
National Pen	314,533	Marketing, customer service, manufacturing and administrative	December 2022 - April 2027
All Other Businesses	258,453	Technology development, marketing, customer service, manufacturing and administrative	July 2017 - August 2023
Other (2)	86,902	Corporate strategy, technology development and prototyping laboratory	May 2018 - June 2023

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

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

Item 3. *Legal Proceedings*

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

Item 4. *Mine Safety Disclosures*

None.

PART II

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

The ordinary shares of Cimpress N.V. are traded on the NASDAQ Global Select Market (the "NASDAQ") under the symbol “CMPR.” As of July 31, 2017, there were approximately 11 holders of record of our ordinary shares, although there is a much larger number of beneficial owners. The following table sets forth, for the periods indicated, the high and low sale price per share of our ordinary shares on the NASDAQ:

	High	Low
Fiscal 2016:		
First Quarter	$ 86.95	$ 63.15
Second Quarter	$ 94.57	$ 74.57
Third Quarter	$ 91.84	$ 67.89
Fourth Quarter	$ 101.77	$ 86.93
Fiscal 2017:		
First Quarter	$ 104.18	$ 88.31
Second Quarter	$ 102.95	$ 80.47
Third Quarter	$ 99.99	$ 79.15
Fourth Quarter	$ 94.47	$ 78.80

Dividends

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

Issuer Purchases of Equity Securities

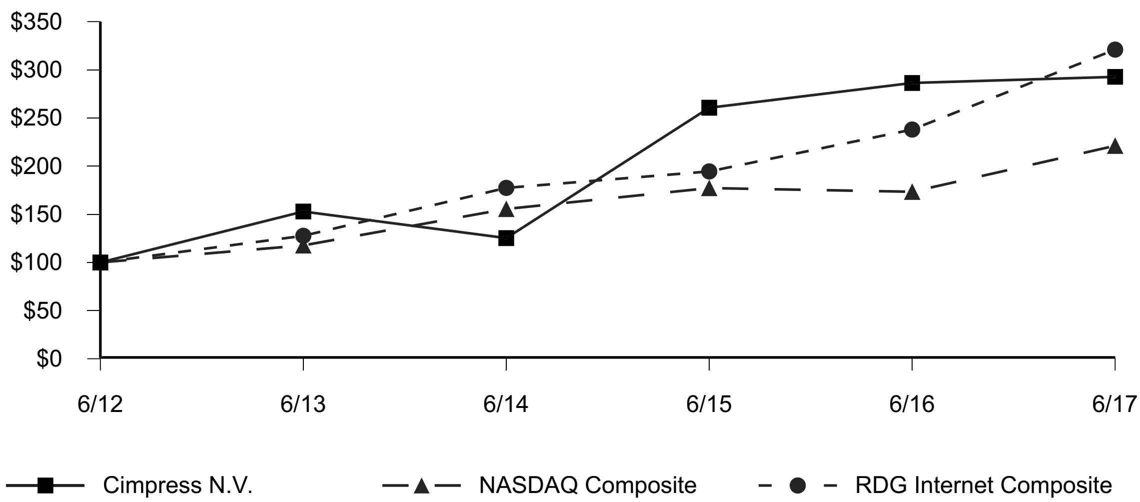
On March 22, 2017, in order to provide us with flexibility to repurchase our ordinary shares at times when our management believes it may be beneficial for our business, our Supervisory Board authorized the repurchase of up to 6,300,000 of our issued and outstanding ordinary shares on the open market (including block trades that satisfy the safe harbor provisions of Rule 10b-18 pursuant to the U.S. Securities Exchange Act of 1934), through privately negotiated transactions, or in one or more self-tender offers. This share repurchase authorization expires on May 15, 2018, and we may or may not choose to make repurchases under this authorization.

We did not repurchase any shares during the three months ended June 30, 2017, and 6,300,000 shares remain available for repurchase under this program, subject to certain limitations imposed by our debt covenants.

Performance Graph

The following graph compares the cumulative total return to shareholders of Cimpress N.V. ordinary shares relative to the cumulative total returns of the NASDAQ Composite index and the Research Data Group (RDG) Internet Composite index. An investment of $100 (with reinvestment of all dividends) is assumed to have been made in our ordinary shares and in each of the indexes on June 30, 2012 and the relative performance of each investment is tracked through June 30, 2017.

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



	Year Ended June 30,					
	2012	2013	2014	2015	2016	2017
Cimpress N.V.	$ 100.00	$ 152.85	$ 125.26	$ 260.56	$ 286.32	$ 292.66
NASDAQ Composite	100.00	117.69	155.50	177.19	173.36	221.11
RDG Internet Composite	100.00	127.63	177.39	194.48	237.94	320.94

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

Item 6. *Selected Financial Data*

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

	Year Ended June 30,				
	2017 (a)	2016 (b)	2015 (c)	2014 (d)	2013 (e)
	(In thousands, except share and per share data)				
Consolidated Statements of Operations Data:					
Revenue	$ 2,135,405	$ 1,788,044	$ 1,494,206	$ 1,270,236	$ 1,167,478
Net (loss) income attributable to Cimpress N.V.	(71,711)	54,349	92,212	43,696	29,435
Net (loss) income per share attributable to Cimpress N.V.:					
Basic	$ (2.29)	$ 1.72	$ 2.82	$ 1.33	$ 0.89
Diluted	$ (2.29)	$ 1.64	$ 2.73	$ 1.28	$ 0.85
Shares used in computing net (loss) income per share attributable to Cimpress N.V.:					
Basic	31,291,581	31,656,234	32,644,870	32,873,234	33,209,172
Diluted	31,291,581	33,049,454	33,816,498	34,239,909	34,472,004

	Year Ended June 30,				
	2017 (a)	2016 (b)	2015 (c)	2014 (d)	2013 (e)
	(In thousands)				
Consolidated Statements of Cash Flows Data:					
Net cash provided by operating activities	$ 156,736	$ 247,358	$ 242,022	$ 153,739	$ 141,808
Purchases of property, plant and equipment	(74,157)	(80,435)	(75,813)	(72,122)	(78,999)
Purchases of ordinary shares	(50,008)	(153,467)	—	(42,016)	(64,351)
Business acquisitions, net of cash acquired	(204,875)	(164,412)	(123,804)	(216,384)	—
Net proceeds of debt	196,933	167,316	54,207	207,946	8,051

	Year Ended June 30,				
	2017 (a)	2016 (b)	2015 (c)	2014 (d)	2013 (e)
	(In thousands)				
Consolidated Balance Sheet Data:					
Cash, cash equivalents and marketable securities (f)	$ 25,697	$ 85,319	$ 110,494	$ 76,365	$ 50,065
Working capital (f)	(203,482)	(135,095)	(89,580)	(83,560)	(54,795)
Total assets	1,679,869	1,463,869	1,299,794	985,495	598,632
Total long-term debt, excluding current portion (g)	847,730	656,794	493,039	408,150	227,700
Total shareholders' equity	75,212	166,076	249,419	232,457	189,561

(a) Includes the impact of the acquisition of National Pen on December 30, 2016. See Note 7 in our accompanying financial statements in this Report for a discussion of this acquisition.

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

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

(c) Includes the impact of the acquisitions of FotoKnudsen AS on July 1, 2014, FL Print SAS on April 9, 2015, Exagroup SAS on April 15, 2015 and druck.at Druck-und Handelsgesellschäft mbH on April 17, 2015, as well as our investment in Printi LLC on August 7, 2014. See Notes 7, 14 and 15 in our accompanying financial statements in this Report for a discussion of these transactions.

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

(e) Includes the impact of our July 10, 2012 equity investment in Namex Limited. During the fourth quarter of fiscal 2014 we disposed of this investment and recognized a loss on the sale of $12.7 million.

(f) We define working capital as current assets less current liabilities. Our working capital profile has evolved since fiscal 2013 as we have made long-term investments that seek to drive shareholder value through acquisitions, ordinary share purchases, and other strategic initiatives. We have financed these investments through a mix of cash on hand, cash flows generated from operations and external debt financing.

(g) On March 24, 2015, we completed a private placement of $275.0 million of 7.0% senior unsecured notes due 2022. The proceeds from the sales of the notes were used to repay existing outstanding indebtedness under our unsecured line of credit, the indebtedness outstanding under our senior secured credit facility and for general corporate purposes. See Note 10 in our accompanying financial statements in this Report for additional discussion. The year-over-year increases in long-term debt have largely been driven by the funding of our recent acquisitions, as outlined in Note 7.

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

This Report contains forward-looking statements that involve risks and uncertainties. The statements contained in this Report that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including but not limited to our statements about anticipated income and revenue growth rates, future profitability and market share, new and expanded products and services, geographic expansion and planned capital expenditures. Without limiting the foregoing, the words "may," "should," "could," "expect," "plan," "intend," "anticipate," "believe," "estimate," "predict," "designed," "potential," "continue," "target," "seek" and similar expressions are intended to identify forward-looking statements. All forward-looking statements included in this Report are based on information available to us up to, and including the date of this document, and we disclaim any obligation to update any such forward-looking statements. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain important factors, including those set forth in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" and elsewhere in this Report. You should carefully review those factors and also carefully review the risks outlined in other documents that we file from time to time with the United States Securities and Exchange Commission.

Executive Overview

We are a technology driven company that aggregates, largely via the internet, large volumes of small, individually customized orders for a broad spectrum of print, signage, apparel and similar products. We operate in a largely decentralized manner. Our businesses, discussed in more detail below, fulfill orders with manufacturing capabilities that include Cimpress owned and operated manufacturing facilities and a network of third-party fulfillers to create customized products on-demand. Those businesses bring their products to market through a portfolio of customer-focused brands serving the needs of micro, small and medium sized businesses, resellers and consumers. These brands include Vistaprint, our global brand for micro business marketing products and services, as well as brands that we have acquired that serve the needs of various market segments, including resellers, micro, small and medium sized businesses with differentiated service needs, and consumers purchasing products for themselves and their families.

As of June 30, 2017, we have numerous operating segments under our management reporting structure which are reported in the following four reportable segments: Vistaprint, Upload and Print, National Pen, and All Other Businesses. Vistaprint represents our Vistaprint websites focused on the North America, Europe, Australia and New Zealand markets, and our Webs business, which is managed with the Vistaprint- digital business. Upload and Print includes the druck.at, Easyflyer, Exagroup, Pixartprinting, Printdeal, Tradeprint, and WIRmachenDRUCK businesses. National Pen includes the global operations of our National Pen business, which manufactures and markets custom writing instruments and promotional products, apparel and gifts for small- and medium-sized businesses. All Other Businesses segment includes the operations of our Albumprinter, Most of World and Corporate Solutions businesses.

Financial Summary

In evaluating the financial condition and operating performance of our business, management focuses on revenue growth, constant-currency revenue growth, operating income and adjusted net operating profit after tax (NOPAT). A summary of these key financial metrics for the year ended June 30, 2017 as compared to the year ended June 30, 2016 follows:

Fiscal Year 2017

- Reported revenue increased by 19% to $2,135.4 million.

- Consolidated constant-currency revenue increased by 21% and excluding acquisitions completed in the last four quarters increased by 8%.
- Operating income decreased $123.9 million to an operating loss of $45.7 million.
- Adjusted NOPAT decreased $75.2 million to $64.6 million.

For our fiscal year 2017, the increase in reported revenue growth was primarily due to the addition of the revenue of our WIRmachenDRUCK business, which we acquired in fiscal 2016 and therefore only partially contributed to the prior comparative period, and our recently acquired National Pen business, as well as continued growth in the Vistaprint business and Upload and Print businesses acquired more than twelve months prior.

The following items negatively impacted our operating income for the year ended June 30, 2017, leading to the decrease in operating income as compared to the prior period:

- Increased organic investments in fiscal year 2017 compared to fiscal year 2016, which materially weighed on profitability. These investments include costs that impact our gross profit such as shipping price reductions, expanded design services, and new product introduction.
- Significant acquisition-related expense associated with our WIRmachenDRUCK contingent earn-out arrangement, due to its continued strong performance, as well as $7.1 million of amortization expense for acquired intangible assets of our newly acquired National Pen business.
- Restructuring-related charges related to our reorganization, which was announced in January 2017, resulting in one-time employee termination costs as well as third party professional fees.
- Declines from the termination of two partner contracts within our Albumprinter and Corporate Solutions businesses.
- Increased third-party fulfillment and shipping costs during the second quarter of fiscal 2017 due to production inefficiencies in our Vistaprint business.
- Increased share-based compensation, excluding restructuring related charges, during the current fiscal year primarily driven by our new long-term incentive program and the accelerated vesting of equity awards from two acquisition-related arrangements.

The decrease in adjusted NOPAT (a non-GAAP financial measure) was also negatively impacted by the items described above, with the exception of the restructuring-related charges, the expense associated with our WIRmachenDRUCK contingent earn-out arrangement and the National Pen intangible asset amortization, as these expenses are excluded from adjusted NOPAT.

Primarily as a result of the organizational changes announced on January 25, 2017, we incurred aggregate pre-tax restructuring charges of $26.7 million during the year ended June 30, 2017. The restructuring is substantially complete and we do not expect material charges in future quarters related to these changes. In fiscal 2018 as compared to the current period, we expect to realize net operating expense savings of approximately $50 million and pre-tax cash flow from operations savings of approximately $35 million, as a result of these reductions in headcount and related non-compensation savings.

Consolidated Results of Operations

Consolidated Revenue

We generate revenue primarily from the sale and shipping of customized manufactured products, and by providing digital services, website design and hosting, and email marketing services, as well as a small percentage from order referral fees and other third-party offerings.

For the years ended June 30, 2017 and 2016, our reported revenue increased, primarily due to the addition of revenue from our WIRmachenDRUCK business acquired on February 1, 2016 and our National Pen business acquired on December 30, 2016. Currency fluctuations negatively impacted our fiscal 2017 and 2016 reported revenue growth. The increases in constant-currency revenue excluding acquisitions for which there is no comparable year-over-year revenue were driven by continued growth in the Vistaprint business, as well as growth in our Upload and Print businesses acquired more than twelve months prior, which were partially offset by declines from the termination of two partner contracts within our Albumprinter and Corporate Solutions businesses.

Total revenue by reportable segment for the years ended June 30, 2017, 2016 and 2015 is shown in the following tables:

In thousands

	Year Ended June 30,			Currency Impact:	Constant-Currency	Impact of Acquisitions:	Constant-Currency revenue growth
	2017 (1)	2016 (2)	% Change	(Favorable)/ Unfavorable	Revenue Growth (4)	(Favorable)/ Unfavorable	Excluding acquisitions (5)
Vistaprint	$ 1,305,285	$ 1,217,162	7%	2%	9%	—%	9%
Upload and Print	588,613	432,638	36%	3%	39%	(26)%	13%
National Pen	112,712	—	100%	—%	100%	(100)%	—%
All Other Businesses	128,795	138,244	(7)%	—%	(7)%	—%	(7)%
Total revenue	$ 2,135,405	$ 1,788,044	19%	2%	21%	(13)%	8%

In thousands

	Year Ended June 30,			Currency Impact:	Constant-Currency	Impact of Acquisitions:	Constant-Currency revenue growth
	2016 (2)	2015 (3)	% Change	(Favorable)/ Unfavorable	Revenue Growth (4)	(Favorable)/ Unfavorable	Excluding acquisitions (5)
Vistaprint	$ 1,217,162	$ 1,149,706	6%	4%	10%	—%	10%
Upload and Print	432,638	197,075	120%	7%	127%	(100)%	27%
National Pen	—	—	—%	—%	—%	—%	—%
All Other Businesses	138,244	147,425	(6)%	8%	2%	—%	2%
Total revenue	$ 1,788,044	$ 1,494,206	20%	4%	24%	(13)%	11%

(1) Fiscal 2017 includes the impact of National Pen from its acquisition date of December 30, 2016 in our National Pen segment.

(2) Fiscal 2016 includes the impact of Alcione, Tradeprint and WIRmachenDRUCK from their respective acquisition dates in our Upload and Print segment

(3) Fiscal 2015 includes from their respective acquisition dates, the impact of FotoKnudsen and Printi which are part of our All Other Businesses segment, as well as Easyflyer, Exagroup and druck.at which are part of our Upload and Print segment

(4) Constant-currency revenue growth, a non-GAAP financial measure, represents the change in total revenue between current and prior year periods at constant-currency exchange rates by translating all non-U.S. dollar denominated revenue generated in the current period using the prior year period's average exchange rate for each currency to the U.S. dollar.

(5) Constant-currency revenue growth excluding acquisitions, a non-GAAP financial measure, excludes revenue results for businesses in the period in which there is no comparable year-over-year revenue. Revenue from our fiscal 2016 acquisitions is excluded from fiscal 2017 revenue growth for quarters with no comparable year-over-year revenue. For example, revenue from Tradeprint, which we acquired in Q1 2016, is excluded from Q1 2017 revenue growth since there are no full quarter results in the comparable period, but revenue from Tradeprint is included in Q2, Q3, and Q4 2017 revenue growth.

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

Consolidated Cost of Revenue

Cost of revenue includes materials used to manufacture our products, payroll and related expenses for production and design services personnel, depreciation of assets used in the production process and in support of digital marketing service offerings, shipping, handling and processing costs, third-party production costs, costs of free products and other related costs of products sold by us. Cost of revenue as a percent of revenue increased during the year ended June 30, 2017, primarily due to costs associated with new product and service launches, introduction of lower margin products, increased third-party fulfillment and shipping costs, and the increased weight of our Upload and Print portfolio, which as a percentage of revenue has higher cost of revenue than our traditional business.

	Year Ended June 30,		
	2017	2016	2015
Cost of revenue	$ 1,036,975	$ 773,640	$ 568,572
% of revenue	*48.6%*	*43.3%*	*38.1%*

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

Cost of revenue for the year ended June 30, 2016 increased due to $157.5 million of higher costs in our Upload and Print businesses, largely due to incremental manufacturing costs of $143.8 million from our fiscal 2016 acquisitions of WIRmachenDRUCK and Tradeprint and increased manufacturing volume from our Pixartprinting and Printdeal businesses. In addition, the Vistaprint cost of revenue increased by $44.5 million, due to increased costs associated with production volume and product mix of $38.6 million and an $11.0 million loss for the abandonment of various proprietary production technologies, partially offset by aggregate benefits of currency, productivity and efficiency gains of $5.1 million.

Consolidated Operating Expenses

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

In thousands

	Year Ended June 30,		
	2017	2016	2015
Technology and development expense	$ 243,230	$ 210,080	$ 186,770
% of revenue	*11.4%*	*11.7%*	*12.5%*
Marketing and selling expense	$ 610,932	$ 508,502	$ 472,079
% of revenue	*28.6%*	*28.4%*	*31.5%*
General and administrative expense	$ 207,569	$ 145,844	$ 142,996
% of revenue	*9.7%*	*8.2%*	*9.6%*
Amortization of acquired intangible assets	$ 46,145	$ 40,563	$ 24,263
% of revenue	*2.2%*	*2.3%*	*1.6%*
Restructuring expense	$ 26,700	$ 381	$ 3,202
% of revenue	*1.3%*	*0.0%*	*0.2%*
Impairment of goodwill and acquired intangible assets	$ 9,556	$ 30,841	$ —
% of revenue	*0.4%*	*1.7%*	*—%*

Technology and development expense

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

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

The growth in our technology and development expenses of $23.3 million for the year ended June 30, 2016 as compared to the prior comparative period was due to increased payroll, share-based compensation and facility-related costs of $14.7 million, as a result of increased headcount in our technology development and information technology support organizations. The increase in headcount is partly due to increases in software and manufacturing engineering resources related to the development of a software-based mass customization platform as well as expand product offerings, and partly due to headcount from acquired businesses. Technology infrastructure-related costs increased by $8.8 million, primarily due to increased software maintenance and licensing costs, as well as increased IT cloud service costs. Other technology and development expenses increased by $0.8 million primarily due to increased depreciation expense related to increased investments in computer software and equipment. Also during the year ended June 30, 2016, we had higher net capitalization of software costs of $1.0 million, due to an increase in costs that qualified for capitalization during the fiscal year.

Marketing and selling expense

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

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

Our marketing and selling expenses increased by $36.4 million during the year ended June 30, 2016 as compared to the prior period primarily due to increased advertising expense of $19.6 million as a result of product-focused television ad investments in both the U.S. and Canada during the first quarter of fiscal 2016 as well as strategic investments in certain European markets which included increased paid search and television ad spend during the fourth quarter of fiscal 2016 for the Vistaprint business. In addition, increased activity from the businesses we acquired during the fiscal years 2016 and 2015 also contributed to the increase in advertising expense. Our payroll and facility-related costs, inclusive of share-based compensation, increased $8.6 million, as we expanded our marketing and customer service, sales and design support organization through our recent acquisitions and continued investment in the Vistaprint businesses customer service resources in order to provide higher value services to our customers. Payment processing and third-party services were $5.7 million higher than the prior period, primarily due to increased order volumes. Other marketing and selling costs increased by $2.5 million, primarily due to increased travel and training costs.

General and administrative expense

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

During the year ended June 30, 2017, general and administrative expenses increased by $61.7 million, as compared to the prior comparative period, driven by $37.3 million of incremental expense for the WIRmachenDRUCK earn-out primarily due to continued strong performance during fiscal 2017 and our expectation that a maximum payout will be achieved. Payroll, share-based compensation and facility-related costs increased by $12.0 million, due to additional expense recognized for the acceleration of vesting terms of certain restricted share awards associated with our investment in Printi and acquisition of Tradeprint, as well as an increase in share-based compensation resulting from our new long-term incentive program. These increases are partially offset by the

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decrease in compensation expense due to headcount reductions as a result of the third quarter fiscal 2017 restructuring initiative. We also recognized an additional $12.4 million of expense from our acquisition of National Pen.

During the year ended June 30, 2016 our general and administrative expenses increased by $2.8 million, as compared to the prior period. The increase in fiscal 2016 was partially driven by increased payroll and facility-related costs of $4.5 million, as compared to the prior comparative period. We incurred additional expense of $6.0 million during the year ended June 30, 2016, related to contingent compensation arrangements from our WIRmachenDRUCK and Easyflyer acquisitions. In addition, our employee travel, training, and recruitment costs and third-party professional fees increased by $3.8 million, as compared to the prior comparative period. Other general and administrative costs increased by $3.4 million, which primarily related to third-party consulting fees. The increase was partially offset by the recognition of $14.9 million of expense during the year ended June 30, 2015, to remeasure the contingent consideration liabilities related to the Printdeal and Pixartprinting acquisitions which did not recur in fiscal 2016.

Amortization of acquired intangible assets

Amortization of acquired intangible assets consists of amortization expense associated with separately identifiable intangible assets capitalized as part of our acquisitions, including customer relationships, trade names, developed technologies, print networks, and customer and referral networks. Amortization of acquired intangible assets increased by $5.6 million during the year ended June 30, 2017, as compared to the year ended June 30, 2016, primarily due to amortization for our fiscal 2017 acquisition of National Pen and fiscal 2016 acquisition of WIRmachenDRUCK.

Amortization of acquired intangible assets increased $16.3 million during the year ended June 30, 2016 as compared to the year ended June 30, 2015, primarily due to our fiscal 2016 acquisitions of WIRmachenDruck and Tradeprint, as well as a full year of amortization related to our fiscal 2015 acquisitions.

Restructuring expense

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

The restructuring expense of $26.7 million that was recognized during the year ended June 30, 2017 consists of costs directly incurred as a result of our January 2017 restructuring initiative, inclusive of employee-related termination costs, third-party professional fees and our write-off of abandoned assets. Refer to Note 18 for additional details regarding the restructuring plan.

Impairment of goodwill and acquired intangible assets

For the years ended June 30, 2017 and 2016, we recognized impairment charges of $9.6 million and $30.8 million for our Tradeprint and Exagroup reporting units, respectively. These impairments were a result of their under performance during the impairment period, combined with lower profit outlooks when compared to the initial deal model upon which we based our purchase accounting. There were no impairment charges related to goodwill or acquired intangible assets during the year ended June 30, 2015. Refer to Note 8 for additional information relating to the impairments.

Other Consolidated Results

Other income, net

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

	Year Ended June 30,		
	2017	2016	2015
Gains on derivatives not designated as hedging instruments	$ 936	$ 14,026	$ 9,317
Currency-related gains, net	5,577	6,864	10,245
Other gains	3,849	5,208	572
Total other income, net	$ 10,362	$ 26,098	$ 20,134

The decrease in net gains during the year ended June 30, 2017, when compared to the prior comparative periods, is primarily due to the currency exchange rate volatility impacting our derivatives that are not designated as hedging instruments. We expect this volatility to continue in future periods as we do not currently apply hedge accounting for most of our derivative currency contracts. We also experienced lower currency-related gains due to currency exchange rate volatility on our non-functional currency intercompany relationships. These lower net gains are partially offset by the impact of certain cross-currency swap contracts designated as cash flow hedges.

In addition, during the year ended June 30, 2017, we recognized other gains of $3.8 million, which consist primarily of gains related to the sale of marketable securities. During fiscal year 2016, we recognized other gains of $5.2 million, primarily related to insurance recoveries.

Interest expense, net

Interest expense, net was $44.0 million, $38.2 million, and $16.7 million for the years ended June 30, 2017, 2016 and 2015, respectively. Interest expense, net primarily consists of interest paid on outstanding debt balances, amortization of debt issuance costs, interest related to capital lease obligations and realized gains (losses) on effective interest rate swap contracts and certain cross-currency swap contracts. We expect interest expense to be higher relative to historical trends as a result of increased borrowing levels on our senior secured credit facility which was expanded in July 2017, increased capital lease obligations for machinery and equipment, and if interest rates increase. Refer to Note 10 for additional details.

Income tax (benefit) provision

	Year Ended June 30,		
	2017	2016	2015
Income tax (benefit) provision	$ (7,118)	$ 15,684	$ 10,441
Effective tax rate	*9.0%*	*23.7%*	*10.5%*

The increase in income tax benefit for the year ended June 30, 2017 from income tax expense in prior periods is primarily attributable to pre-tax losses for the year ended June 30, 2017 as compared to pre-tax earnings for the fiscal years ended June 30, 2016 and 2015. This, combined with a more favorable geographical mix of earnings in fiscal year 2017, has resulted in a lower effective tax rate for the year. In addition, we recorded a larger goodwill impairment charge in fiscal year 2016 as compared to fiscal year 2017 (discussed in Note 8) which is non-deductible for tax purposes. This was offset by increased nondeductible acquisition-related charges in fiscal year 2017 as compared to fiscal year 2016. Also, in fiscal year 2017 we recognized increased tax benefits associated with the vesting of share-based compensation awards, research and development credits and other incentives (primarily in the U.S. and Italy) as compared to fiscal year 2016. Our tax rate was higher in fiscal year 2016 as compared to fiscal year 2015 primarily due to the nondeductible goodwill impairment charge in fiscal year 2016.

Our cash paid for income taxes for fiscal 2017 is higher than our income tax expense primarily as a result of non-cash tax benefits relating to tax losses for which the cash benefit is expected to occur in a future period. We expect our cash paid for income taxes for fiscal 2018 to be lower compared to fiscal 2017.

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

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Reportable Segment Results

Our primary metric used to measure segment financial performance is adjusted net operating profit which excludes certain non-operational items including acquisition-related expenses, certain impairments and restructuring charges.

Vistaprint

	Year Ended June 30,				
	2017	2016	2015	2017 vs. 2016	2016 vs. 2015
Reported Revenue	$ 1,305,285	$ 1,217,162	$ 1,149,706	7 %	6%
Adjusted Net Operating Profit (1)	165,193	213,027	193,048	(22)%	10%
% of revenue	*13%*	*18%*	*17%*		

(1) During the fourth quarter of fiscal 2017, we identified errors related to our unaudited segment profitability disclosures that were recast and reported during the third quarter of fiscal 2017. The impact of these errors have been revised for all periods presented. Refer to Note 16 for additional details.

Segment Revenue

Vistaprint's reported revenue growth for the year ended June 30, 2017 of 7% was negatively affected by currency impacts of 2%, resulting in constant-currency growth of 9%. The Vistaprint constant-currency growth was due to growth in both repeat customers and new customer bookings. While both new and repeat customer bookings contributed to this revenue growth, we continue to see stronger growth resulting from improved customer satisfaction among repeat customers. Performance continues to be stronger in the North American and Australian markets, with improving results in certain European markets. Revenue from our focus product categories including signage, marketing materials and promotional products and apparel is growing faster than the overall segment. In addition, some of our customer value proposition efforts, including our continued roll-out of shipping price reductions, have created revenue headwinds in certain markets, including France, Germany, the Netherlands, United Kingdom and the United States, but we expect these investments will attract higher-value customers and improve customer loyalty in future periods.

The Vistaprint business reported revenue growth of 6% for the year ended June 30, 2016 was negatively affected by currency impacts of 4%, resulting in constant-currency growth of 10%. The constant-currency revenue growth is due to repeat customer bookings growth, with improving growth in new customer bookings. We experienced strong revenue growth in the same focus product categories discussed above, and performance was stronger in North America and Australia.

Segment Profitability

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

Adjusted net operating profit increased for the year ended June 30, 2016 as compared to the prior period, primarily due to $35.6 million in additional gross profit as a result of revenue growth, partially offset by an increase in planned advertising spend.

Upload and Print

	Year Ended June 30,				
	2017	2016	2015	2017 vs. 2016	2016 vs. 2015
Reported Revenue	$ 588,613	$ 432,638	$ 197,075	36%	120%
Adjusted Net Operating Profit	63,833	58,643	23,511	9%	149%
% of revenue	*11%*	*14%*	*12%*		

Segment Revenue

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

For the year ended June 30, 2016, our reported revenue growth includes the addition of aggregate revenue of $205.4 million, from the businesses we acquired in fiscal 2016 and fiscal 2015 for quarters with no comparable revenue. The Upload and Print constant-currency revenue growth excluding revenue from businesses acquired in the past twelve months was 27% for the year ended June 30, 2016, due to continued strong performance from our Pixartprinting and Printdeal businesses, which we acquired in fiscal 2014.

Segment Profitability

The increase in adjusted net operating profit for the year ended June 30, 2017 as compared to the prior period is primarily due to our WIRmachenDRUCK business, which we acquired in fiscal 2016 and did not have a full comparable fiscal year, partially offset by a decline in the profitability of our Tradeprint business, as well as continued investments in oversight, technology, and marketing.

Upload and Print adjusted net operating profit increased for the year ended June 30, 2016, as compared to the prior period, primarily as a result of higher adjusted net operating profit of $21.4 million from the businesses we acquired during the fourth quarter of fiscal 2015 and fiscal 2016. In addition, both the Pixartprinting and Printdeal businesses have increased their contribution to adjusted net operating profit due to growth in revenue and improvements in gross margin.

National Pen

	Year Ended June 30,				
	2017	2016	2015	2017 vs. 2016	2016 vs. 2015
Reported Revenue	$ 112,712	n/a	n/a	n/a	n/a
Adjusted Net Operating Loss	(2,225)	n/a	n/a	n/a	n/a
% of revenue	*(2)%*	*n/a*	*n/a*		

Segment Revenue and Profitability

As we acquired National Pen on December 30, 2016 there are no comparative operating results presented. For the year ended June 30, 2017 reported revenue was $112.7 million and adjusted net operating loss was $2.2 million. As National Pen profitability has traditionally been highly seasonal, we expect the first and second quarters of our fiscal year to be its strongest for both revenue and profitability.

All Other Businesses

	Year Ended June 30,				
	2017	2016	2015	2017 vs. 2016	2016 vs. 2015
Reported Revenue	$ 128,795	$ 138,244	$ 147,425	(7)%	(6)%
Adjusted Net Operating Profit (Loss)	(30,747)	(8,924)	10,699	(245)%	183 %
% of revenue	*(24)%*	*(6)%*	*7%*		

Segment Revenue

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

Reported revenue was negatively affected by currency impacts during the year ended June 30, 2016 of 8%. The All Other business units constant-currency revenue growth of 2% for the year ended June 30, 2016 was primarily due to strong growth in our Most of World businesses, as well as the direct to consumer portion of our Albumprinter business partially offset by the decline in partner revenue in both our Corporate Solutions and Albumprinter businesses. The Most of World portfolio continued to grow faster than other parts of this segment, but is small relative to the size of the other components.

Segment Profitability

The decline in adjusted net operating profit for the year ended June 30, 2017 as compared to the prior period is primarily due to the reduction in partner related profits of $17.8 million, as well as increased investment in our Corporate Solutions and Most of World businesses, partially offset by growth in our Albumprinter business.

The All Other Businesses adjusted net operating profit decline for the year ended June 30, 2016 as compared to the prior period is due to continued investment in our Most of World portfolio and a decline in partner related profits of $5.7 million.

Liquidity and Capital Resources

Consolidated Statements of Cash Flows Data:

In thousands

	Year Ended June 30,		
	2017	2016	2015
Net cash provided by operating activities	$ 156,736	$ 247,358	$ 242,022
Net cash used in investing activities	(301,789)	(265,538)	(217,190)
Net cash provided by (used in) financing activities	104,578	(5,338)	25,166

At June 30, 2017, we had $37.7 million of cash and cash equivalents (inclusive of $12.0 million of cash classified as held for sale) and $882.6 million of outstanding debt, excluding debt issuance costs and debt discounts. The decline in cash and cash equivalent assets during the period, was primarily due to the implementation of a cash pooling program during fiscal 2017 for certain of our European bank accounts. We expect cash and cash equivalents and outstanding debt levels to fluctuate over time depending on our working capital needs, as well as our organic investment, share repurchase and acquisition activity. The cash flows during the year ended June 30, 2017 related primarily to the following items:

Cash inflows:

- Proceeds of debt of $196.9 million, net of payments
- Adjustments for non-cash items of $230.0 million primarily related to positive adjustments for depreciation and amortization of $158.4 million, share-based compensation costs of $48.6 million, the change of our contingent earn-out liability of $39.4 million, unrealized currency-related gains of $10.1 million, impairment of goodwill and acquired intangible assets of $9.6 million offset by negative adjustments for non-cash tax related items of $41.4 million
- Proceeds from the sale of available-for-sale securities of $6.3 million
- Proceeds from the issuance of ordinary shares from the exercise of share options of $6.2 million
- Proceeds from the sale of assets of $4.5 million
- Changes in working capital balances of $1.2 million primarily driven by an increase in accounts payable

Cash outflows:

- Net loss of $72.2 million
- Payments for acquisitions, net of cash acquired, of $204.9 million
- Capital expenditures of $74.2 million of which $36.0 million were related to the purchase of manufacturing and automation equipment for our production facilities, $12.9 million were related to the purchase of land, facilities and leasehold improvements, and $25.3 million were related to computer and office equipment
- Purchases of our ordinary shares of $50.0 million
- Internal costs for software and website development that we have capitalized of $37.3 million
- Purchase of noncontrolling interests of $20.2 million
- Payments for capital lease arrangements of $15.9 million
- Payments of withholding taxes in connection with share awards of $14.6 million

Additional Liquidity and Capital Resources Information. During the year ended June 30, 2017, we financed our operations and strategic investments through internally generated cash flows from operations and debt financing. As of June 30, 2017, a significant portion of our cash and cash equivalents was held by our subsidiaries, and undistributed earnings of our subsidiaries that are considered to be indefinitely reinvested were $27.4 million. We do not intend to repatriate these funds as the cash and cash equivalent balances are generally used and available, without legal restrictions, to fund ordinary business operations and investments of the respective subsidiaries. If there is a change in the future, the repatriation of undistributed earnings from certain subsidiaries, in the form of dividends or otherwise, could have tax consequences that could result in material cash outflows.

*Debt. O*n July 13, 2017, we executed an amendment to our senior secured credit facility that, among other things, expanded the total capacity to $1,045.0 million, which includes $745.0 million of revolving loans and $300.0 million of term loans. We expect to use our expanded credit facility to fund investments intended to support our long-term growth strategy. Refer to Note 10 for additional details.

As of June 30, 2017, we had aggregate loan commitments from our senior secured credit facility totaling $814.0 million. The loan commitments consisted of revolving loans of $690.0 million and the remaining term loans of $124.0 million. We have other financial obligations that constitute additional indebtedness based on the definitions within the credit facility. As of June 30, 2017, the amount available for borrowing under our senior secured credit facility was as follows:

In thousands

	June 30, 2017
Maximum aggregate available for borrowing	$ 814,000
Outstanding borrowings of senior secured credit facilities	(600,037)
Remaining amount	213,963
Limitations to borrowing due to debt covenants and other obligations (1)	(2,195)
Amount available for borrowing as of June 30, 2017 (2)	$ 211,768

(1) Our borrowing ability under our senior secured credit facility can be limited by our debt covenants each quarter. These covenants may limit our borrowing capacity depending on our leverage, other indebtedness, such as notes, capital leases, letters of credit, and any other debt, as well as other factors that are outlined in the credit agreement.

(2) The use of available borrowings for share purchases, dividend payments, or corporate acquisitions is subject to more restrictive covenants that can lower available borrowings for such purposes relative to the general availability described in the above table.

Debt Covenants. Our credit agreement contains financial and other covenants, including but not limited to the following:

(1) The credit agreement contains financial covenants calculated on a trailing twelve month, or TTM, basis that:

- our total leverage ratio, which is the ratio of our consolidated total indebtedness (*) to our TTM consolidated EBITDA (*), will not exceed 4.50 to 1.00.
- our senior secured leverage ratio, which is the ratio of our consolidated senior secured indebtedness (*) to our TTM consolidated EBITDA (*), will not exceed 3.25 to 1.00.
- our interest coverage ratio, which is the ratio of our consolidated EBITDA to our consolidated interest expense, will be at least 3.00 to 1.00.

(2) Purchases of our ordinary shares, payments of dividends, and corporate acquisitions and dispositions are subject to more restrictive consolidated leverage ratio thresholds than those listed above when calculated on a proforma basis in certain scenarios. Also, regardless of our leverage ratio, the credit agreement limits the amount of purchases of our ordinary shares, payments of dividends, corporate acquisitions and dispositions, investments in joint ventures or minority interests, and consolidated capital expenditures that we may make. These limitations can include annual limits that vary from year-to-year and aggregate limits over the term of the credit facility. Therefore, our ability to make desired investments may be limited during the term of our senior secured credit facility.

(3) The credit agreement also places limitations on additional indebtedness and liens that we may incur, as well as on certain intercompany activities.

(*) The definitions of EBITDA, consolidated total indebtedness, and consolidated senior secured indebtedness are maintained in our credit agreement included as an exhibit to our Form 8-K filed on February 13, 2013, as amended by amendments no. 1 and no. 2 to the credit agreement included as exhibits to our Forms 8-K filed on January 22, 2014 and September 25, 2014.

The indenture under which our 7.0% senior unsecured notes due 2022 are issued contains various covenants, including covenants that, subject to certain exceptions, limit our and our restricted subsidiaries' ability to incur and/or guarantee additional debt; pay dividends, repurchase shares or make certain other restricted payments; enter into agreements limiting dividends and certain other restricted payments; prepay, redeem or repurchase subordinated debt; grant liens on assets; enter into sale and leaseback transactions; merge, consolidate or transfer or dispose of substantially all of our consolidated assets; sell, transfer or otherwise dispose of property and assets; and engage in transactions with affiliates.

Our credit agreement and senior unsecured notes indenture also contain customary representations, warranties and events of default. As of June 30, 2017, we were in compliance with all financial and other covenants under the credit agreement and senior unsecured notes indenture.

Other debt. Other debt primarily consists of term loans acquired as part of our fiscal 2015 acquisition of Exagroup SAS. As of June 30, 2017 we had $7.5 million outstanding for other debt payable through September 2024.

Our expectations for fiscal year 2018. We believe that our available cash, cash flows generated from operations, and cash available under our committed debt financing will be sufficient to satisfy our liabilities and planned investments to support our long-term growth strategy for at least the next twelve months. We endeavor to invest large amounts of capital that we believe will generate returns that are above our weighted average cost of capital. We consider any use of cash that we expect to require more than 12 months to return our invested capital to be an allocation of capital. For fiscal 2018 we expect to allocate capital to the following broad categories and consider our capital to be fungible across all of these categories:

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

- Corporate acquisitions and similar investments
- Reduction of debt

Contractual Obligations

Contractual obligations at June 30, 2017 are as follows:

In thousands	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Operating leases, net of subleases	$ 50,143	$ 13,344	$ 18,339	$ 11,948	$ 6,512
Build-to-suit lease	109,248	12,569	25,138	25,138	46,403
Purchase commitments	29,697	29,697	—	—	—
Senior unsecured notes and interest payments	371,250	19,250	38,500	38,500	275,000
Other debt and interest payments	658,843	53,084	600,436	3,239	2,084
Capital leases	41,310	13,916	18,311	5,830	3,253
Other	64,584	59,827	4,757	—	—
Total (1)	$ 1,325,075	$ 201,687	$ 705,481	$ 84,655	$ 333,252

(1) We may be required to make cash outlays related to our uncertain tax positions. However, due to the uncertainty of the timing of future cash flows associated with our uncertain tax positions, we are unable to make reasonably reliable estimates of the period of cash settlement, if any, with the respective taxing authorities. Accordingly, uncertain tax positions of $5.4 million as of June 30, 2017 have been excluded from the contractual obligations table above. For further information on uncertain tax positions, see Note 13 to the accompanying consolidated financial statements.

Operating Leases. We rent office space under operating leases expiring on various dates through 2026. Future minimum rental payments required under our leases are an aggregate of approximately $50.1 million. The terms of certain lease agreements require security deposits in the form of bank guarantees and letters of credit in the amount of $3.8 million.

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

Purchase Commitments. At June 30, 2017, we had unrecorded commitments under contract of $29.7 million. Purchase commitments consisted of professional and consulting fees of approximately $5.7 million, commitments for production and computer equipment purchases of approximately $5.5 million, third-party web services of $5.0 million, commitments for advertising campaigns of $2.6 million, inventory purchase commitments of $2.4 million, and other unrecorded purchase commitments of $8.5 million.

Senior unsecured notes and interest payments. Our 7.0% senior unsecured notes due 2022 bear interest at a rate of 7.0% per annum and mature on April 1, 2022. Interest on the notes is payable semi-annually on April 1 and October 1 of each year and has been included in the table above.

Other debt and interest payments. At June 30, 2017, the term loans of $124.0 million outstanding under our credit agreement have repayments due on various dates through September 23, 2019, with the revolving loans outstanding of $476.0 million due on September 23, 2019. Interest payable included in this table is based on the interest rate as of June 30, 2017 and assumes all revolving loan amounts outstanding will not be paid until maturity, but that the term loan amortization payments will be made according to our defined schedule. Interest payable includes the estimated impact of our interest rate swap agreements. On July 13, 2017, we amended our credit agreement to, among other things, expand the total capacity and extend the term of our term loans and revolving loans. Refer to Note 10 for additional information.

In addition, we have term loan debt which consists primarily of debt assumed as part of certain of our fiscal 2015 acquisitions, and as of June 30, 2017 we had $7.5 million outstanding for those obligations that have repayments due on various dates through September 2024.

Capital leases. We lease certain machinery and plant equipment under capital lease agreements that expire at various dates through 2022. The aggregate carrying value of the leased equipment under capital leases included in property, plant and equipment, net in our consolidated balance sheet at June 30, 2017, is $40.8 million, net of accumulated depreciation of $26.6 million. The present value of lease installments not yet due included in other current liabilities and other liabilities in our consolidated balance sheet at June 30, 2017 amounts to $39.9 million.

Other Obligations. Other obligations includes the following:

- Earn-out liability related to the WIRmachenDRUCK acquisition of $44.0 million, payable at our option in cash or ordinary shares, based on the achievement of a cumulative gross margin target for calendar years 2016 and 2017.
- Loan arrangement with two Printi employees, which includes an initial draw on the loans in the amount of $12,000 during the first quarter of fiscal 2018. Refer to Note 15 for additional details.
- Deferred payments related to our fiscal 2015 and 2016 acquisitions of $2.1 million, in aggregate.
- Installment obligation of $6.5 million related to the fiscal 2012 intra-entity transfer of the intellectual property of our subsidiary Webs, Inc., which resulted in tax being paid over a 7.5 year term and has been classified as a deferred tax liability in our consolidated balance sheet as of June 30, 2017.

Non-GAAP Financial Measure

Adjusted net operating profit after tax (NOPAT) presented below is a supplemental measure of our performance that is not required by, or presented in accordance with, GAAP. This metric is the primary metric by which we measure our consolidated financial performance and is intended to supplement investors' understanding of our operating results. Adjusted NOPAT is defined as GAAP operating income excluding certain items such as acquisition-related amortization and depreciation, expense recognized for earn-out related charges, including the change in fair value of contingent consideration and compensation expense related to cash-based earn-out mechanisms dependent upon continued employment, share-based compensation related to investment consideration, certain impairment expense and restructuring charges. The interest expense associated with our Waltham lease, as well as realized gains (losses) on currency forward contracts that do not qualify for hedge accounting, are included in adjusted NOPAT.

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

The table below sets forth operating income and adjusted net operating profit after tax for each of the years ended June 30, 2017, 2016 and 2015:

	Year Ended June 30,		
	2017	2016	2015
GAAP operating (loss) income	$ (45,702)	$ 78,193	$ 96,324
Less: Cash taxes attributable to current year (see below)	(31,104)	(32,236)	(24,986)
Exclude expense (benefit) impact of:			
Acquisition-related amortization and depreciation	46,402	40,834	24,264
Earn-out related charges (1)	40,384	6,378	15,275
Share-based compensation related to investment consideration	9,638	4,835	3,570
Certain impairments (2)	9,556	41,820	—
Restructuring related charges	26,700	381	3,202
Less: Interest expense associated with Waltham lease	(7,727)	(6,287)	—
Include: Realized gains on currency derivatives not included in operating income	16,474	5,863	7,450
Adjusted NOPAT (3)	$ 64,621	$ 139,781	$ 125,099
Cash taxes paid in the current period (4)(5)	$ 49,342	$ 19,750	$ 14,284
Less: cash taxes paid and related to prior periods (4)	(10,319)	934	(5,477)
Plus: cash taxes attributable to the current period but not yet (received) paid	(5,650)	9,298	6,667
Plus: cash impact of excess tax benefit on equity awards attributable to current period	8,003	5,574	12,932
Less: cash tax (paid) received related to NOPAT exclusion items	(681)	—	—
Less: installment payment related to the transfer of intellectual property	(9,591)	(3,320)	(3,420)
Cash taxes attributable to current period	$ 31,104	$ 32,236	$ 24,986

(1) Includes expense recognized for the change in fair value of contingent consideration and compensation expense related to cash-based earn-out mechanisms dependent upon continued employment.
(2) Includes the impact of certain impairments of goodwill and other long-lived assets as defined by ASC 350 - "Intangibles - Goodwill and Other".
(3) Adjusted NOPAT will include the impact of discontinued operations as defined by ASC 205-20 in periods in which they occur.
(4) For the fiscal year ended June 30, 2016, cash taxes paid in the current period includes a cash tax refund of $8,479, which is subsequently eliminated from cash taxes attributable to the current period as it relates to a refund of a prior years' taxes generated as a result of a prior year excess share-based compensation deduction. Therefore, the impact is not included in adjusted NOPAT for the current period.
(5) Overall cash taxes paid were higher in fiscal year 2017 as compared to fiscal year 2016 due to a.) the aforementioned cash tax refund received in fiscal year 2016, b.) increased prior year tax payments made in fiscal year 2017 primarily related to our Upload and Print businesses, and c.) one-time tax costs associated with National Pen post-acquisition restructuring.

Critical Accounting Policies and Estimates

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

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

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

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

Starting in fiscal 2017, we primarily issued performance share units, or PSUs, which are estimated at fair value on the date of grant, which is fixed throughout the vesting period. The fair value is determined using a Monte Carlo simulation valuation model. As the PSUs include both a service and market condition the related expense is recognized using the accelerated expense attribution method over the requisite service period for each separately vesting portion of the award. For PSUs that meet the service vesting condition, the expense recognized over the requisite service period will not be reversed if the market condition is not achieved.

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

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

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

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

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

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

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

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

During fiscal 2017, we adopted the new goodwill accounting standard, which changes how we test goodwill for impairment by eliminating step two from the goodwill impairment test. We are now required to compare the fair value of the reporting unit with its carrying value and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value.

We had a change in the composition of our Tradeprint reporting unit during our third quarter of fiscal 2017. This change, when combined with an updated profit outlook that was lower than originally forecasted as of the acquisition date, indicated that it is more likely than not that the fair value of the reporting unit is below the carrying amount. As a result, we performed the required testing which led to our recognition of a full goodwill impairment charge of $6.3 million associated with our Tradeprint reporting unit. Since our third quarter analysis, there have been no indications that additional impairment exists in any of our reporting units as of June 30, 2017.

We also performed a recoverability test of Tradeprint's long-lived assets and recognized an additional impairment charge of $3.3 million, relating to its acquired intangible assets. We are required to evaluate the estimated useful lives and recoverability of definite lived long-lived assets (for example, customer relationships, developed technology, property, and equipment) on an ongoing basis when indicators of impairment are present. For purposes of the recoverability test, long-lived assets are grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. The test for recoverability compares the undiscounted future cash flows of the long-lived asset group to its carrying value. If the carrying values of the long-lived asset group exceed the undiscounted future cash flows, the assets are considered to be potentially impaired. The next step in the impairment measurement process is to determine the fair value of the individual net assets within the long-lived asset group. If the aggregate fair values of the individual net assets of the group are less than the carrying values, an impairment charge is recorded equal to the excess of the aggregate carrying value of the group over the aggregate fair value. The loss is allocated to each long-lived asset within the group based on their relative carrying values, with no asset reduced below its fair value. The identification and evaluation of a potential impairment requires judgment and is subject to change if events or circumstances pertaining to our business change.

Recently Issued or Adopted Accounting Pronouncements

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

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

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

As of June 30, 2017, our cash and cash equivalents consisted of standard depository accounts which are held for working capital purposes. We do not believe we have a material exposure to interest rate fluctuations related to our cash and cash equivalents.

As of June 30, 2017, we had $600.0 million of variable rate debt and $6.5 million of variable rate installment obligation related to the fiscal 2012 intra-entity transfer of Webs' intellectual property. As a result, we have exposure to market risk for changes in interest rates related to these obligations. In order to mitigate our exposure to interest rate changes related to our variable rate debt, we execute interest rate swap contracts to fix the interest rate on a portion of our outstanding long-term debt with varying maturities. As of June 30, 2017, a hypothetical 100 basis point increase in rates, inclusive of our outstanding interest rate swaps, would result in an increase of interest expense of approximately $5.4 million over the next 12 months.

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

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

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

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

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

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

- *Remeasurement of monetary assets and liabilities:* Transaction gains and losses generated from remeasurement of monetary assets and liabilities denominated in currencies other than the functional currency of a subsidiary are included in other income, net on the consolidated statements of operations. Certain of our subsidiaries hold intercompany loans denominated in a currency other than their functional currency. Due to the significance of these balances, the revaluation of intercompany loans can have a material impact on other income, net. We expect these impacts may be volatile in the future, although our largest intercompany loans do not have a U.S. dollar cash impact for the consolidated group because they are either 1) U.S. dollar loans or 2) we elect to hedge certain non-U.S. dollar loans with cross currency swaps. A hypothetical 10% change in currency exchange rates was applied to total net monetary assets denominated in currencies other than the functional currencies at the balance sheet dates to compute the impact these changes would have had on our income before taxes in the near term. The balances are inclusive of the notional value of any cross currency swaps designated as cash flow hedges. A hypothetical decrease in exchange rates of 10% against the functional currency of our subsidiaries would have resulted in an increase of $61.3 million, $21.3 million, and $18.8 million on our income before taxes for the years ended June 30, 2017, 2016 and 2015, respectively.

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

CIMPRESS N.V.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, comprehensive (loss) income, shareholders' equity and cash flows present fairly, in all material respects, the financial position of Cimpress N.V. and its subsidiaries as of June 30, 2017 and June 30, 2016, and the results of their operations and their cash flows for each of the three years in the period ended June 30, 2017 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 30, 2017 based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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

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

As described in Management's Report on Internal Control over Financial Reporting appearing under Item 9A, management has excluded National Pen from its assessment of internal control over financial reporting as of June 30, 2017, because it was acquired by the Company in a purchase business combination during fiscal 2017. We have also excluded National Pen from our audit of internal control over financial reporting. National Pen is a wholly-owned subsidiary whose total assets and total revenues excluded from management's assessment and our audit of internal control over financial reporting represent $91.3 million and $112.7 million, respectively, of the related consolidated financial statement amounts as of and for the year ended June 30, 2017.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
August 11, 2017

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

	June 30, 2017	June 30, 2016
Assets		
Current assets:		
Cash and cash equivalents	$ 25,697	$ 77,426
Marketable securities	—	7,893
Accounts receivable, net of allowances of $3,590 and $490, respectively	48,630	32,327
Inventory	46,563	18,125
Prepaid expenses and other current assets	78,835	64,997
Assets held for sale	46,276	—
Total current assets	246,001	200,768
Property, plant and equipment, net	511,947	493,163
Software and web site development costs, net	48,470	35,212
Deferred tax assets	48,004	26,093
Goodwill	514,963	466,005
Intangible assets, net	275,924	216,970
Other assets	34,560	25,658
Total assets	$ 1,679,869	$ 1,463,869
Liabilities, noncontrolling interests and shareholders' equity		
Current liabilities:		
Accounts payable	$ 127,386	$ 86,682
Accrued expenses	175,567	178,987
Deferred revenue	30,372	25,842
Short-term debt	28,926	21,717
Other current liabilities	78,435	22,635
Liabilities held for sale	8,797	—
Total current liabilities	449,483	335,863
Deferred tax liabilities	60,743	69,430
Lease financing obligation	106,606	110,232
Long-term debt	847,730	656,794
Other liabilities	94,683	60,173
Total liabilities	1,559,245	1,232,492
Commitments and contingencies (Note 17)		
Redeemable noncontrolling interests	45,412	65,301
Shareholders' equity:		
Preferred shares, par value €0.01 per share, 100,000,000 shares authorized; none issued and outstanding	—	—
Ordinary shares, par value €0.01 per share, 100,000,000 shares authorized; 44,080,627 shares issued; and 31,415,503 and 31,536,732 shares outstanding, respectively	615	615
Treasury shares, at cost,12,665,124 and 12,543,895 shares, respectively	(588,365)	(548,549)
Additional paid-in capital	361,376	335,192
Retained earnings	414,771	486,482
Accumulated other comprehensive loss	(113,398)	(108,015)
Total shareholders' equity attributable to Cimpress N.V.	74,999	165,725
Noncontrolling interests (Note 14)	213	351
Total shareholders' equity	75,212	166,076
Total liabilities, noncontrolling interests and shareholders' equity	$ 1,679,869	$ 1,463,869

See accompanying notes.

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

	Year Ended June 30,		
	2017	2016	2015
Revenue	$ 2,135,405	$ 1,788,044	$ 1,494,206
Cost of revenue (1)	1,036,975	773,640	568,572
Technology and development expense (1)	243,230	210,080	186,770
Marketing and selling expense (1)	610,932	508,502	472,079
General and administrative expense (1)	207,569	145,844	142,996
Amortization of acquired intangible assets	46,145	40,563	24,263
Restructuring expense (1)	26,700	381	3,202
Impairment of goodwill and acquired intangible assets	9,556	30,841	—
(Loss) income from operations	(45,702)	78,193	96,324
Other income, net	10,362	26,098	20,134
Interest expense, net	(43,977)	(38,196)	(16,705)
(Loss) income before income taxes	(79,317)	66,095	99,753
Income tax (benefit) provision	(7,118)	15,684	10,441
Net (loss) income	(72,199)	50,411	89,312
Add: Net loss attributable to noncontrolling interest	488	3,938	2,900
Net (loss) income attributable to Cimpress N.V.	$ (71,711)	$ 54,349	$ 92,212
Basic net (loss) income per share attributable to Cimpress N.V.	$ (2.29)	$ 1.72	$ 2.82
Diluted net (loss) income per share attributable to Cimpress N.V.	$ (2.29)	$ 1.64	$ 2.73
Weighted average shares outstanding — basic	31,291,581	31,656,234	32,644,870
Weighted average shares outstanding — diluted	31,291,581	33,049,454	33,816,498

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

	Year Ended June 30,		
	2017	2016	2015
Cost of revenue	$ 289	$ 72	$ 78
Technology and development expense	8,724	5,892	4,139
Marketing and selling expense	4,857	1,591	1,952
General and administrative expense	28,500	16,273	17,906
Restructuring expense	6,257	—	—

See accompanying notes.

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

	Year Ended June 30,		
	2017	2016	2015
Net (loss) income	$ (72,199)	$ 50,411	$ 89,312
Other comprehensive (loss) income, net of tax:			
Foreign currency translation losses, net of hedges	(4,681)	(7,537)	(93,627)
Net unrealized losses on derivative instruments designated and qualifying as cash flow hedges	(1,297)	(2,504)	(1,417)
Amounts reclassified from accumulated other comprehensive loss to net (loss) income on derivative instruments	1,369	1,587	815
Unrealized (loss) gain on available-for-sale-securities	(5,756)	517	(6,275)
Amounts reclassified from accumulated other comprehensive loss to net (loss) income for realized gains on available-for-sale securities	2,268	—	—
Gain on pension benefit obligation, net	2,194	561	(388)
Comprehensive (loss) income	(78,102)	43,035	(11,580)
Add: Comprehensive loss attributable to noncontrolling interests	1,008	2,208	2,770
Total comprehensive (loss) income attributable to Cimpress N.V.	$ (77,094)	$ 45,243	$ (8,810)

See accompanying notes.

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

	Ordinary Shares		Treasury Shares					
	Number of Shares Issued	Amount	Number of Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance at June 30, 2014	44,080	$ 615	(11,751)	$(423,101)	$ 309,990	$ 342,840	$ 2,113	$ 232,457
Issuance of ordinary shares due to share option exercises, net of shares withheld for taxes			672	6,689	(16,468)			(9,779)
Restricted share units vested, net of shares withheld for taxes			201	4,280	(10,728)			(6,448)
Excess tax benefits from share-based compensation					20,763			20,763
Share-based compensation expense					20,724			20,724
Net income attributable to Cimpress N.V.						92,212		92,212
Net unrealized loss on derivative instruments designated and qualifying as cash flow hedges							(602)	(602)
Unrealized gain on marketable securities							(6,275)	(6,275)
Foreign currency translation, net of hedges							(93,757)	(93,757)
Unrealized loss on pension benefit obligation, net of tax							(388)	(388)
Balance at June 30, 2015	44,080	$ 615	(10,878)	$(412,132)	$ 324,281	$ 435,052	$ (98,909)	$ 248,907
Cumulative effect adjustment related to adoption of share-based compensation standard (ASU 2016-09)					546	2,000		2,546
Issuance of ordinary shares due to share option exercises, net of shares withheld for taxes			120	5,199	(493)			4,706
Issuance of ordinary shares in conjunction with WIRmachenDRUCK acquisition			112	4,900	3,910			8,810
Restricted share units vested, net of shares withheld for taxes			180	3,857	(11,326)			(7,469)
Grant of restricted share awards			82	3,094	(3,094)			—
Share-based compensation expense					21,368			21,368
Purchase of ordinary shares			(2,160)	(153,467)				(153,467)
Redeemable noncontrolling interest accretion to redemption value						(4,919)		(4,919)
Net income attributable to Cimpress N.V.						54,349		54,349
Net unrealized loss on derivative instruments designated and qualifying as cash flow hedges							(917)	(917)
Unrealized gain on marketable securities							517	517
Foreign currency translation, net of hedges							(9,267)	(9,267)
Unrealized gain on pension benefit obligation, net of tax							561	561
Balance at June 30, 2016	44,080	$ 615	(12,544)	$(548,549)	$ 335,192	$ 486,482	$ (108,015)	$ 165,725
Issuance of ordinary shares due to share option exercises, net of shares withheld for taxes			319	6,949	(3,455)			3,494
Restricted share units vested, net of shares withheld for taxes			154	3,243	(10,576)			(7,333)
Share-based compensation expense					43,504			43,504
Purchase of ordinary shares			(594)	(50,008)				(50,008)
Net loss attributable to Cimpress N.V.						(71,711)		(71,711)
Redeemable noncontrolling interest accretion to redemption value					68			68

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

Reclassification of mandatorily redeemable noncontrolling interest					(3,357)			(3,357)
Net unrealized gain on derivative instruments designated and qualifying as cash flow hedges							72	72
Unrealized loss on marketable securities							(5,756)	(5,756)
Realized gain on sale of marketable securities							2,268	2,268
Foreign currency translation, net of hedges							(4,161)	(4,161)
Unrealized gain on pension benefit obligation, net of tax							2,194	2,194
Balance at June 30, 2017	44,080	$ 615	(12,665)	$(588,365)	$ 361,376	$ 414,771	$ (113,398)	$ 74,999

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

	Year Ended June 30,		
	2017	2016	2015
Operating activities			
Net (loss) income	$ (72,199)	$ 50,411	$ 89,312
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation and amortization	158,400	131,918	97,500
Impairment of goodwill and acquired intangible assets	9,556	30,841	—
Share-based compensation expense	48,627	23,772	24,075
Deferred taxes	(41,358)	(15,922)	(14,940)
Abandonment of long-lived assets	2,408	10,979	—
Change in contingent earn-out liability	39,377	—	14,890
Gain on sale of available-for-sale securities	(2,268)	—	—
Unrealized loss (gain) on derivatives not designated as hedging instruments included in net (loss) income	15,813	(8,163)	(1,868)
Payments of contingent consideration in excess of acquisition date fair value	—	(8,613)	(8,055)
Effect of exchange rate changes on monetary assets and liabilities denominated in non-functional currency	(5,690)	(9,199)	(6,455)
Other non-cash items	2,886	5,784	4,130
Gain on proceeds from insurance	—	(3,136)	—
Changes in operating assets and liabilities:			
Accounts receivable	4,701	6,766	2,057
Inventory	(8,699)	(11)	(4,491)
Prepaid expenses and other assets	521	(7,668)	8,597
Accounts payable	25,332	25,670	(4,026)
Accrued expenses and other liabilities	(20,671)	13,929	41,296
Net cash provided by operating activities	156,736	247,358	242,022
Investing activities			
Purchases of property, plant and equipment	(74,157)	(80,435)	(75,813)
Business acquisitions, net of cash acquired	(204,875)	(164,412)	(123,804)
Purchases of intangible assets	(197)	(476)	(250)
Capitalization of software and website development costs	(37,307)	(26,324)	(17,323)
Proceeds from sale of available-for-sale securities	6,346	—	—
Proceeds from the sale of assets	4,513	—	—
Proceeds from insurance related to investing activities	—	3,624	—
Other investing activities	3,888	2,485	—
Net cash used in investing activities	(301,789)	(265,538)	(217,190)
Financing activities			
Proceeds from borrowings of debt	737,075	598,008	367,500
Proceeds from issuance of senior notes	—	—	275,000
Payments of debt and debt issuance costs	(540,142)	(430,692)	(588,293)
Payments of purchase consideration included in acquisition-date fair value	(539)	(7,330)	(11,105)
Payments of withholding taxes in connection with equity awards	(14,568)	(7,467)	(29,351)
Payments of capital lease obligations	(15,887)	(13,933)	(5,750)

See accompanying notes.

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

	Year Ended June 30,		
	2017	2016	2015
Financing activities (continued)			
Purchase of ordinary shares	(50,008)	(153,467)	—
Purchase of noncontrolling interests	(20,230)	—	—
Proceeds from issuance of ordinary shares	6,192	4,705	13,123
Capital contribution from noncontrolling interest	1,404	5,141	4,160
Other financing activities	1,281	(303)	(118)
Net cash provided by (used in) financing activities	104,578	(5,338)	25,166
Effect of exchange rate changes on cash	788	(2,640)	(8,922)
Increase in cash held for sale	12,042	—	—
Net decrease in cash and cash equivalents	(51,729)	(26,158)	41,076
Cash and cash equivalents at beginning of period	77,426	103,584	62,508
Cash and cash equivalents at end of period	$ 25,697	$ 77,426	103,584
Supplemental disclosures of cash flow information:			
Cash paid during the period for:			
Interest	$ 45,275	$ 37,623	$ 8,520
Income taxes	49,342	19,750	14,284
Non-cash investing and financing activities:			
Capitalization of construction costs related to financing lease obligation	$ —	$ 19,264	$ 86,198
Property and equipment acquired under capital leases	14,422	7,535	13,194
Amounts accrued related to business acquisitions	46,124	5,868	20,122

See accompanying notes.

CIMPRESS N.V.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended June 30, 2017, 2016 and 2015
(in thousands, except share and per share data)

1. Description of the Business

We are a technology driven company that aggregates, largely via the internet, large volumes of small, individually customized orders for a broad spectrum of print, signage, apparel and similar products. We operate in a largely decentralized manner. Our businesses, discussed in more detail below, fulfill orders with manufacturing capabilities that include Cimpress owned and operated manufacturing facilities and a network of third-party fulfillers to create customized products on-demand. Those businesses bring their products to market through a portfolio of customer-focused brands serving the needs of micro, small and medium sized businesses, resellers and consumers. These brands include Vistaprint, our global brand for micro business marketing products and services, as well as brands that we have acquired that serve the needs of various market segments, including resellers, micro, small and medium sized businesses with differentiated service needs, and consumers purchasing products for themselves and their families.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements include the accounts of Cimpress N.V., its wholly owned subsidiaries, entities in which we maintain a controlling financial interest, and those entities in which we have a variable interest and are the primary beneficiary. Intercompany balances and transactions have been eliminated. Investments in entities in which we can exercise significant influence, but do not own a majority equity interest or otherwise control, are accounted for using the equity method and are included as investments in equity interests on the consolidated balance sheets.

Changes in Presentation of Financial Statements

During fiscal 2017 we changed the presentation of amortization expense for acquired intangible assets. The expense was previously classified within each of the respective expense lines of our consolidated statement of operations and now is presented as a separate financial statement line item, "Amortization of acquired intangible assets." Prior period results have been recast to reflect this change.

In addition, given the significance of our current fiscal year restructuring charges we are presenting these expenses as a separate financial statement line item, "Restructuring expense", in our consolidated statement of operations. Restructuring expense includes costs associated with restructuring initiatives, including one-time and contractual termination benefits, share-based compensation, consulting or legal fees directly related to the restructuring initiative, costs associated with facility-related exit activities, and other related charges. Prior period results have been recast to reflect this change.

Assets and Liabilities Held for Sale

We classify assets and liabilities (disposal groups) to be sold as held for sale in the period in which all of the following criteria are met: management, having the authority to approve the action, commits to a plan to sell the disposal group; the disposal group is being actively marketed for sale at a price that is reasonable in relation to the current fair value; the disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such disposal groups; an active program to locate a buyer and other actions required to complete the plan to sell the disposal group have been initiated; the sale of the disposal group is probable, and the sale is expected to be complete within one year. We measure a disposal group that is classified as held for sale at the lower of its carrying value or fair value less any costs to sell. Any loss resulting from this measurement is recognized in the period in which the held for sale criteria are met.

During the fourth quarter of fiscal 2017, we met the held-for-sale criteria for our planned sale of our Albumprinter business, which is part of our All Other Businesses reportable segment. As of June 30, 2017, we have presented the Albumprinter disposal group as held for sale, resulting in the classification of all related assets and liabilities as held for sale in our consolidated balance sheet as follows:

		June 30, 2017
Cash and cash equivalents	$	12,042
Accounts receivable, net		783
Inventory		498
Prepaid and other current assets		1,759
Software and web site development costs, net		2,702
Property, plant and equipment, net		9,735
Goodwill		13,540
Intangible assets, net		4,632
Other non-current assets		585
Total assets held for sale	$	46,276
Accounts payable	$	3,052
Accrued expenses		4,480
Deferred revenue		562
Deferred tax liabilities		703
Total liabilities held for sale	$	8,797

On July 21, 2017 we entered into a definitive agreement to sell our Albumprinter business and we expect cash proceeds of approximately €92,000 prior to any fees and pre-closing dividends, subject to customary closing conditions. We expect the sale to be completed during the first quarter of fiscal 2018. For the year ended June 30, 2017, we did not recognize an adjustment when measuring the assets and liabilities at the lower of it carrying value or fair value.

Use of Estimates

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

Cash and Cash Equivalents

We consider all highly liquid investments purchased with an original maturity of three months or less to be the equivalent of cash for the purpose of balance sheet and statement of cash flows presentation. Cash equivalents consist of depository accounts and money market funds. Cash and cash equivalents restricted for use were $520 and $409 as of June 30, 2017 and 2016, respectively, and are included in other assets in the accompanying consolidated balance sheets.

Marketable Securities

We determine the appropriate classification of marketable securities at the date of purchase and reevaluate the classification at each balance sheet date. Our marketable securities are classified as "available-for-sale" and carried at fair value, with the unrealized gains and losses, net of taxes if applicable, reported as a separate component of accumulated other comprehensive (loss) income. On December 22, 2016, we sold all of our Plaza Create Co. Ltd. common shares, which were classified as held for sale. We recognized a net gain of $2,268 as part of other income, net on our statement of operations for the year ended June 30, 2017. We did not sell marketable securities during the years ended June 30, 2016 or 2015.

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Accounts Receivable

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

Inventories

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

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and amortization. Additions and improvements that substantially extend the useful life of a particular asset are capitalized while repairs and maintenance costs are expensed as incurred. Assets that qualify for the capitalization of interest cost during their construction period are evaluated on a per project basis and, if material, the costs are capitalized. No interest costs associated with our construction projects were capitalized in fiscal 2017 or 2016 as the amounts were not material. Depreciation of plant and equipment is recorded on a straight-line basis over the estimated useful lives of the assets.

Software and Web Site Development Costs

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

Amortization of previously capitalized amounts in the years ended June 30, 2017, 2016 and 2015 was $24,571, $14,355 and $8,666, respectively, resulting in accumulated amortization of $59,554 and $34,737 at June 30, 2017 and 2016, respectively.

Leases

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

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

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

Insurance Recoveries

Insurance proceeds related to incurred losses are recognized when recovery is probable, while business interruption recoveries follow the gain contingency model and are recognized when realized or realizable and earned. During the year ended June 30, 2017, we experienced a flood at our Windsor, Canada production facility, resulting in the receipt of insurance proceeds of $829, consisting of $298 related to business interruption losses. The cash received related to business interruption loses was allocated between cost of goods sold and other income based on their relative percentage of business interruption losses, which equated to $141 and $157, respectively. As of June 30, 2017, this insurance claim is closed, and we do not anticipate any additional recoveries relating to this claim.

During the year ended June 30, 2016, we received $11,943 in cash for payments from an insurance settlement related to a fire that occurred at our Venlo, Netherlands production facility. The insurance proceeds were used to offset incurred losses, including the write-off of the net book value of damaged machinery, equipment and inventory and property-related cleanup costs, as well as claim preparation costs. We also received insurance proceeds for business interruption losses for increased shipping and outsourcing costs recognized as a reduction to cost of revenue and lost profits recognized as a gain within other income, net. We recognized $7,996 as a reduction of expenses, including $2,634 relating to business interruption recoveries recognized as a reduction to cost of revenue. We recognized a net gain of $3,947 as a component of other income, net in our consolidated statement of operations, including $811 for business interruption lost profits, with the remainder related the recovery of the replacement value of damaged machinery and equipment in excess of carrying value. This insurance claim is closed.

Intangible Assets

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

We record acquired intangible assets at fair value on the date of acquisition and amortize such assets using the straight-line method over the expected useful life of the asset, unless another amortization method is deemed to be more appropriate. We evaluate the remaining useful life of intangible assets on a periodic basis to determine whether events and circumstances warrant a revision to the remaining useful life. If the estimate of an intangible asset’s remaining useful life is changed, we amortize the remaining carrying value of the intangible asset prospectively over the revised remaining useful life.

Long-Lived Assets

Long-lived assets with a finite life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets might not be recoverable. Conditions that would necessitate an impairment assessment include a significant decline in the observable market value of an asset, a significant change in the extent or manner in which an asset is used, or any other significant adverse change that would indicate that the carrying amount of an asset or group of assets may not be recoverable. During the year ended June 30, 2017, we recognized a partial impairment charge for the acquired intangible assets of our Tradeprint reporting unit of $3,211. Refer to Note 8 for additional information.

During the years ended June 30, 2017 and 2016 we committed to plans to abandon certain manufacturing equipment and recognized a loss of $2,408 and $10,979, respectively. The related loss during the year ended June 30, 2017 was recognized in cost of revenue, technology and development expense, and restructuring expense for $1,119, $678, and $611, respectively, while the entire loss for the previous year was allocated to cost of revenue. We did not recognize any abandonment charges during the fiscal year ended June 30, 2015.

Business Combinations

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

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

Goodwill

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

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

For our annual impairment test as of May 31, 2017, we evaluated each of our eleven reporting units with goodwill individually. We considered the timing of our most recent fair value assessment and associated headroom, the actual operating results as compared to the cash flow forecasts used those fair value assessments, the current long-term forecasts for each reporting unit, and the general market and economic environment of each reporting unit. We performed a qualitative assessment for nine of our reporting units and determined that there was no indication that the carrying value of any of these reporting units exceeds its fair value. We also performed a quantitative analysis for two of our reporting units during this testing cycle in order to gain additional assurance there was no impairment related to its goodwill. There have been no indications of impairment that would require an impairment test as of June 30, 2017.

Debt Issuance Costs

Expenses associated with the issuance of debt instruments are capitalized and are amortized over the terms of the respective financing arrangement using the effective interest method, or on a straight-line basis through the maturity date for our revolving credit facility. During the years ended June 30, 2017 and 2016, we capitalized debt issuance costs related to our senior secured credit facility and senior unsecured notes of $229 and $151, respectively. Amortization and write-off of these costs is included in interest expense, net in the consolidated statements of operations and amounted to $1,578, $1,588, and $1,272, for the years ended June 30, 2017, 2016 and 2015, respectively. Unamortized debt issuance costs were $5,661 and $7,010 as of June 30, 2017 and 2016, respectively. When we make changes to our financing arrangements, we re-evaluate the capitalization of these costs which could result in the immediate recognition of any unamortized debt issuance costs in our statement of operations.

Derivative Financial Instruments

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

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

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

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

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

Mandatorily Redeemable Noncontrolling Interest

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

Shareholders' Equity

Comprehensive (loss) Income

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

Treasury Shares

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

Revenue Recognition

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

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

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

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

Restructuring

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

Advertising Expense

Our advertising costs are primarily expensed as incurred and included in marketing and selling expense. We capitalize direct response advertising, which consists of customized product sample mailings, and amortize over the expected future revenue stream. Amortization of capitalized advertising costs is determined using historical revenue data. The capitalized costs of direct response advertising are amortized, commencing with the date the product samples are mailed. Capitalized direct response advertising costs included in prepaid expenses and other current assets as of June 30, 2017 was $4,861. These capitalized costs relate to direct response marketing initiatives of our National Pen business. No costs were capitalized in the prior comparative period, as National Pen was acquired in fiscal 2017. Advertising expense for the years ended June 30, 2017, 2016 and 2015 was

$363,936, $305,701, and $286,132, respectively, which consisted of external costs related to customer acquisition and retention marketing campaigns.

Research and Development Expense

Research and development costs are expensed as incurred and included in technology and development expense. Research and development expense for the years ended June 30, 2017, 2016 and 2015 was $51,811, $35,449, and $30,849, respectively, which consisted of costs related to enhancing our manufacturing engineering and technology capabilities.

Income Taxes

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

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

Foreign Currency Translation

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

Other income, net

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

	Year Ended June 30,		
	2017	2016	2015
Gains on derivatives not designated as hedging instruments (1)	$ 936	$ 14,026	$ 9,317
Currency-related gains, net (2)	5,577	6,864	10,245
Other gains (3)	3,849	5,208	572
Total other income, net	$ 10,362	$ 26,098	$ 20,134

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

(2) We have significant non-functional currency intercompany financing relationships subject to currency exchange rate volatility and the net currency-related gains for the years ended June 30, 2017, 2016 and 2015 are primarily driven by this intercompany activity. In addition, we have certain cross-currency swaps designated as cash flow hedges, which hedge against the remeasurement of certain intercompany loans, both presented in the same component above. Includes unrealized losses of $3,737 and $1,991 for the years ended June 30, 2017 and 2016, respectively, related to cross currency swaps designated as cash-flow hedges. We did not have any cross currency swap activity designated as cash flow hedges during fiscal 2015.

(3) The gain recognized during the year ended June 30, 2017, primarily relates to the gain on the sale of Plaza Create Co. Ltd. available-for-sale securities of $2,268. During the year ended June 30, 2016, other gains were primarily related to insurance recoveries of $3,947.

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

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

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

	Year Ended June 30,		
	2017	2016	2015
Weighted average shares outstanding, basic	31,291,581	31,656,234	32,644,870
Weighted average shares issuable upon exercise/vesting of outstanding share options/RSUs/RSAs (1)	—	1,393,220	1,171,628
Shares used in computing diluted net (loss) income per share attributable to Cimpress N.V.	31,291,581	33,049,454	33,816,498
Weighted average anti-dilutive shares excluded from diluted net (loss) income per share attributable to Cimpress N.V.	21,978	35,725	289,356

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

Compensation Expense

Share-Based Compensation

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

During the first quarter of fiscal 2017, we began granting performance share units, or PSUs, associated with our new long-term incentive program. Compensation expense for our PSUs is estimated at fair value on the date of grant, which is fixed throughout the vesting period. The fair value is determined using a Monte Carlo simulation valuation model. As the PSUs include both a service and market condition the related expense is recognized using the accelerated expense attribution method over the requisite service period for each separately vesting portion of the award. For PSUs that meet the service vesting condition, the expense recognized over the requisite service period will not be reversed if the market condition is not achieved.

Sabbatical Leave

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

Concentrations of Credit Risk

We monitor the creditworthiness of our customers to which we grant credit terms in the normal course of business. We do not have any customers that accounted for greater than 10% of our accounts receivable as of June 30, 2017 and 2016. We do not have any customers that accounted for greater than 10% of our revenue for the years ended June 30, 2017, 2016 and 2015.

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

Waltham Lease Arrangement

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

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

Property, plant and equipment, net, included $116,045 and $120,168 as of June 30, 2017 and June 30, 2016, respectively, related to the building. The financing lease obligation and deferred rent credit related to the building on our consolidated balance sheets was $119,176 and $122,801 as of June 30, 2017 and June 30, 2016, respectively.

Recently Issued or Adopted Accounting Pronouncements

New Accounting Standards Adopted

In January 2017, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update No. 2017-04, "Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment," (ASU 2017-04), which changes how an entity is required to test for goodwill impairment by eliminating Step 2 from the goodwill impairment test. We are now required to compare the fair value of a reporting unit with its carrying value and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. The new standard is effective for us on July 1, 2020. We elected to early adopt this standard effective for the third quarter of fiscal 2017. We applied the new standard when performing the goodwill impairment test discussed in Note 8.

In July 2015, the FASB issued Accounting Standards Update No. 2015-11,"Simplifying the Measurement of Inventory" (ASU 2015-11), which requires an entity to measure inventory at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The new standard is effective for us on July 1, 2017 and will be applied prospectively as of the interim or annual period of adoption. We elected to early adopt the new standard effective for the fourth quarter of fiscal 2017. The application of the new standard did not have a material impact on our consolidated financial statements.

In August 2016, the FASB issued Accounting Standards Update No. 2016-15, “Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments” (ASU 2016-15), which reduces the existing diversity in practice related to the presentation of the statement cash flows under Topic 230, Statement of Cash Flows, and other Topics. The new standard is effective for us on July 1, 2018, and early adoption is permitted. We elected to adopt this new guidance effective for the first quarter of fiscal 2017, and we have applied the changes retrospectively to all periods presented. Our prior period classification of contingent consideration payments and proceeds from the settlement of insurance aligns with the requirements of this new standard and did not require adjustments to the prior period presented.

In September 2015, the FASB issued Accounting Standards Update No. 2015-16,"Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments," (ASU 2015-16) which requires that an acquirer recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. We adopted this new standard during the first quarter of fiscal 2017. The adoption of this standard did not have a material effect on our consolidated financial statements.

In February 2015, the FASB issued Accounting Standards Update No. 2015-02,"Consolidation (Topic 810): Amendments to the Consolidation Analysis," (ASU 2015-02) which places more emphasis in the consolidation evaluation on variable interests other than fee arrangements such as principal investment risk (for example, debt or equity interests), guarantees of the value of the assets or liabilities of the variable interest entity (VIE), written put options on the assets of the VIE, or similar obligations. We adopted this new standard during the first quarter of fiscal 2017. The adoption of this standard did not have a material effect on our consolidated financial statements.

Issued Accounting Standards to be Adopted

In May 2017, the FASB issued Accounting Standards Update No. 2017-09, "Compensation - Stock Compensation (Topic 718)," (ASU 2012-09), which clarifies the application of Topic 718 when accounting for changes in the terms and conditions of a share-based payment award. The update will require an entity to account for a modification to an award unless there is no change to the fair value after modification, there is no change to the vesting conditions after modification, and the classification of the award stays the same after modification. The amendment is effective for us on July 1, 2018 and permits early adoption. The amendment is to be applied prospectively, and we currently evaluating the impact on our financial statements.

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

In October 2016, the FASB issued Accounting Standards Update No. 2016-16, "Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory" (ASU 2016-16), which requires the recognition for income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. The new standard is effective for us on July 1, 2018 and permits early adoption. We expect to adopt the new standard during the first quarter of fiscal 2018, and we expect the impact of the new standard will result in a reduction to prepaid and other current assets of approximately $25,000, an increase in deferred tax assets of approximately $19,000 and a cumulative-effect adjustment to retained earnings of approximately $6,000.

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

In March 2016, the FASB issued Accounting Standards Update No. 2016-02,"Leases (Topic 842)" (ASU 2016-02), which requires the recognition of lease assets and lease liabilities by lessees for those leases currently classified as operating lease. The standard also retains a distinction between finance leases and operating leases. The new standard is effective for us on July 1, 2019. The standard permits early adoption. We are currently evaluating our adoption timing and the effect that ASU 2016-02 will have on our consolidated financial statements.

In May 2014, the FASB issued Accounting Standards Update No. 2014-09,"Revenue from Contracts with Customers" (ASU 2014-09), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. This guidance will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The new standard is effective beginning after December 15, 2017, which would result in an effective date for us of July 1, 2018, with early application permitted one year earlier. The standard permits the use of either the retrospective or cumulative catch-up transition method. We are currently evaluating our adoption timing and the effect that ASU 2014-09 will have on our consolidated financial statements.

3. Fair Value Measurements

The following table summarizes our investments in marketable securities:

	June 30, 2016		
	Amortized Cost Basis (2)	Unrealized gain	Estimated Fair Value
Available-for-sale securities			
Plaza Create Co. Ltd. common shares (1)	$ 4,405	$ 3,488	$ 7,893
Total investments in available-for-sale securities	$ 4,405	$ 3,488	$ 7,893

(1) On December 22, 2016, we sold all available-for-sale securities held in Plaza Create Co. Ltd recognizing a gain of $2,268 as a part of other income, net, for the year ended June 30, 2017.
(2) Amortized cost basis represents our initial investment adjusted for currency translation.

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

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

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

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

	June 30, 2016			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Available-for-sale securities	$ 7,893	$ 7,893	$ —	$ —
Currency forward contracts	9,821	—	9,821	—
Total assets recorded at fair value	$ 17,714	$ 7,893	$ 9,821	$ —
Liabilities				
Interest rate swap contracts	$ (2,180)	$ —	$ (2,180)	$ —
Cross-currency swap contracts	(8,850)	—	(8,850)	—
Currency forward contracts	(315)	—	(315)	—
Contingent consideration	(1,212)	—	—	(1,212)
Total liabilities recorded at fair value	$ (12,557)	$ —	$ (11,345)	$ (1,212)

During the years ended June 30, 2017 and 2016, there were no significant transfers in or out of Level 1, Level 2 and Level 3 classifications.

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

Although we have determined that the majority of the inputs used to value our derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with our derivatives utilize Level 3 inputs, such as estimates of current credit spreads, to appropriately reflect both our own nonperformance risk and the respective counterparties' nonperformance risk in the fair value measurement. However, as of June 30, 2017, we have assessed the significance of the impact of the credit valuation adjustments on the overall valuation of our derivative positions and have determined that the credit valuation adjustments are not significant to the overall valuation of our derivatives. As a result, we have determined that our derivative valuations in their entirety are classified in Level 2 in the fair value hierarchy.

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

As part of the acquisition of WIRmachenDRUCK on February 1, 2016, we agreed to a contingent payment payable at our option in cash or shares during the third quarter of fiscal 2018 based on the achievement of a cumulative gross profit target for calendar years 2016 and 2017. The fair value of this contingent liability is $44,049 as of June 30, 2017, of which $5,453 is considered contingent consideration and included in the table below. The remaining portion of the liability is classified as a compensation arrangement and is discussed in Note 9. During the fourth quarter of fiscal 2017, we determined it was reasonably certain, based on recent performance, that the maximum earn-out would be achieved. We utilized a probability-based model assuming the maximum payment would be achieved and then discounted appropriately to derive the fair value as of June 30, 2017.

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

	Total Contingent Consideration
Balance at June 30, 2015 (1)	$ 7,833
Fair value at acquisition date	1,185
Cash payments (2)	(7,819)
Foreign currency impact	13
Balance at June 30, 2016 (1)	$ 1,212
Fair value adjustment	4,030
Foreign currency impact	211
Balance at June 30, 2017 (1)	$ 5,453

(1) Classified as a current liability as of June 30, 2015, long-term liability as of June 30, 2016 and current liability as of June 30, 2017 on the consolidated balance sheet.
(2) Payments during the year ended June 30, 2016, included $7,819 for the Printdeal earn-out arrangement.

As of June 30, 2017 and June 30, 2016, the carrying amounts of our cash and cash equivalents, accounts receivables, accounts payable, and other current liabilities approximated their estimated fair values. As of June 30, 2017 and June 30, 2016 the carrying value of our debt, excluding debt issuance costs and debt discounts, was $882,578 and $685,897, respectively, and the fair value was $906,744 and $686,409, respectively. Our debt at June 30, 2017 includes variable rate debt instruments indexed to LIBOR that resets periodically and fixed rate debt instruments. The estimated fair value of our debt was determined using available market information based on recent trades or activity of debt instruments with substantially similar risks, terms and maturities, which fall within Level 2 under the fair value hierarchy. The estimated fair value of assets and liabilities disclosed above may not be representative of actual values that could have been or will be realized in the future.

4. Derivative Financial Instruments

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

Hedges of Interest Rate Risk

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

Amounts reported in accumulated other comprehensive loss related to interest rate swap contracts will be reclassified to interest expense as interest payments are accrued or made on our variable-rate debt. As of June 30, 2017, we estimate that $417 will be reclassified from accumulated other comprehensive loss to interest expense during the twelve months ending June 30, 2018. As of June 30, 2017, we had five outstanding interest rate swap contracts indexed to one-month LIBOR. These instruments were designated as cash flow hedges of interest rate risk and have varying start dates and maturity dates through June 2024.

Interest rate swap contracts outstanding:	Notional Amounts
Contracts accruing interest as of June 30, 2017	$ 60,000
Contracts with a future start date	140,000
Total	$ 200,000

Hedges of Currency Risk

Cross-Currency Swap Contracts

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

Cross-currency swap contracts designated as cash flow hedges are executed to mitigate our currency exposure to the interest receipts as well as the principal remeasurement and repayment associated with certain intercompany loans denominated in a currency other than our reporting currency, the U.S. Dollar. As of June 30, 2017, we had two outstanding cross-currency swap contracts designated as cash flow hedges with a total notional amount of $120,011, both maturing during June 2019. We entered into the two cross-currency swap contracts to hedge the risk of changes in one Euro denominated intercompany loan entered into with one of our consolidated subsidiaries that has the Euro as its functional currency.

Amounts reported in accumulated other comprehensive loss will be reclassified to other income net as interest payments are accrued or paid and upon remeasuring the intercompany loan. As of June 30, 2017, we estimate that $1,620 will be reclassified from accumulated other comprehensive loss to other income, net during the twelve months ending June 30, 2018.

Cross-currency swap contracts designated as net investment hedges are executed to mitigate our currency exposure of net investments in subsidiaries that have reporting currencies other than the U.S. Dollar. As of June 30, 2017, we had two outstanding cross-currency swap contracts designated as net investment hedges with a total notional amount of $122,969, both maturing during April 2019. We entered into the two cross-currency swap contracts to hedge the risk of changes in the U.S. Dollar equivalent value of a portion of our net investment in a consolidated subsidiary that has the Euro as its functional currency. Amounts reported in accumulated other comprehensive loss are recognized as a component of our cumulative translation adjustment.

We did not hold any ineffective cross-currency swaps during the year ended June 30, 2017 and 2016, and we did not hold any cross-currency swap contracts during the year ended June 30, 2015.

Other Currency Contracts

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

As of June 30, 2017, we had six currency forward contracts designated as net investment hedges with a total notional amount of $175,262, maturing during various dates through October 2022. We entered into these contracts to hedge the risk of changes in the U.S. Dollar equivalent value of a portion of our net investment in a consolidated subsidiary that has the Euro as its functional currency. Amounts reported in accumulated other comprehensive loss are recognized as a component of our cumulative translation adjustment.

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

As of June 30, 2017, we had the following outstanding currency derivative contracts that were not designated for hedge accounting and were used to hedge fluctuations in the U.S. Dollar value of forecasted transactions denominated in Australian Dollar, British Pound, Canadian Dollar, Danish Krone, Euro, Indian Rupee, Japanese Yen, Mexican Peso, New Zealand Dollar, Norwegian Krone, and Swedish Krona:

Notional Amount	Effective Date	Maturity Date	Number of Instruments	Index
$349,280	March 2016 through June 2017	Various dates through December 2018	481	Various

Financial Instrument Presentation

The table below presents the fair value of our derivative financial instruments as well as their classification on the balance sheet as of June 30, 2017 and June 30, 2016:

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

Derivatives designated as hedging instruments	June 30, 2016							
	Asset Derivatives				Liability Derivatives			
	Balance Sheet line item	Gross amounts of recognized assets	Gross amount offset in consolidated balance sheet	Net amount	Balance Sheet line item	Gross amounts of recognized liabilities	Gross amount offset in consolidated balance sheet	Net amount
Derivatives in Cash Flow Hedging Relationships								
Interest rate swaps	Other non-current assets	$ —	$ —	$ —	Other current liabilities / other liabilities	$ (2,180)	$ —	$ (2,180)
Cross-currency swaps	Other non-current assets	—	—	—	Other liabilities	(2,080)	—	(2,080)
Derivatives in Net Investment Hedging Relationships								
Cross-currency swaps	Other non-current assets	—	—	—	Other liabilities	(6,770)	—	(6,770)
Currency forward contracts	Other non-current assets	—	—	—	Other liabilities	(165)	—	(165)
Total derivatives designated as hedging instruments		$ —	$ —	$ —		$ (11,195)	$ —	$ (11,195)
Derivatives not designated as hedging instruments								
Currency forward contracts	Other current assets	$ 10,748	$ (927)	$ 9,821	Other current liabilities	$ (508)	$ 358	$ (150)
Total derivatives not designated as hedging instruments		$ 10,748	$ (927)	$ 9,821		$ (508)	$ 358	$ (150)

The following table presents the effect of our derivative financial instruments designated as hedging instruments and their classification within comprehensive loss for the years ended June 30, 2017, 2016 and 2015:

Derivatives in Hedging Relationships	Amount of Gain (Loss) Recognized in Comprehensive (Loss) Income on Derivatives (Effective Portion)		
	Year Ended June 30,		
In thousands	2017	2016	2015
Derivatives in Cash Flow Hedging Relationships			
Interest rate swaps	$ 2,287	$ (1,736)	$ (1,417)
Cross-currency swaps	(3,584)	(769)	(7,779)
Derivatives in Net Investment Hedging Relationships			
Cross-currency swaps	(3,721)	2,951	—
Currency forward contracts	(8,362)	(81)	—
	$ (13,380)	$ 365	$ (9,196)

The following table presents reclassifications out of accumulated other comprehensive loss for the years ended June 30, 2017, 2016 and 2015:

Details about Accumulated Other Comprehensive Loss Components	**Amount Reclassified from Accumulated Other Comprehensive Loss to Net (loss) Income**			**Affected line item in the Statement of Operations**
	Year Ended June 30,			
In thousands	**2017**	**2016**	**2015**	
Derivatives in Cash Flow Hedging Relationships				
Interest rate swaps	$ (205)	$ (947)	$ (1,087)	Interest expense, net
Cross-currency swaps	(1,621)	(1,171)	—	Other income, net
Total before income tax	(1,826)	(2,118)	(1,087)	(Loss) income before income taxes
Income tax	457	531	272	Income tax (benefit) provision
Total	$ (1,369)	$ (1,587)	$ (815)	

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

	Amount of Gain (Loss) Recognized in Net (loss) Income			**Location of Gain (Loss) Recognized in Income (Ineffective Portion)**
	Year Ended June 30,			
In thousands	**2017**	**2016**	**2015**	
Derivatives not designated as hedging instruments				
Currency contracts	$ 663	$ 14,037	$ 9,370	Other income, net
Interest rate swaps	273	(11)	(53)	Other income, net
	$ 936	$ 14,026	$ 9,317	

5. Accumulated Other Comprehensive Loss

The following table presents a roll forward of amounts recognized in accumulated other comprehensive loss by component, net of tax of $(710), $293, and $195 for the years ended June 30, 2017, 2016 and 2015:

	Gains (losses) on cash flow hedges (1)	Gains (losses) on available for sale securities	Gains (losses) on pension benefit obligation	Translation adjustments, net of hedges (2)	Total
Balance as of June 30, 2014	$ (803)	$ 9,246	$ (2,724)	$ (3,606)	$ 2,113
Other comprehensive (loss) income before reclassifications	(1,417)	(6,275)	(388)	(93,757)	(101,837)
Amounts reclassified from accumulated other comprehensive (loss) income to net income	815	—	—	—	815
Net current period other comprehensive (loss) income	(602)	(6,275)	(388)	(93,757)	(101,022)
Balance as of June 30, 2015	(1,405)	2,971	(3,112)	(97,363)	(98,909)
Other comprehensive income (loss) before reclassifications	(2,504)	517	561	(9,267)	(10,693)
Amounts reclassified from accumulated other comprehensive loss to net (loss) income	1,587	—	—	—	1,587
Net current period other comprehensive income (loss)	(917)	517	561	(9,267)	(9,106)
Balance as of June 30, 2016	(2,322)	3,488	(2,551)	(106,630)	(108,015)
Other comprehensive income (loss) before reclassifications	(1,297)	(5,756)	2,194	(4,161)	(9,020)
Amounts reclassified from accumulated other comprehensive loss to net (loss) income	1,369	2,268	—	—	3,637
Net current period other comprehensive income (loss)	72	(3,488)	2,194	(4,161)	(5,383)
Balance as of June 30, 2017	$ (2,250)	$ —	$ (357)	$ (110,791)	$ (113,398)

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

(2) As of June 30, 2017, 2016 and 2015, the translation adjustment is inclusive of the effects of our net investment hedges, of which, unrealized losses of $17,048, $4,965 and $7,779, respectively, net of tax, have been included in accumulated other comprehensive loss.

6. Property, Plant, and Equipment, Net

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

	Estimated useful lives	June 30, 2017	June 30, 2016
Land improvements	10 years	$ 2,235	$ 2,137
Building and building improvements	10 - 35 years	319,822	300,558
Machinery and production equipment	4 - 10 years	274,813	270,835
Machinery and production equipment under capital lease	4 - 10 years	54,673	46,498
Computer software and equipment	3 - 5 years	165,812	148,853
Furniture, fixtures and office equipment	5 - 7 years	41,612	25,574
Leasehold improvements	Shorter of lease term or expected life of the asset	51,582	40,203
Construction in progress		12,240	5,910
		922,789	840,568
Less accumulated depreciation, inclusive of assets under capital lease		(443,273)	(379,077)
		479,516	461,491
Land		32,431	31,672
Property, plant, and equipment, net		$ 511,947	$ 493,163

Depreciation expense, inclusive of assets under capital leases, totaled $87,145, $76,435, and $62,970 for the years ended June 30, 2017, 2016 and 2015, respectively.

7. Business Combinations

Fiscal 2017 acquisition

Acquisition of National Pen Co. LLC

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

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

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

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

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

	Amount	Weighted Average Useful Life in Years
Tangible assets acquired and liabilities assumed (1):		
Cash and cash equivalents	$ 8,337	n/a
Accounts receivable, net	20,921	n/a
Inventory	19,854	n/a
Other current assets	11,281	n/a
Property, plant and equipment, net	29,472	n/a
Other non-current assets	1,270	n/a
Accounts payable	(12,590)	n/a
Accrued expenses	(17,805)	n/a
Other current liabilities	(908)	n/a
Deferred tax liabilities (2)	(3,255)	n/a
Long-term liabilities	(9,665)	n/a
Identifiable intangible assets:		
Developed Technology	19,000	6
Trade Name	33,000	11
Customer Relationships	56,000	7
Goodwill (2)	57,720	n/a
Total purchase price	$ 212,632	

(1) National Pen has materially impacted our working capital balances post-acquisition, resulting in increased accounts receivable, inventory,

accounts payable and accrued expenses balances in our consolidated balance sheet.

(2) During the fourth quarter of fiscal 2017 we recorded adjustments, which resulted in a measurement period adjustment of $13,770 between deferred tax liabilities and goodwill.

National Pen Pro Forma Financial Information

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

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

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

Fiscal 2016 acquisitions

Acquisition of WIRmachenDRUCK GmbH

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

In addition, we agreed to a sliding scale earn-out of up to €40,000 ($43,395 based on the exchange rate as of the date of acquisition) based on the achievement of a cumulative gross profit target for calendar years 2016 and 2017 and is payable at our option in cash or ordinary shares. Refer to Note 9 for additional discussion relating to the earn-out arrangement.

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

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

The table below details the consideration transferred to acquire WIRmachenDRUCK:

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

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

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

Other fiscal 2016 acquisitions

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

Goodwill is calculated as the excess of the consideration over the fair value of the net assets, including intangible assets, and is primarily related to expected synergies from the transactions. The goodwill for these two acquisitions is not deductible for tax purposes, and has been attributed to our Upload and Print reportable segment. The results of these acquisitions have been included in the consolidated financial statements from the date of purchase and were not material for the year ended June 30, 2016.

We utilized proceeds from our credit facility to finance our fiscal 2016 acquisitions. In connection with these acquisitions, we incurred transaction costs related to investment banking, legal, financial, and other professional services of $1,289 during the year ended June 30, 2016. We have not presented pro forma results of the operations of the companies we acquired in fiscal 2016 because the effects of the acquired companies are not material to our consolidated financial statements.

Fiscal 2015 acquisitions

Acquisition of Exagroup SAS

On April 15, 2015, we acquired 70% of the shares of Exagroup SAS, a French simplified joint stock company, for a purchase price of €91,305 ($97,012 based on the exchange rate as of the date of acquisition), plus the post-closing adjustment of €4,575 ($4,862 based on the exchange rate as of the date of payment) based on Exagroup's working capital and debt, of which €3,261 ($3,678 based on the exchange rate on the payment date) was paid during fiscal 2016 and the remaining €1,314 is expected to be paid in fiscal 2019. All shareholders of Exagroup sold the entirety of their Exagroup holdings, with the exception of Nicolas Dematté and Marise Dematté (the “Remaining Shareholders”), who each retained a 15% ownership interest in Exagroup. We utilized proceeds from our credit facility to finance the acquisition. The acquisition supports our strategy to invest in and build customer-focused entrepreneurial, mass customization businesses for the long-term, which we manage in a decentralized and autonomous manner and complements similar previous investments in Europe.

Our consolidated financial statements include Exagroup from April 15, 2015, the date of acquisition. Exagroup's revenue included in our consolidated revenues for the year ended June 30, 2015 was $18,155. Exagroup's net income included in our consolidated net income attributable to Cimpress N.V. for the year ended June 30, 2015 was $563, inclusive of amortization of identifiable intangible assets.

Noncontrolling Interest

At the closing, we entered into reciprocal put and call options with the Remaining Shareholders with respect to the 30% of Exagroup shares held by the Remaining Shareholders, pursuant to which each of the Remaining Shareholders has the right to put his or her Exagroup shares to us for a period of 30 days beginning on April 15, 2019. If one or both of the Remaining Shareholders does not exercise his or her put option, then we have the right to exercise our call option on such Remaining Shareholder's Exagroup shares for a period of 30 days beginning on January 10, 2020. If the put or call options are exercised, the aggregate purchase and sale price for such shares will be €39,000. We may pay an additional contingent payment that is dependent on Exagroup’s achievement of certain revenue targets for calendar year 2017, as well as the continued employment of the Remaining Shareholders. This potential additional payment is contingent upon the Remaining Shareholders' post-acquisition employment and is recognized as compensation expense over the vesting period (through December 31, 2017). The maximum remaining contingent payment is €4,000 as one of the Remaining Shareholders ceased to be an employee. We estimate the value of the potential payment based on the achievement targets to be zero as of June 30, 2017.

The table below details the consideration transferred to acquire Exagroup:

Cash paid	$ 97,012
Working capital and debt adjustment	4,832
Total consideration	$ 101,844

The excess of the purchase price paid over the fair value of Exagroup's net assets was recorded as goodwill, which is primarily attributable to cost synergies expected from manufacturing and tax efficiency opportunities, as well as the value of the workforce of Exagroup. Goodwill is not deductible for tax purposes, and has been attributed to our Upload and Print reportable segment. The fair value of the assets acquired and liabilities assumed was:

		Amount	Weighted Average Useful Life in Years
Tangible assets acquired and liabilities assumed:			
Cash and cash equivalents	$	18,991	n/a
Other current assets (1)		14,318	n/a
Non-current assets		18,711	n/a
Accounts payable and other current liabilities		(21,008)	n/a
Deferred tax liability		(21,655)	n/a
Other long term liabilities		(9,966)	n/a
Identifiable intangible assets:			
Customer relationships		35,434	7-9
Trade name		11,900	10-14
Developed technology		9,669	3
Noncontrolling interest		(43,354)	
Goodwill (2)		88,804	n/a
Total purchase price	$	101,844	

(1) Includes real estate assets classified as held for sale of $1,971.

(2) Refer to Note 8 for discussion of the goodwill impairment loss recognized for the Exagroup reporting unit during the year ended June 30, 2016 of $30,841.

Other fiscal 2015 acquisitions

During fiscal 2015, we acquired three businesses that were not material to our results either individually or in the aggregate. Two of the businesses complement our Upload and Print segment: FL Print SAS (which we refer to as Easyflyer) and druck.at Druck-und Handelsgesellschäft mbH (which we refer to as druck.at), acquired on April 9, 2015 and April 17, 2015, respectively. The third, FotoKnudsen AS, acquired on July 31, 2014, expands our photo product offerings to the Norwegian market. The aggregate consideration for these three acquisitions was $45,935. The aggregate allocation to goodwill, intangible assets, and net tangible assets was $19,224, $5,174 and $21,537, respectively. The FotoKnudsen AS business has been included as part of the expected sale of our Albumprinter business. Refer to Note 2 for additional details.

Goodwill for each of these acquisitions is not deductible for tax purposes. Easyflyer and druck.at have been attributed to our Upload and Print reportable segment and FotoKnudsen AS has been attributed to our All Other Businesses reportable segment. The revenue and earnings included in our consolidated financial statements for the year ended June 30, 2015 were not material. We utilized proceeds from various debt sources to finance our fiscal 2015 acquisitions. In connection with these acquisitions, we incurred transaction costs related to investment banking, legal, financial, and other professional services of $2,576 which were recorded during the year ended June 30, 2015 in general and administrative expenses. Pro forma results of the operations have not been presented because the effects of the fiscal 2015 acquisitions were not material to the consolidated financial statements.

8. Goodwill and Acquired Intangible Assets

Goodwill

The carrying amount of goodwill by reportable segment as of June 30, 2017 and 2016 is as follows:

	Vistaprint	Upload and Print	National Pen	All Other Businesses	Total
Balance as of June 30, 2015	$ 124,636	$ 250,487	$ —	$ 25,506	$ 400,629
Acquisitions (1)	—	101,379	—	—	101,379
Impairments (2)	—	(30,841)	—	—	(30,841)
Adjustments	—	(720)	—	—	(720)
Effect of currency translation adjustments (5)	(2,884)	(932)	—	(626)	(4,442)
Balance as of June 30, 2016	$ 121,752	$ 319,373	$ —	$ 24,880	$ 466,005
Acquisitions (1)	—	—	57,720	—	57,720
Impairments (2)	—	(6,345)	—	—	(6,345)
Adjustments (3)(4)	23,200	(228)	(23,200)	(13,540)	(13,768)
Effect of currency translation adjustments (5)	2,255	9,005	—	91	11,351
Balance as of June 30, 2017	$ 147,207	$ 321,805	$ 34,520	$ 11,431	$ 514,963

(1) Refer to Note 7 for additional details related to our acquisitions.
(2) During fiscal 2017 and 2016 we recorded impairment charges of $6,345 and $30,841, respectively, related to our Tradeprint and Exagroup reporting units. See below for additional details.
(3) We allocated $23,200 of goodwill to the Vistaprint segment for certain synergies that are expected to be realized by the Vistaprint segment as a result of the National Pen acquisition. Refer to Note 7 for additional details.
(4) As of June 30, 2017, our Albumprinter business, part of our All Other Businesses reportable segment, has been reclassified as held for sale on the consolidated balance sheet. Refer to Note 2 for additional details.
(5) Relates to goodwill held by subsidiaries whose functional currency is not the U.S. Dollar.

Impairment Review

Fiscal 2017

Our annual goodwill impairment test is performed as of May 31; however, during the third quarter fiscal 2017, we had a change in the composition of our Tradeprint reporting unit (a part of our Upload and Print reportable segment). This change, when combined with an updated profit outlook that was lower than originally forecasted as of the acquisition date, indicated that it was more likely than not that the fair value of the reporting unit is below the carrying amount.

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

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

Fiscal 2016

During the third quarter of fiscal 2016, we concluded that the goodwill of our Exagroup reporting unit, part of our Upload and Print reportable segment, was not fully recoverable as the reporting unit was forecasting lower projected revenue and profitability levels than originally estimated as of the acquisition date. The carrying amount of the goodwill as of January 1, 2016 was compared to the implied fair value of the goodwill, resulting in a partial impairment loss of $30,841 during the third quarter of fiscal 2016. A portion of the impairment loss was attributed to the noncontrolling interest based on its third-party shareholders' 30% ownership interest.

Our goodwill analysis requires significant judgment, including the identification of reporting units and the amount and timing of expected future cash flows. While we believe our assumptions are reasonable, actual results could differ from our projections. There have been no indications of impairment that would require analysis for any of our other reporting units as of June 30, 2017 or 2016.

Acquired Intangible Assets

	June 30, 2017			June 30, 2016		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trade name	$ 97,728	$ (14,839)	$ 82,889	$ 72,806	$ (13,391)	$ 59,415
Developed technology	55,423	(28,943)	26,480	44,694	(25,490)	19,204
Customer relationships	179,715	(44,475)	135,240	146,506	(43,525)	102,981
Customer network and other	16,291	(6,185)	10,106	15,974	(3,896)	12,078
Print network	25,171	(3,962)	21,209	24,423	(1,131)	23,292
Total intangible assets	$ 374,328	$ (98,404)	$ 275,924	$ 304,403	$ (87,433)	$ 216,970

Acquired intangible assets amortization expense for the years ended June 30, 2017, 2016 and 2015 was $46,145, $40,563, and $24,263, respectively. The increase in acquired intangible asset amortization is primarily related to our fiscal 2017 acquisition of National Pen and our fiscal 2016 acquisition of WIRmachenDRUCK. Estimated intangible assets amortization expense for each of the five succeeding fiscal years is as follows:

2018	$ 48,340
2019	42,126
2020	37,630
2021	37,525
2022	35,996
	$ 201,617

9. Other Balance Sheet Components

Accrued expenses included the following:

	June 30, 2017	June 30, 2016
Compensation costs	$ 54,487	$ 59,207
Income and indirect taxes	34,469	39,802
Advertising costs	26,641	26,372
Interest payable	5,263	5,172
Shipping costs	6,651	6,843
Production costs	7,472	3,251
Sales returns	4,474	2,882
Purchases of property, plant and equipment	3,786	4,614
Professional costs	3,021	1,543
Other	29,303	29,301
Total accrued expenses (1)	$ 175,567	$ 178,987

(1) Accrued expenses was impacted by our acquisition of National Pen, resulting in an additional $15,040 of accruals as of June 30, 2017, which are included in each of the respective categories within the table.

Other current liabilities included the following:

	June 30, 2017	June 30, 2016
Contingent earn-out liability (2)	$ 44,049	$ —
Current portion of lease financing obligation	12,569	12,569
Current portion of capital lease obligations	11,573	8,011
Short-term derivative liabilities	7,243	1,681
Mandatorily redeemable noncontrolling interest (3)	901	—
Other	2,100	374
Total other current liabilities	$ 78,435	$ 22,635

Other liabilities included the following:

	June 30, 2017	June 30, 2016
Contingent earn-out liability (2)	$ —	$ 3,146
Long-term capital lease obligations	28,306	21,318
Long-term derivative liabilities	31,936	10,949
Mandatorily redeemable noncontrolling interest (3)	2,456	—
Other (4)	31,985	24,760
Total other liabilities (5)	$ 94,683	$ 60,173

(2) During the third quarter of fiscal 2017, the contingent earn-out liability related to our WIRmachenDRUCK acquisition was reclassified to current liabilities as payment is due in the third quarter of fiscal 2018.
(3) Relates to the mandatorily redeemable noncontrolling interest of Printi LLC. Refer to Note 15 for additional details.
(4) Other liabilities includes $8,713 related to share-based compensation awards associated with our investment in Printi LLC. Refer to Note 15 for additional details.
(5) Total other liabilities was impacted by our acquisition of National Pen, resulting in an additional $8,506 of other liabilities as of June 30, 2017, primarily relating to capital lease obligations, which are included in each of the respective categories within the table.

Contingent earn-out liability

Under the original terms of the WIRmachenDRUCK earn-out arrangement, a portion of the earn-out attributed to the minority selling shareholders was included as a component of purchase consideration as of the acquisition date, with any subsequent changes to fair value recognized within general and administrative expense. This earn-out is calculated on a sliding scale, based on the achievement of cumulative gross profit against a predetermined target. The maximum payout is €40,000 and can be paid at our option in cash or ordinary shares.

The remaining portion of the amount payable to the two majority selling shareholders in the WIRmachenDRUCK acquisition was not included as part of the purchase consideration as of the acquisition date as it was contingent upon their post-acquisition employment and planned to be recognized as expense through the required employment period. During the first quarter of fiscal 2017, in response to a statutory tax notice we amended the terms of the compensation portion of the arrangement with the two majority selling shareholders and we removed the post-acquisition employment requirement. As the arrangement was no longer contingent upon continued employment, we accelerated the recognition of the remaining unrecognized compensation expense.

In addition, the estimated fair value of the contingent liability payable to all selling shareholders in the WIRmachenDRUCK acquisition increased, due to the recent business performance relative to performance targets and the time value impact within the Monte Carlo simulation model. During the fourth quarter of fiscal 2017, we determined it was reasonably certain, based on recent performance, that the maximum earn-out would be achieved. We utilized a probability-based model assuming the maximum payment would be achieved and then discounted appropriately to derive the fair value as of June 30, 2017. We recognized $32,550 and $1,961 of expense during the years ended June 30, 2017 and 2016, respectively, as part of general and administrative expense. As of June 30, 2017, the total liability is $44,049, of which $38,596 relates to the majority shareholders and $5,453 relates to the minority shareholders, which is further discussed in Note 3.

10. Debt

	June 30, 2017	June 30, 2016
Senior secured credit facility	$ 600,037	$ 400,809
7.0% Senior unsecured notes due 2022	275,000	275,000
Other	7,541	10,088
Debt issuance costs and debt discounts	(5,922)	(7,386)
Total debt outstanding, net	876,656	678,511
Less short-term debt (1)	28,926	21,717
Long-term debt	$ 847,730	$ 656,794

(1) Balances as of June 30, 2017 and June 30, 2016 are both inclusive of short-term debt issuance costs and debt discounts of $1,693 in both periods.

Our Debt

Our various debt arrangements described below contain customary representations, warranties and events of default. As of June 30, 2017, we were in compliance with all financial and other covenants related to our debt.

Senior Secured Credit Facility

As of June 30, 2017, we had a senior secured credit facility of $814,000 as follows:

- Revolving loans of $690,000 with a maturity date of September 23, 2019
- Term loan of $124,000 amortizing over the loan period, with a final maturity date of September 23, 2019

Under the terms of our credit agreement, borrowings bear interest at a variable rate of interest based on LIBOR plus 1.50% to 2.25% depending on our leverage ratio, which is the ratio of our consolidated total indebtedness to our consolidated EBITDA, as defined by the credit agreement. As of June 30, 2017, the weighted-average interest rate on outstanding borrowings was 3.56%, inclusive of interest rate swap rates. We are also required to pay a commitment fee on unused balances of 0.225% to 0.400% depending on our leverage ratio. We have pledged the assets and/or share capital of several of our subsidiaries as collateral for our outstanding debt as of June 30, 2017.

On July 13, 2017, we executed an amendment to our senior secured credit facility, and we expanded the total capacity to $1,045,000, which includes $745,000 of revolving loans and $300,000 of term loans. The amendment also extended the maturity date of the senior secured credit facility to July 13, 2022.

Indenture and Senior Unsecured Notes due 2022

On March 24, 2015, we completed a private placement of $275,000 in aggregate principal amount of 7.0% senior unsecured notes due 2022 (the “Notes”). We issued the Notes pursuant to a senior notes indenture dated as of March 24, 2015 among Cimpress N.V., our subsidiary guarantors, and MUFG Union Bank, N.A., as trustee (the "Indenture"). We used the proceeds from the Notes to pay outstanding indebtedness under our unsecured line of credit and our senior secured credit facility and for general corporate purposes.

The Notes bear interest at a rate of 7.0% per annum and mature on April 1, 2022. Interest on the Notes is payable semi-annually on April 1 and October 1 of each year, commencing on October 1, 2015, to the holders of record of the Notes at the close of business on March 15 and September 15, respectively, preceding such interest payment date.

The Notes are senior unsecured obligations and rank equally in right of payment to all our existing and future senior unsecured debt and senior in right of payment to all of our existing and future subordinated debt. The Notes are effectively subordinated to any of our existing and future secured debt to the extent of the value of the assets securing such debt. Subject to certain exceptions, each of our existing and future subsidiaries that is a borrower under or guarantees our senior secured credit facilities will guarantee the Notes.

The Indenture contains various covenants, including covenants that, subject to certain exceptions, limit our and our restricted subsidiaries’ ability to incur and/or guarantee additional debt; pay dividends, repurchase shares or make certain other restricted payments; enter into agreements limiting dividends and certain other restricted payments; prepay, redeem or repurchase subordinated debt; grant liens on assets; enter into sale and leaseback transactions; merge, consolidate or transfer or dispose of substantially all of our consolidated assets; sell, transfer or otherwise dispose of property and assets; and engage in transactions with affiliates.

At any time prior to April 1, 2018, we may redeem some or all of the Notes at a redemption price equal to 100% of the principal amount redeemed, plus a make-whole amount as set forth in the Indenture, plus, in each case, accrued and unpaid interest to, but not including, the redemption date. In addition, at any time prior to April 1, 2018, we may redeem up to 35% of the aggregate outstanding principal amount of the Notes at a redemption price equal to 107% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the redemption date, with the net proceeds of certain equity offerings by Cimpress. At any time on or after April 1, 2018, we may redeem some or all of the Notes at the redemption prices specified in the Indenture, plus accrued and unpaid interest to, but not including, the redemption date.

Other debt

Other debt consists of term loans acquired primarily as part of our fiscal 2015 acquisition of Exagroup SAS. As of June 30, 2017 we had $7,541 outstanding for those obligations that are payable through September 2024.

11. Shareholders’ Equity

Treasury shares

On February 22, 2016 we announced that our Supervisory Board authorized the purchase of up to 6,300,000 of our ordinary shares and during the year ended June 30, 2017 we purchased 593,763 shares under this program for a cost of $50,008. On March 22, 2017, our Supervisory Board authorized the repurchase of up to 6,300,000 of our issued and outstanding ordinary shares on the open market. As of June 30, 2017, no shares have been repurchased under this authorization.

Share-based awards

The 2016 Performance Equity Plan (the "2016 Plan") became effective upon shareholder approval on May 27, 2016 and allows us to grant PSUs, entitling the recipient to receive Cimpress ordinary shares based upon continued service to Cimpress and the achievement of objective, predetermined appreciation of Cimpress' three-year moving average share price. We may grant PSUs under the 2016 Plan to our employees, officers, directors (including members of the Management Board and Supervisory Board), consultants, and advisers. Subject to adjustment in the event of stock splits, stock dividends and other similar events, we may make awards under the 2016 Plan for up to 8,000,000 of our ordinary shares.

The 2011 Equity Incentive Plan (the “2011 Plan”) became effective upon shareholder approval on June 30, 2011 and allows us to grant share options, share appreciation rights, restricted shares, restricted share units and other awards based on our ordinary shares to our employees, officers, non-employee directors, consultants and advisors. Among other terms, the 2011 Plan requires that the exercise price of any share option or share appreciation right granted under the 2011 Plan be at least 100% of the fair market value of the ordinary shares on the date of grant; limits the term of any share option or share appreciation right to a maximum period of 10 years; provides that shares underlying outstanding awards under the Amended and Restated 2005 Equity Incentive Plan that are canceled, forfeited, expired or otherwise terminated without having been issued in full will become available for the grant of new awards under the 2011 Plan; and prohibits the repricing of any share options or share appreciation rights without shareholder approval. In addition, the 2011 Plan provides that the number of ordinary shares available for issuance under the plan will be reduced by (i) 1.56 ordinary shares for each share subject to a restricted share or other share-based award with a per share or per unit purchase price lower than 100% of the fair market value of the ordinary shares on the date of grant and (ii) one ordinary share for each share subject to any other award under the 2011 Plan.

Our 2005 Non-Employee Directors’ Share Option Plan allows us to grant share options to our non-employee directors upon initial appointment as a director and annually thereafter in connection with our annual general meeting of shareholders if they are continuing to serve as a director at such time. We also have two additional plans with outstanding awards from which we will not grant any additional awards.

An aggregate of 9,523,532 ordinary shares were available for future awards under all of our share-based award plans as of June 30, 2017. For PSUs under our 2016 Plan, we assumed that we would issue ordinary shares equal to 250% of the outstanding PSUs, which is the maximum potential share issuance. A combination of new shares and treasury shares has historically been used in fulfillment of our share based awards.

Share options

We have granted options to purchase ordinary shares at prices that are at least equal to the fair market value of the shares on the date the option is granted and have a contractual term of approximately eight to ten years. Options generally vest over 3 years for non-employee supervisory directors and over 4 years for employees.

The fair value of each option award subject only to service period vesting is estimated on the date of grant using the Black-Scholes option pricing model and is recognized as expense on a straight-line basis over the requisite service period. Use of a valuation model requires management to make certain assumptions with respect to inputs. The expected volatility assumption is based upon historical volatility of our share price. The expected term assumption is based on the contractual and vesting term of the option and historical experience. The risk-free interest rate is based on the U.S. Treasury yield curve with a maturity equal to the expected life assumed at the grant date. We value share options with a market condition using a lattice model with compensation expense recorded on an accelerated basis over the requisite service period.

We did not grant any share options in fiscal 2017. Weighted-average values used for option awards in fiscal 2016 and 2015 were as follows:

	Year Ended June 30,	
	2016	2015
Risk-free interest rate	1.84%	1.67%
Expected dividend yield	—%	—%
Expected term (years)	6.00	6.00
Expected volatility	47%	50%
Weighted average fair value of options granted	$ 38.18	$ 35.84

A summary of our share option activity and related information for the year ended June 30, 2017 is as follows:

	Shares Pursuant to Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Outstanding at the beginning of the period	2,659,991	$ 45.21	3.3	
Granted	—	—		
Exercised	(495,763)	38.62		
Forfeited/expired	(25,802)	50.00		
Outstanding at the end of the period	2,138,426	$ 46.68	2.6	$ 102,321
Vested or expected to vest at the end of the period	2,138,426	$ 46.68	2.6	$ 102,321
Exercisable at the end of the period	1,869,762	$ 46.08	2.5	$ 90,584

The intrinsic value in the table above represents the total pre-tax amount, net of exercise price, which would have been received if all option holders exercised in-the-money options on June 30, 2017. The total intrinsic value of options exercised during the fiscal years ended June 30, 2017, 2016 and 2015 was $25,566, $5,494, and $61,531, respectively.

Performance share units - 2016 Performance Equity Plan

We began granting PSUs under our 2016 Performance Equity Plan during the first quarter of fiscal 2017. The PSU grants entitle the recipient to receive Cimpress ordinary shares between 0% and 250% of the granted amount, based upon continued service to Cimpress and the achievement of a compounded annual growth rate target based on Cimpress' three-year moving average share price that will be assessed annually in years 6 - 10 following the grant date. The fair value of the PSUs is based on a Monte Carlo simulation, and the resulting expense is recognized on an accelerated basis over the requisite service period.

A summary of our PSU activity and related information for the fiscal year ended June 30, 2017 is as follows:

	PSUs	Weighted-Average Grant Date Fair Value	Aggregate Intrinsic Value
Outstanding at the beginning of the period	—	$ —	
Granted	441,985	123.51	
Vested and distributed	—	—	
Forfeited	(66,947)	126.03	
Outstanding at the end of the period	375,038	$ 123.06	$ 35,452

The weighted average fair value of PSUs granted during the fiscal year ended June 30, 2017 was $123.51 and the total intrinsic value of PSUs earned during the fiscal year ended June 30, 2017 was $35,452. As of June 30, 2017, the number of shares subject to PSUs included in the table above assumes the issuance of one share for each PSU, but based on actual performance that amount delivered can range from zero shares to a maximum of 937,595 shares.

Restricted share units

The fair value of an RSU award is equal to the fair market value of our ordinary shares on the date of grant and the expense is recognized on a straight-line basis over the requisite service period. RSUs generally vest over 2 years for non-employee directors and over 4 years for employees. For awards with a performance condition, we recognize compensation cost on an accelerated basis over the requisite service period when achievement of the performance condition is deemed probable. As of June 30, 2017, we had 164,000 RSUs outstanding that vest based on the achievement of various performance targets through fiscal 2020. The performance criteria for 140,000 of these RSUs are currently deemed not probable of achievement. Future changes in our probability conclusions could result in volatility of our share-based compensation expense as the units have a total fair value of $10,584.

A summary of our RSU activity and related information for the fiscal year ended June 30, 2017 is as follows:

	RSUs	Weighted-Average Grant Date Fair Value	Aggregate Intrinsic Value
Unvested at the beginning of the period	600,075	$ 67.77	
Granted	25,620	97.25	
Vested and distributed	(234,804)	61.00	
Forfeited	(56,521)	69.07	
Unvested at the end of the period	334,370	$ 74.57	$ 31,608

The weighted average fair value of RSUs granted during the fiscal years ended June 30, 2017, 2016 and 2015 was $97.25, $75.63 and $63.28, respectively. The total intrinsic value of RSUs vested during the fiscal years ended June 30, 2017, 2016 and 2015 was $21,130, $21,810 and $19,846, respectively.

Restricted share awards

As part of our acquisition of Tradeprint during the first quarter of fiscal 2016, we issued 65,050 restricted ordinary shares. The fair value of the RSAs was determined based on our share price on the date of grant and is recognized as share-based compensation expense over the applicable service period. These awards generally vest over a 2 to 4 year period.

A summary of our RSA activity and related information for the fiscal year ended June 30, 2017 is as follows:

	RSAs	Weighted-Average Grant Date Fair Value	Aggregate Intrinsic Value
Unvested at the beginning of the period	81,633	$ 68.41	
Granted	—	—	
Vested and distributed	(69,196)	87.33	
Forfeited	—	—	
Unvested at the end of the period	12,437	$ 64.53	$ 1,176

Share-based compensation

Total share-based compensation costs were $48,627, $23,828 and $24,075 for the years ended June 30, 2017, 2016 and 2015, respectively, and we elected to recognize the impact of forfeitures as they occur. From time to time we issue awards that are considered liability-based awards as they are settleable in cash. During the year ended June 30, 2017, we paid $10,947 for a liability based award associated with our 2014 acquisition of Pixartprinting. As of June 30, 2017, we have a liability-based award associated with our Printi LLC investment, accrued as part of other liabilities in the amount of $8,713. Refer to Note 15 for additional details.

Share-based compensation costs capitalized as part of software and website development costs were $1,546, $832 and $477 for the years ended June 30, 2017, 2016 and 2015, respectively.

As of June 30, 2017, there was $36,843 of total unrecognized compensation cost related to non-vested, share-based compensation arrangements. This cost is expected to be recognized over a weighted average period of 1.9 years.

12. Employees' Savings Plans

Defined contribution plans

We maintain certain government mandated and defined contribution plans throughout the world. The most significant is our defined contribution retirement plan in the U.S. (the "Plan") that complies with Section 401(k) of the Internal Revenue Code. Substantially all employees in the U.S. are eligible to participate in the Plan. Under the provisions of the Plan, employees may voluntarily contribute up to 80% of eligible compensation, subject to IRS limitations. We match 50% of each participant's voluntary contributions, subject to a maximum company contribution of 3% of the participant's eligible compensation. Employee contributions are fully vested when contributed. Company matching contributions vest over 4 years.

We expensed $11,691, $9,073 and $8,619 for our government mandated and defined contribution plans in the years ended June 30, 2017, 2016 and 2015, respectively. Our expenses from these plans have increased during the year ended June 30, 2017 due to increased headcount, as well as the full year impact of our business acquisitions during the prior period.

Defined benefit plan

We currently have a defined benefit plan that covers substantially all of our employees in Switzerland. Our Swiss plan is a government-mandated retirement fund with benefits generally earned based on years of service and compensation during active employment; however, the level of benefits varies within the plan. Eligibility is determined in accordance with local statutory requirements. Under this plan, both we and certain of our employees with annual earnings in excess of government determined amounts are required to make contributions into a fund managed by an independent investment fiduciary. Employer contributions must be in an amount at least equal to the employee's contribution. Minimum employee contributions are based on the respective employee's age, salary, and gender. As of June 30, 2017 and 2016, the plan had an unfunded net pension obligation of approximately $1,658 and $4,007, respectively, and plan assets which totaled approximately $3,920 and $7,080, respectively. For the years ended June 30, 2017, 2016 and 2015 we recognized expense totaling $1,191, $1,820, and $2,043, respectively, related to our Swiss plan. During fiscal 2016, a component of the total expense related to a settlement loss of $506, as a result of headcount reductions in our Switzerland office.

13. Income Taxes

The following is a summary of our (loss) income before income taxes by geography:

	Year Ended June 30,		
	2017	2016	2015
U.S.	$ 13,390	$ 23,057	$ 21,567
Non-U.S.	(92,707)	43,038	78,186
Total	$ (79,317)	$ 66,095	$ 99,753

The components of the (benefit) provision for income taxes are as follows:

	Year Ended June 30,		
	2017	2016	2015
Current:			
U.S. Federal	$ (1,144)	$ 7,915	$ 12,680
U.S. State	1,344	116	2,313
Non-U.S.	26,191	23,164	12,496
Total current	26,391	31,195	27,489
Deferred:			
U.S. Federal	(1,999)	(2,353)	(4,505)
U.S. State	(1,497)	13	(1,070)
Non-U.S.	(30,013)	(13,171)	(11,473)
Total deferred	(33,509)	(15,511)	(17,048)
Total	$ (7,118)	$ 15,684	$ 10,441

The following is a reconciliation of the standard U.S. federal statutory tax rate and our effective tax rate:

	Year Ended June 30,		
	2017	2016	2015
U.S. federal statutory income tax rate	35.0%	35.0%	35.0%
State taxes, net of federal effect	(0.1)	0.1	0.8
Tax rate differential on non-U.S. earnings	(15.5)	(35.7)	(23.8)
Impact of goodwill impairment charge	(1.6)	16.1	—
Compensation related items	7.4	(2.2)	0.8
Change in valuation allowance	(21.9)	26.9	8.0
Nondeductible acquisition-related payments	(18.0)	4.0	4.0
Notional interest deduction (Italy)	5.0	(5.3)	(2.5)
Net tax benefit on intellectual property transfer	13.8	(17.7)	(12.2)
Tax on unremitted earnings	(1.3)	4.3	0.2
Tax credits and incentives	7.1	(4.0)	(1.7)
Other	(0.9)	2.2	1.9
Effective income tax rate	9.0%	23.7%	10.5%

Our effective tax rate for all periods presented is below the U.S. federal statutory rate of 35% primarily as a result of the majority of our pretax income being earned in jurisdictions outside the U.S. where the applicable tax rates are lower than the U.S. federal statutory rate. The jurisdictions that have the most significant impact to our non-U.S. tax provision include Australia, Canada, France, Germany, Italy, the Netherlands, Spain and Switzerland. The applicable tax rates in these jurisdictions range from 10% - 34%. The total tax rate benefit from operating in non-U.S. jurisdictions is included in the line “Tax rate differential on non-U.S. earnings” in the above tax rate reconciliation table.

For the year ended June 30, 2017, our effective tax rate was 9.0% as compared to the prior year effective tax rate of 23.7%. The tax rate for fiscal year 2017 was based on a consolidated loss as compared to a profit in fiscal year 2016. This, combined with a more favorable geographical mix of earnings in fiscal year 2017, resulted in a lower effective tax rate for the year. In addition, we recorded a larger goodwill impairment charge in fiscal year 2016 as compared to fiscal year 2017 (discussed in Note 8) which is non-deductible for tax purposes. This was offset by increased nondeductible acquisition-related charges in fiscal year 2017 as compared to fiscal year 2016. Also, in fiscal year 2017 we recognized increased tax benefits associated with the vesting of share-based compensation awards, research and development credits and other incentives (primarily in the U.S. and Italy) as compared to fiscal year 2016. Our tax rate was higher in fiscal year 2016 as compared to fiscal year 2015 primarily due to the nondeductible goodwill impairment charge in fiscal year 2016.

In our fiscal year 2016 we adopted ASU No. 2016-09, "Compensation - Stock Compensation (Topic 718): Improvement to Employee Share-Based Payment Accounting." This resulted in tax benefits of $8,003 and $3,456 recognized in income tax (benefit) expense in the consolidated statement of operations for the years ended June 30, 2017 and 2016, respectively, which previously would have been recognized in additional paid-in capital in the consolidated balance sheet.

In fiscal year 2014, we made changes to our corporate entity operating structure, including transferring our intellectual property among certain of our subsidiaries, primarily to align our corporate entities with our evolving operations and business model. The transfer of assets occurred between wholly owned legal entities within the Cimpress group that are based in different tax jurisdictions. As the impact of the transfer was the result of an intra-entity transaction, any resulting gain or loss and immediate tax impact on the transfer is eliminated and not recognized in the consolidated financial statements under U.S. GAAP. The transferor entity recognized a gain on the transfer of assets that was not subject to income tax in its local jurisdiction. Our subsidiary based in Switzerland was the recipient of the intellectual property. In accordance with Swiss tax law, we are entitled to amortize the fair market value of the intellectual property received at the date of transfer over five years for tax purposes. The tax benefit associated with the amortization of the intellectual property was $12,696 and $12,764 in fiscal years ended June 30, 2017 and 2016, respectively. The impact of this tax benefit to our effective tax rate is included in the line "Net tax (benefit) expense on intellectual property transfer" in the above tax rate reconciliation table.

In fiscal year 2012, one of our subsidiaries purchased certain intellectual property and intangible assets of Webs, Inc., and we recognize the tax expense associated with the intra-entity transfer of these assets over a period equal to the expected economic lives of the assets. We elected to fund the transfer of these assets using an installment obligation payable over a 7.5-year period, and accordingly we recorded a deferred tax liability for the entire tax liability owed but not yet paid as of the date of the transaction with a corresponding asset in "Other Assets" to reflect the deferred tax charge to be recognized over the expected remaining lives of the assets. Refer to Note 17 - Commitment and Contingencies - for additional information regarding this obligation.

Significant components of our deferred income tax assets and liabilities consisted of the following at June 30, 2017 and 2016:

	Year Ended June 30,	
	2017	2016
Deferred tax assets:		
Net operating loss carryforwards	$ 85,728	$ 52,469
Depreciation and amortization	2,331	999
Accrued expenses	6,478	4,387
Share-based compensation	20,999	17,017
Credit and other carryforwards	2,688	953
Derivative financial instruments	7,121	2,799
Other	3,060	2,923
Subtotal	128,405	81,547
Valuation allowance	(56,953)	(35,429)
Total deferred tax assets	71,452	46,118
Deferred tax liabilities:		
Depreciation and amortization	(71,477)	(75,390)
IP installment obligation	(6,460)	(9,608)
Tax on unremitted earnings	(4,374)	(3,233)
Other	(1,880)	(1,223)
Total deferred tax liabilities	(84,191)	(89,454)
Net deferred tax liabilities	$ (12,739)	$ (43,336)

In assessing the realizability of deferred tax assets, we consider whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The increase in the valuation allowance from the prior year relates primarily to losses incurred in certain jurisdictions (mainly Brazil, China, India, Japan and the Netherlands) for which management has determined, based on current profitability projections, that it is more likely than not that these losses will not be utilized within the applicable carryforward periods available under local law. We have not recorded a valuation allowance against $33,111 of deferred tax asset associated with current and prior year tax losses generated in Switzerland. Management believes there is sufficient positive evidence in the form of historical and future projected profitability to conclude that it is more likely than not that all of the losses in Switzerland will be utilized against future taxable profits within the available carryforward period. Our assessment is reliant on the attainment of our future operating profit goals. Failure to achieve these operating profit goals may change our assessment of this deferred tax asset, and such change would result in an additional valuation allowance and an increase in income tax expense to be recorded in the period of the change in assessment. We will continue to review our forecasts and profitability trends on a quarterly basis.

Additionally, we have recorded a full valuation allowance against $7,076 of deferred tax asset related to an interest rate derivative instrument for which management has determined, based on current profitability projections, that it is more likely than not that it will not be recognized in the foreseeable future. The impact of this deferred tax asset and associated valuation allowance has been recorded in accumulated other comprehensive (loss) income on the balance sheet.

No valuation allowance has been recorded against the $20,999 deferred tax asset associated with share-based compensation charges at June 30, 2017. However, in the future, if the underlying awards expire, are released or are exercised with an intrinsic value less than the fair value of the awards on the date of grant, some or all of the benefit may not be realizable.

Based on the weight of available evidence at June 30, 2017, management believes that it is more likely than not that all other net deferred tax assets will be realized in the foreseeable future. We will continue to assess the realization of the deferred tax assets based on operating results.

A reconciliation of the beginning and ending amount of the valuation allowance for the year ended June 30, 2017 is as follows:

Balance at June 30, 2016	$	35,429
Charges to earnings (1)		16,674
Charges to other accounts (2)		4,850
Balance at June 30, 2017	$	56,953

(1) Amount is primarily related to non-U.S. net operating losses.

(2) Amount is primarily related to unrealized losses on cross-currency swap contracts included in other comprehensive income (loss) and an increase in deferred tax assets on non-U.S. net operating losses due to currency exchange rate changes.

The decrease in deferred tax liabilities during fiscal 2017 is primarily attributable to increased net operating losses in Switzerland, offset by deferred tax liabilities of $3,255 related to intangible and other assets from the acquisition of National Pen.

As of June 30, 2017, we had gross U.S. federal and state net operating losses of approximately $3,091 that expire on various dates from fiscal 2030 through fiscal 2035. We had gross non-U.S. net operating loss and other carryforwards of $523,754, a significant amount of which expire in fiscal 2021, with the remaining amounts expiring on various dates from fiscal 2019 through fiscal 2037. The benefits of these carryforwards are dependent upon the generation of taxable income in the jurisdictions where they arose.

We consider the following factors, among others, in evaluating our plans for indefinite reinvestment of our subsidiaries' earnings: (i) the forecasts, budgets and financial requirements of both our parent company and its subsidiaries, both for the long term and for the short term; and (ii) the tax consequences of any decision to reinvest earnings of any subsidiary. As of June 30, 2017, no tax provision has been made for $27,406 of undistributed earnings of certain of our subsidiaries as these earnings are considered indefinitely reinvested. If, in the future, we decide to repatriate the undistributed earnings from these subsidiaries in the form of dividends or otherwise, we could be subject to withholding taxes payable in the range of $6,500 to $7,500 at that time. A cumulative deferred tax liability of $4,374 has been recorded attributable to undistributed earnings that we have deemed are no longer indefinitely reinvested. The remaining undistributed earnings of our subsidiaries are not deemed to be indefinitely reinvested and can be repatriated at no tax cost. Accordingly, there has been no provision for income or withholding taxes on these earnings.

A reconciliation of the gross beginning and ending amount of unrecognized tax benefits is as follows:

Balance June 30, 2015	$	5,710
Additions based on tax positions related to the current tax year		328
Additions based on tax positions related to prior tax years		132
Reductions based on tax positions related to prior tax years		(363)
Reductions due to audit settlements		(1,129)
Reductions due to lapse of statute of limitations		(429)
Balance June 30, 2016	$	4,249
Additions based on tax positions related to the current tax year		632
Additions based on tax positions related to prior tax years		1,580
Reductions based on tax positions related to prior tax years		(30)
Reductions due to audit settlements		(1,048)
Balance June 30, 2017	$	5,383

For the years ended June 30, 2017 and 2016, the amount of unrecognized tax benefits (exclusive of interest) that, if recognized, would impact the effective tax rate is $3,069 and $1,893, respectively. We recognize interest and, if applicable, penalties related to unrecognized tax benefits in income tax expense. The accrued interest and penalties recognized as of June 30, 2017 and 2016 were $384 and $142, respectively. It is reasonably possible that a further change in unrecognized tax benefits in the range of $1,000 to $1,200 may occur within the next twelve months related to the settlement of one or more audits or the lapse of applicable statutes of limitations. We believe we have appropriately provided for all tax uncertainties.

We conduct business in a number of tax jurisdictions and, as such, are required to file income tax returns in multiple jurisdictions globally. The years 2013 through 2016 remain open for examination by the United States Internal Revenue Service (“IRS”) and the years 2011 through 2016 remain open for examination in the various states and non-US tax jurisdictions in which we file tax returns.

We are currently under income tax audit in certain jurisdictions globally. We believe that our income tax reserves are adequately maintained taking into consideration both the technical merits of our tax return positions and ongoing developments in our income tax audits. However, the final determination of our tax return positions, if audited, is uncertain, and there is a possibility that final resolution of these matters could have a material impact on our results of operations or cash flows.

14. Noncontrolling Interests

In certain of our strategic investments we have purchased a controlling equity stake, but there remains a minority portion of the equity that is owned by a third party. The balance sheet and operating activity of these entities are included in our consolidated financial statements and we adjust the net (loss) income in our consolidated statement of operations to exclude the noncontrolling interests' proportionate share of results. We present the proportionate share of equity attributable to the redeemable noncontrolling interests as temporary equity within our consolidated balance sheet and the proportionate share of noncontrolling interests not subject to a redemption provision that is outside of our control as equity.

Redeemable noncontrolling interests

On April 15, 2015, we acquired 70% of the outstanding shares of Exagroup SAS. The remaining 30% is considered a redeemable noncontrolling equity interest, as it is redeemable in the future and not solely within our control. The Exagroup noncontrolling interest, redeemable at a fixed amount of €39,000, was recorded at its fair value as of the acquisition date and will be adjusted to its redemption value on a periodic basis, if that amount exceeds its carrying value. During the year ended June 30, 2016, the losses attributable to the noncontrolling interest, primarily due to the goodwill impairment loss as discussed in Note 8, reduced the carrying value below the fixed redemption amount. We recorded an adjustment of $7,025 to increase the carrying value to the fixed redemption amount, which offset the net loss attributable to noncontrolling interest during the year ended June 30, 2016. As of June 30, 2017, the redemption value was less than the carrying value, and therefore no adjustment was required.

On April 3, 2014, we acquired 97% of the outstanding corporate capital of Pixartprinting S.p.A. The remaining 3% was considered a redeemable noncontrolling equity interest, as it was redeemable for cash based on financial results and was not solely within our control. During year ended June 30, 2016, we increased the carrying amount of the redeemable noncontrolling interest by $5,879 to reflect the estimated redemption value as of June 30, 2016. As the formulaic redemption value exceeded the fair value of noncontrolling interest as of June 30, 2016, $960 of the accretion was recorded as an offset to the net loss attributable to noncontrolling interest with the remaining accretion of $4,919 recorded to retained earnings. During fiscal 2017, we purchased the remaining equity interest for €10,406 ($10,947 based on the exchange rate as of the redemption date).

We previously owned a 51% controlling interest in a joint business arrangement with Plaza Create Co. Ltd., a leading Japanese retailer of photo products, to expand our market presence in Japan. During the second quarter of fiscal 2017, we purchased the remaining 49% noncontrolling interest for $9,352. The purchase was recognized as an equity transaction, which resulted in the difference between the carrying value of the noncontrolling interest and purchase price, adjusted within additional paid-in capital.

Noncontrolling interest

On August 7, 2014, we made a capital investment in Printi LLC; however during the fourth quarter of fiscal 2017 we modified the terms of the arrangement resulting in a reclassification of the noncontrolling interest to a liability as described in Note 15. As of June 30, 2017, the remaining noncontrolling interest includes a third-party investment in one of our acquired subsidiaries.

The following table presents the reconciliation of changes in our noncontrolling interests:

	Redeemable noncontrolling interests	Noncontrolling interest
Balance as of June 30, 2015	$ 57,738	$ 512
Capital contribution from noncontrolling interest	5,141	—
Accretion to redemption value recognized in retained earnings (1)	4,919	—
Accretion to redemption value recognized in net loss attributable to noncontrolling interest (2)	7,985	—
Adjustment to noncontrolling interest	—	(74)
Net loss attributable to noncontrolling interest	(11,840)	(83)
Dividend paid to noncontrolling interest	(368)	—
Foreign currency translation	1,726	(4)
Balance as of June 30, 2016	$ 65,301	$ 351
Capital contribution from noncontrolling interest	1,404	—
Accretion to redemption value recognized in net loss attributable to noncontrolling interest (2)	372	—
Net (loss) income attributable to noncontrolling interest	(864)	4
Purchase of noncontrolling interests (3)	(20,299)	—
Sale of noncontrolling interest	—	(90)
Foreign currency translation	(502)	(52)
Balance as of June 30, 2017	$ 45,412	$ 213

(1) Accretion of redeemable noncontrolling interests to redemption value recognized in retained earnings is the result of the redemption amount estimated to be greater than carrying value but less than fair value.
(2) Accretion to redemption value recognized in net loss attributable to noncontrolling interest is the result of the redemption amount estimated to be greater than both the carrying value and fair value of the noncontrolling interest.
(3) During fiscal 2017, we purchased the Pixartprinting and Japanese joint venture noncontrolling interests for $10,947 and $9,352, respectively.

15. Variable Interest Entity ("VIE")

On August 7, 2014, we made a capital investment in Printi LLC, which operates in Brazil. This investment provides us access to a new market and the opportunity to drive longer-term growth in Brazil and other geographies as Printi expands internationally in the future. As of June 30, 2017, we have a 49.99% equity interest in Printi. Based upon the level of equity investment at risk, Printi is considered a variable interest entity. The shareholders of Printi share profits and voting control on a pro-rata basis. While we do not manage the day to day operations of Printi, we do have the unilateral ability to exercise participating voting rights for specific transactions and as such no one shareholder is considered to be the primary beneficiary. However, certain significant shareholders cannot transfer their equity interests without our approval and as a result are considered de facto agents on our behalf in accordance with ASC 810-10-25-43.

In aggregating our rights, as well as those of our de facto agents, the group as a whole has both the power to direct the activities that most significantly impact the entity's economic performance and the obligation to absorb losses and the right to receive benefits from the entity. In situations where a de facto agency relationship is present, one party is required to be identified as the primary beneficiary and the evaluation requires significant judgment. The factors considered include the presence of a principal/agent relationship, the relationship and significance of activities to the reporting entity, the variability associated with the VIE's anticipated economics and the design of the VIE. The analysis is qualitative in nature and is based on weighting the relative importance of each of the factors in relation to the specifics of the VIE arrangement. Upon our investment we performed an analysis and concluded that we are the party that is most closely associated with Printi, as we are most exposed to the variability of the economics and therefore considered the primary beneficiary.

We previously had call options with certain employee shareholders to increase our ownership in Printi incrementally over an eight-year period. On May 22, 2017, we modified the terms of the future put and call options and agreed to purchase an additional 3.7% non-voting economic interest during the fourth quarter of fiscal 2018. In addition, we will acquire the remaining equity interest in Printi through a reciprocal put and call structure, exercisable from March 31, 2021 through a mandatory redemption date of July 31, 2023. As the remaining equity interests are mandatorily redeemable by all parties no later than a specified future date, the noncontrolling interest is within the scope of ASC 480 and is required to be presented as a liability on our consolidated balance sheet. As of the amendment date, we reclassified the mandatorily redeemable noncontrolling interest to a liability and adjusted the liability to the fair value of $3,357, using an option pricing model, with an offsetting adjustment to additional paid-in capital. We will adjust the liability to its estimated redemption value each reporting period and recognize any changes within interest expense, net in our consolidated statement of operations.

Under the original terms of our arrangement, a portion of our call options were for Printi restricted stock held by Printi employees that was contingent on post-acquisition employment and recognized as share-based compensation over a four-year vesting period. As part of the modification, we eliminated the employment vesting provisions resulting in the acceleration of expense for the remaining awards not previously vested. The awards will continue to be considered liability-based awards and marked to fair value each reporting period until cash settlement. As of June 30, 2017, through the use of an option pricing model we estimate the current fair value to be $8,713 and we have recognized $5,803, $1,517 and $1,405 in general and administrative expense for the years ended June 30, 2017, 2016 and 2015, respectively.

As part of the amended arrangement, we agreed to lend two Printi employees up to $24,000 that is payable on the date the put or call option is exercised, which will occur no later than July 31, 2023. On July 10, 2017, $12,000 of the loan was drawn and will be considered a long-term loan receivable in our consolidated financial statements in the first quarter of fiscal 2018. The loans carry 8.5% annual interest and the loans are not contingent upon continued employment. We expect that the loan proceeds will be used to offset our purchase of the remaining noncontrolling interest in the future.

16. Segment Information

Our operating segments are based upon the manner in which our operations are managed and the availability of separate financial information reported internally to the Chief Executive Officer, who is our Chief Operating Decision Maker ("CODM") for purposes of making decisions about how to allocate resources and assess performance. As of June 30, 2017 we have numerous operating segments under our management reporting structure which are reported in the following four reportable segments:

- *Vistaprint* - Includes the operations of our Vistaprint-branded websites focused on the North America, Europe, Australia and New Zealand markets, and our Webs-branded business, which is managed with the Vistaprint-branded digital business in the previously listed geographies.

- *Upload and Print* - Includes the results of our druck.at, Easyflyer, Exagroup, Pixartprinting, Printdeal, Tradeprint, and WIRmachenDRUCK branded businesses.

- *National Pen* - Includes the global operations of our National Pen branded businesses, which manufacture and market custom writing instruments and promotional products, apparel and gifts.

- *All Other Businesses* - Includes the operations of our Albumprinter, Most of World, and Corporate Solutions businesses. Our Most of World businesses are focused on our emerging market portfolio, including operations in Brazil, China, India and Japan. These businesses have been combined into one reportable segment based on materiality.

As part of the reorganization announced in January 2017, several groups that previously were part of our corporate and global functions, including significant portions of our technology, manufacturing and supply chain, finance, legal and other related groups, have been decentralized into our operating segments. This change is intended to improve accountability for customer satisfaction and capital returns, simplify decision-making, improve the speed of execution, further develop our cadre of general managers, and release entrepreneurial energy. The majority of the groups transferred into our operating segments joined our Vistaprint business and to a smaller extent our Upload and Print businesses. We revised our presentation of all prior periods presented to reflect our revised segment reporting.

Corporate and global functions now consist primarily of global procurement and supplier research, a central technology team whose primary focus is building the mass customization platform, and essential corporate services, such as the corporate finance, communications, strategy and legal functions. Corporate and global functions is a cost center and does not meet the definition of an operating segment.

We began granting PSUs under our 2016 Plan during the first quarter of fiscal 2017. The PSU expense value is based on a Monte Carlo fair value analysis and is required to be expensed on an accelerated basis. In order to ensure comparability in measuring our businesses results, we allocate the straight-line portion of the fixed grant value to our businesses. Any expense in excess of the amount as a result of the fair value measurement of the PSUs and the accelerated expense profile of the awards is recognized within corporate and global functions.

Adjusted net operating profit (loss) is the primary metric by which our CODM measures segment financial performance and allocates resources. Certain items are excluded from segment adjusted net operating profit (loss), such as acquisition-related amortization and depreciation, expense recognized for contingent earn-out related charges, including the changes in fair value of contingent consideration and compensation expense related to cash-based earn-out mechanisms dependent upon continued employment, share-based compensation related to investment consideration, certain impairment expense, and restructuring charges. A portion of the interest expense associated with our Waltham lease is included as expense in adjusted net operating profit (loss) and allocated based on headcount to the appropriate business or corporate and global function. The interest expense represents a portion of the cash rent payment and is considered an operating expense for purposes of measuring our segment performance. There are no internal revenue transactions between our operating segments, and we do not allocate non-operating income to our segment results. All intersegment transfers are recorded at cost for presentation to the CODM; for example, we allocate costs related to products manufactured by our global network of production facilities to the applicable operating segment. There is no intercompany profit or loss recognized on these transactions.

Our All Other Businesses reportable segment includes our Most of World and Corporate Solutions businesses, which have operating losses as they are in the early stage of investment relative to the scale of the underlying businesses, which may limit its comparability to other segments regarding adjusted net operating profit (loss).

Our balance sheet information is not presented to the CODM on an allocated basis, and therefore we do not present asset information by segment.

Revenue by segment is based on the business-specific websites through which the customer's order was transacted. The following tables set forth revenue, adjusted net operating profit (loss) by reportable segment, total (loss) income from operations and total (loss) income before taxes.

	Year Ended June 30,		
	2017	2016	2015
Revenue:			
Vistaprint	$ 1,305,285	$ 1,217,162	$ 1,149,706
Upload and Print	588,613	432,638	197,075
National Pen	112,712	—	—
All Other Businesses	128,795	138,244	147,425
Total revenue	$ 2,135,405	$ 1,788,044	$ 1,494,206

During the fourth quarter of fiscal 2017, we identified errors related to our unaudited segment profitability disclosures that were recast and reported during the third quarter of fiscal 2017. As part of this process we transferred, in error, certain costs from our corporate and global functions cost center to our Vistaprint segment. This resulted in the understatement of Vistaprint's adjusted net operating profit of $5,591 and $7,998 for the nine months ended March 31, 2017 and 2016, respectively and $2,727 for the three months ended March 31, 2016. This also resulted in an offsetting understatement of the costs of our corporate and global functions for the same amounts for the periods included above. The impacts of these errors have been revised within our results for the years ended June 30, 2017 and 2016. We have determined that these errors were not material, individually or in the aggregate, to any of the previously issued financial statements. Revisions to the applicable prior periods are reflected in the financial information herein and will be reflected in future filings containing such financial information. The revision had no net impact on our consolidated balance sheet, consolidated statements of comprehensive income (loss) and of cash flows for any prior periods.

	Year Ended June 30, 2017	2016	2015
Adjusted net operating profit (loss) by segment:			
Vistaprint	$ 165,193	$ 213,027	$ 193,048
Upload and Print	63,833	58,643	23,511
National Pen	(2,225)	—	—
All Other Businesses	(30,747)	(8,924)	10,699
Total adjusted net operating profit (loss) by segment	196,054	262,746	227,258
Corporate and global functions	(116,803)	(96,592)	(84,622)
Acquisition-related amortization and depreciation	(46,402)	(40,834)	(24,265)
Earn-out related charges (1)	(40,384)	(6,378)	(15,276)
Share-based compensation related to investment consideration	(9,638)	(4,835)	(3,569)
Certain impairments (2)	(9,556)	(41,820)	—
Restructuring related charges	(26,700)	(381)	(3,202)
Interest expense for Waltham lease	7,727	6,287	—
Total (loss) income from operations	(45,702)	78,193	96,324
Other income, net	10,362	26,098	20,134
Interest expense, net	(43,977)	(38,196)	(16,705)
(Loss) income before income taxes	$ (79,317)	$ 66,095	$ 99,753

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(1) Includes expense recognized for the change in fair value of contingent consideration and compensation expense related to cash-based earn-out mechanisms dependent upon continued employment.
(2) Includes the impact for certain impairments or abandonments of goodwill and other long-lived assets as defined by ASC 350 - "Intangibles - Goodwill and Other" or ASC 360 - "Property, plant, and equipment."

	Year Ended June 30, 2017	2016	2015
Depreciation and amortization:			
Vistaprint	$ 63,923	$ 40,686	$ 40,075
Upload and Print	56,073	47,696	24,539
National Pen	10,269	—	—
All Other Businesses	15,074	18,111	15,258
Corporate and global functions	13,061	25,425	17,628
Total depreciation and amortization	$ 158,400	$ 131,918	$ 97,500

Enterprise Wide Disclosures:

The following tables set forth revenues by geographic area and groups of similar products and services:

	Year Ended June 30, 2017	2016	2015
United States	$ 901,061	$ 781,335	$ 718,072
Germany (1)	256,069	125,356	54,129
Other (2)	978,275	881,353	722,005
Total revenue	$ 2,135,405	$ 1,788,044	$ 1,494,206

	Year Ended June 30,		
	2017	2016	2015
Physical printed products and other (3)	$ 2,076,564	$ 1,724,676	$ 1,423,110
Digital products/services	58,841	63,368	71,096
Total revenue	$ 2,135,405	$ 1,788,044	$ 1,494,206

(1) During the fiscal year ended June 30, 2017, our revenues within the German market exceeded 10% of our total consolidated revenue. Therefore we have presented Germany as a significant geographic area and recast all prior periods.

(2) Our other revenue includes the Netherlands, our country of domicile.

(3) Other revenue includes miscellaneous items which account for less than 1% of revenue.

The following tables set forth long-lived assets by geographic area:

	June 30, 2017	June 30, 2016
Long-lived assets (4):		
Canada	$ 85,926	$ 89,888
Netherlands	83,223	91,053
United States	64,034	32,977
Switzerland	49,017	38,501
Italy	44,423	34,086
Australia	22,961	24,358
France	22,794	24,561
Jamaica	21,492	22,604
Japan	20,686	23,213
Other	64,377	53,059
Total	$ 478,933	$ 434,300

(4) Excludes goodwill of $514,963 and $466,005, intangible assets, net of $275,924 and $216,970, the Waltham lease asset of $116,045 and $120,168, and deferred tax assets of $48,004 and $26,093 as of June 30, 2017 and June 30, 2016, respectively.

17. Commitments and Contingencies

Lease Commitments

We have commitments under operating leases for our facilities that expire on various dates through 2026, including the Waltham lease arrangement discussed in Note 2. Total lease expense, net of sublease income, for the years ended June 30, 2017, 2016 and 2015 was $13,959, $12,943, and $16,926, respectively.

We lease certain machinery and plant equipment under both capital and operating lease agreements that expire at various dates through 2023. The aggregate carrying value of the leased equipment under capital leases included in property, plant and equipment, net in our consolidated balance sheet at June 30, 2017, is $40,771, net of accumulated depreciation of $26,550; the present value of lease installments not yet due included in other current liabilities and other liabilities in our consolidated balance sheet at June 30, 2017 amounts to $39,879.

	Operating lease obligations	Build-to-suit lease obligation (1)	Capital lease obligation	Total lease obligations
2018	$ 13,344	$ 12,569	$ 13,916	$ 39,829
2019	9,446	12,569	10,721	32,736
2020	8,893	12,569	7,590	29,052
2021	7,426	12,569	3,992	23,987
2022	4,522	12,569	1,838	18,929
Thereafter	6,512	46,403	3,253	56,168
Total	$ 50,143	$ 109,248	$ 41,310	$ 200,701

(1) Minimum payments relate to our Waltham lease obligation, refer to Note 2 for additional details.

Purchase Obligations

At June 30, 2017, we had unrecorded commitments under contract of $29,697, which were primarily composed of commitments for production and computer equipment purchases of approximately $5,540. In addition, we had purchase commitments for third-party web services of $5,000, professional and consulting fees of approximately $5,672, inventory purchase commitments of $2,358, commitments for advertising campaigns of $2,605, and other unrecorded purchase commitments of $8,522.

Debt

The required principal payments due during the next five years and thereafter under our outstanding long-term debt obligations at June 30, 2017 are as follows:

2018	$ 30,542
2019	79,452
2020	494,809
2021	1,184
2022	768
Thereafter	275,823
Total	$ 882,578

On July 13, 2017, we executed an amendment to our senior secured credit facility, and we expanded the total capacity to $1,045,000, which includes $745,000 of revolving loans and $300,000 of term loans. The amendment also extended the maturity date of the senior secured credit facility to July 13, 2022.

Other Obligations

We have an outstanding installment obligation of $6,460 related to the fiscal 2012 intra-entity transfer of the intellectual property of our subsidiary Webs, Inc., which results in tax being paid over a 7.5 year term and has been classified as a deferred tax liability in our consolidated balance sheet as of June 30, 2017. Other obligations also include a contingent earn-out liability for our fiscal 2016 WIRmachenDRUCK acquisition, based on the achievement of certain financial targets, payable at our option in cash or ordinary shares in fiscal 2018 of $44,049. Refer to Note 9 for additional discussion related to the contingent earn-out liability. We have also agreed to a loan arrangement with two Printi employees, which includes an initial draw on the loans in the amount of $12,000 during the first quarter of fiscal 2018. Refer to Note 15 for additional details. In addition, we have deferred payments related to our fiscal 2015 and 2016 acquisitions of $2,075 in aggregate.

Legal Proceedings

We are not currently party to any material legal proceedings. Although we cannot predict with certainty the results of litigation and claims to which we may be subject from time to time, we do not expect the resolution of any of our current matters to have a material adverse impact on our consolidated results of operations, cash flows or financial position. In all cases, at each reporting period, we evaluate whether or not a potential loss amount or a potential range of loss is probable and reasonably estimable under the provisions of the authoritative guidance that addresses accounting for contingencies. We expense the costs relating to our legal proceedings as those costs are incurred.

18. Restructuring Charges

On January 23, 2017, the Supervisory Board of Cimpress N.V. approved a plan to restructure the company and implement organizational changes that decentralized the company's operations in order to improve accountability for customer satisfaction and capital returns, simplify decision-making, and improve the speed of execution. In order to enact the plan, we transferred approximately 3,000 team members that were part of central teams into our businesses. We also reduced the scope of certain other roles and functions that were previously performed centrally, which led to the termination of approximately 135 employees, and reduction of planned hiring in targeted areas. We also eliminated the positions of four Cimpress executive officers who, as a result, left the company.

Form 10-K

The restructuring event discussed above resulted in additional costs, within our corporate and global functions cost center of $25,584 for the year ended June 30, 2017. In addition, for the year ended June 30, 2017 we recognized $1,116 of restructuring costs within our National Pen business related to a separate initiative. Restructuring costs include one-time employee termination benefits, acceleration of share-based compensation, and other related costs including third-party professional and outplacement services and abandonment of production equipment. We do not expect any material additional restructuring charges in future periods as it relates to these restructuring activities.

The restructuring charges included in our consolidated statement of operations for the years ended June 30, 2017, 2016 and 2015 within restructuring expense is $26,700, $381, and $3,202, respectively.

The following table summarizes the restructuring activity during the year ended June 30, 2017:

	Severance and Related Benefits	Other Restructuring Costs (1)	Total
Accrued restructuring liability as of June 30, 2016	$ —	$ —	$ —
Restructuring charges	24,020	2,680	26,700
Cash payments	(13,161)	(1,861)	(15,022)
Non-cash charges (2)	(6,257)	(611)	(6,868)
Accrued restructuring liability as of June 30, 2017	$ 4,602	$ 208	$ 4,810

(1) Includes restructuring charges for third party professional fees of $2,049, as well as $611 for the abandonment of production equipment which was not yet placed into service and under our decentralized operating model had no future use.
(2) Non-cash charges include acceleration of share-based compensation expenses, as well as abandonment charges for production equipment.

19. Quarterly Financial Data (unaudited)

Year Ended June 30, 2017	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	$ 443,713	$ 576,851	$ 550,585	$ 564,256
Cost of revenue (1)	213,050	276,366	268,482	279,077
Net income (loss)	(30,030)	35,022	(42,678)	(34,513)
Net income (loss) attributable to Cimpress N.V.	(29,103)	35,028	(42,934)	(34,702)
Net income (loss) per share attributable to Cimpress N.V.:				
Basic	$ (0.92)	$ 1.12	$ (1.38)	$ (1.11)
Diluted	$ (0.92)	$ 1.07	$ (1.38)	$ (1.11)

Year Ended June 30, 2016	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	$ 375,748	$ 496,274	$ 436,817	$ 479,205
Cost of revenue (1)	157,170	197,462	196,911	222,097
Net income (loss)	10,022	58,991	(35,771)	17,169
Net income (loss) attributable to Cimpress N.V.	10,771	59,319	(32,671)	16,930
Net income (loss) per share attributable to Cimpress N.V.:				
Basic	$ 0.33	$ 1.89	$ (1.04)	$ 0.54
Diluted	$ 0.32	$ 1.81	$ (1.04)	$ 0.51

(1) Cost of revenue as included within the quarterly financial data has been recast for all periods presented to reflect the change in presentation of amortization expense for acquired intangible assets. Refer to Note 2 for further information relating to this change in presentation.

Basic and diluted net income (loss) per share attributable to Cimpress N.V. are computed independently for each of the quarters presented. Therefore, the sum of quarterly basic and diluted per share information may not equal annual basic and diluted net income per share.

20. Subsequent Events

The following events occurred subsequent to June 30, 2017:

- On July 13, 2017, we entered into an amendment to our senior secured credit facility. Refer to Note 10 for additional details.

- On July 21, 2017, we entered into a definitive agreement to sell our Albumprinter business, including its FotoKnudsen subsidiary. Refer to Note 2 for additional details.

Item 9. *Changes in and Disagreement with Accountants on Accounting and Financial Disclosure*

None.

Item 9A. *Controls and Procedures*

Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2017. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, or Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of June 30, 2017, our chief executive officer and chief financial officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There were no significant changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended June 30, 2017 that materially affect, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the company. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, the company's chief executive officer and chief financial officer and effected by the company's supervisory board, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

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

The scope of management's assessment of the effectiveness of internal control over financial reporting as of June 30, 2017 excluded an assessment of the internal control over financial reporting of National Pen, which we acquired during fiscal 2017. The results of National Pen are included in our 2017 consolidated financial statements and represent approximately $91.3 million and $42.3 million of consolidated total assets and net assets, respectively, as of June 30, 2017 and $112.7 million and $7.2 million of consolidated revenue and net loss attributable to Cimpress N.V., respectively, for the year ended June 30, 2017.

Our management assessed the effectiveness of our internal control over financial reporting as of June 30, 2017. In making this assessment, our management used the criteria set forth in the Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our assessment, management concluded that, as of June 30, 2017, our internal control over financial reporting is effective based on criteria in Internal Control - Integrated Framework (2013) issued by the COSO. PricewaterhouseCoopers LLP, our independent registered public accounting firm, has audited the effectiveness of our internal control over financial reporting as of June 30, 2017, as stated in their report included on page 54.

Item 9B. *Other Information*

None.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance*

The information required by this item is incorporated by reference to the information in the sections captioned “Information about our Supervisory Board members and Executive Officers,” “Corporate Governance” and “Section 16(a) Beneficial Ownership Reporting Compliance” contained in our definitive proxy statement for our 2017 Annual General Meeting of Shareholders, which we refer to as our 2017 Proxy Statement.

We have adopted a written code of business conduct and ethics that applies to all of our employees, including our principal executive officer, principal financial officer and principal accounting officer, and is available on our website at www.cimpress.com. We did not waive any provisions of this code during the fiscal year ended June 30, 2017. If we amend, or grant a waiver under, our code of business conduct and ethics that applies to our principal executive, financial or accounting officers, or persons performing similar functions, we will post information about such amendment or waiver on our website at www.cimpress.com.

Item 11. *Executive Compensation*

The information required by this item is incorporated by reference to the information contained in the sections of our 2017 Proxy Statement captioned “Executive Compensation,” “Compensation of Supervisory Board Members” and “Compensation Committee Interlocks and Insider Participation.”

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

The information required by this item is incorporated by reference to the information contained in the sections of our 2017 Proxy Statement captioned “Security Ownership of Certain Beneficial Owners and Management” and “Securities Authorized for Issuance Under Equity Compensation Plans.”

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

The information required by this item is incorporated by reference to the information contained in the sections of our 2017 Proxy Statement captioned “Certain Relationships and Related Transactions” and “Corporate Governance.”

Item 14. ***Principal Accountant Fees and Services***

The information required by this item is incorporated by reference to the information contained in the section of our 2017 Proxy Statement captioned “Independent Registered Public Accounting Firm Fees and Other Matters.”

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

(a) Consolidated Financial Statements.

For a list of the consolidated financial information included herein, see Index to the Consolidated Financial Statements on page 52 of this Report.

(b) List of Exhibits.

See the Exhibit Index attached to this Report.

(c) Financial Statement Schedules.

All schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the accompanying consolidated financial statements or notes thereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

August 11, 2017 Cimpress N.V.

By: /s/ Robert S. Keane

Robert S. Keane

Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Robert S. Keane Robert S. Keane	President and Chief Executive Officer (Principal executive officer)	August 11, 2017
/s/ Sean E. Quinn Sean E. Quinn	Chief Financial Officer (Principal financial and accounting officer)	August 11, 2017
/s/ Paolo De Cesare Paolo De Cesare	Member, Supervisory Board	August 11, 2017
/s/ Sophie A. Gasperment Sophie A. Gasperment	Member, Supervisory Board	August 11, 2017
/s/ John J. Gavin Jr. John J. Gavin Jr.	Member, Supervisory Board	August 11, 2017
/s/ Eric C. Olsen Eric C. Olsen	Member, Supervisory Board	August 11, 2017
/s/ Richard T. Riley Richard T. Riley	Chairman, Supervisory Board	August 11, 2017
/s/ Nadia Shouraboura Nadia Shouraboura	Member, Supervisory Board	August 11, 2017
/s/ Mark T. Thomas Mark T. Thomas	Member, Supervisory Board	August 11, 2017
/s/ Scott Vassalluzzo Scott Vassalluzzo	Member, Supervisory Board	August 11, 2017

EXHIBIT INDEX

Exhibit No.	Description
3.1	Articles of Association of Cimpress N.V., as amended, is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2014
4.1	Senior Notes Indenture (including Form of Notes), dated as of March 24, 2015, between Cimpress N.V., certain subsidiaries of Cimpress N.V. as guarantors thereto, and MUFG Union Bank, N.A., as trustee, is incorporated by reference to our Current Report on Form 8-K filed with the SEC on March 24, 2015
10.1*	2005 Non-Employee Directors' Share Option Plan, as amended, is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2010 (File No. 000-51539)
10.2*	Form of Nonqualified Share Option Agreement under our 2005 Non-Employee Directors' Share Option Plan is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2009 (File No. 000-51539)
10.3*	Amended and Restated 2005 Equity Incentive Plan, as amended, is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2010 (File No. 000-51539)
10.4*	Form of Nonqualified Share Option Agreement under our Amended and Restated 2005 Equity Incentive Plan is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2009 (File No. 000-51539)
10.5*	2011 Equity Incentive Plan is incorporated by reference to Appendix A to our Definitive Proxy Statement on Schedule 14A dated and filed with the SEC on June 8, 2011 (File No. 000-51539)
10.6*	Form of Nonqualified Share Option Agreement under our 2011 Equity Incentive Plan is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2011 (File No. 000-51539)
10.7*	Form of Restricted Share Unit Agreement for employees and executives under our 2011 Equity Incentive Plan is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2011 (File No. 000-51539)
10.8*	Form of Restricted Share Unit Agreement for Supervisory Board members under our 2011 Equity Incentive Plan is incorporated by reference to our Annual Report on Form 10-K for the fiscalyear ended June 30, 2015
10.9*	2016 Performance Equity Plan, as amended, is incorporated by reference to our Current Report on Form 8-K filed with the SEC on November 16, 2016
10.10*	Form of Performance Share Unit Agreement for employees and executives under our 2016 Performance Equity Incentive Plan is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2016
10.11*	Form of Performance Share Unit Agreement for our Chief Executive Officer under our 2016 Performance Equity Incentive Plan is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2016
10.12*	Form of Performance Share Unit Agreement for Supervisory Board members under our 2016 Performance Equity Incentive Plan is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2016
10.13*	2015 Inducement Share Plan is incorporated by reference to our Annual Report on Form 10-K for the fiscal year ended June 30, 2015
10.14*	Form of Restricted Share Award Agreement under 2015 Inducement Share Plan is incorporated by reference to our Annual Report on Form 10-K for the fiscal year ended June 30, 2015
10.15*	Amended and Restated Performance Incentive Plan for Covered Employees is incorporated by reference to Appendix A to our Definitive Proxy Statement on Schedule 14A dated and filed with the SEC on October 16, 2013
10.16*	Form of Indemnification Agreement between Cimpress N.V. and each of our executive officers and members of our Supervisory Board and Management Board is incorporated by reference to our Current Report on Form 8-K filed with the SEC on August 31, 2009 (File No. 000-51539)
10.17*	Amended and Restated Executive Retention Agreement between Cimpress N.V. and Robert Keane dated as of October 23, 2009 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2009 (File No. 000-51539)
10.18*	Form of Executive Retention Agreement between Cimpress N.V. and Katryn Blake is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2009 (File No. 000-51539)
10.19*	Form of Executive Retention Agreement between Cimpress N.V. and each of Donald LeBlanc and Sean Quinn is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2016 (File No. 000-51539)
10.20*	Employment Agreement between Cimpress USA Incorporated and Robert Keane effective September 1, 2009 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2010 (File No. 000-51539)
10.21*	Amendment No. 1 to Employment Agreement between Cimpress USA Incorporated and Robert Keane dated June 14, 2010 is incorporated by reference to our Annual Report on Form 10-K for the fiscal year ended June 30, 2010 (File No. 000-51539)

10.22* Amendment No. 2 to Employment Agreement between Cimpress USA Incorporated and Robert Keane dated September 28, 2011 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2011 (File No. 000-51539)

10.23* Amendment No. 3 to Employment Agreement between Cimpress USA Incorporated and Robert Keane dated July 25, 2012 is incorporated by reference to our Annual Report on Form 10-K for the fiscal year ended June 30, 2012 (File No. 000-51539)

10.24* Amendment No. 4 to Employment Agreement between Cimpress USA Incorporated and Robert Keane dated September 1, 2013 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2013 (File No. 000-51539)

10.25* Amendment No. 5 to Employment Agreement between Cimpress USA Incorporated and Robert Keane dated September 30, 2014 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2014 (File No. 000-51539)

10.26* Amendment No. 6 to Employment Agreement between Cimpress USA Incorporated and Robert Keane dated September 30, 2015 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2015 (File No. 000-51539)

10.27* Amendment No. 7 to Employment Agreement between Cimpress USA Incorporated and Robert Keane dated August 23, 2016 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2016 (File No. 000-51539)

10.28* Memorandum clarifying relative precedence of agreements between Cimpress N.V. and Robert Keane dated May 6, 2010 is incorporated by reference to our Annual Report on Form 10-K for the fiscal year ended June 30, 2010 (File No. 000-51539)

10.29* Agreement Limiting PSU Awards dated May 13, 2016 between Cimpress N.V. and Robert Keane is incorporated by reference to our Current Report on Form 8-K filed with the SEC on May 17, 2016

10.30* Employment Agreement between Cimpress N.V. and Cornelis David Arends dated November 1, 2015 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2016 (File No. 000-51539)

10.31* Long Term International Assignment Agreement between Cimpress N.V. and Cornelis David Arends dated December 9, 2015 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2016 (File No. 000-51539)

10.31* Form of Invention and Non-Disclosure Agreement between Cimpress and each of Robert Keane, Katryn Blake, Donald LeBlanc, and Sean Quinn is incorporated by reference to our Registration Statement on Form S-1, as amended (File No. 333-125470)

10.32* Form of Confidential Information and Non-Competition Agreement between Cimpress and each of Robert Keane, Katryn Blake, Donald LeBlanc, and Sean Quinn is incorporated by reference to our Registration Statement on Form S-1, as amended (File No. 333-125470)

10.33* Summary of Compensatory Arrangements with Members of the Supervisory Board is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2016

10.34* Separation Agreement dated February 17, 2017 between Cimpress USA Incorporated and Donald Nelson is incorporated by reference to our Current Report on Form 8-K filed with the Securities and Exchange Commission on February 22, 2017

10.35* Separation Agreement dated February 17, 2017 between Cimpress USA Incorporated and Lawrence Gold is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2017

10.36* Protocol Transactionnel (Settlement Agreement) dated March 22, 2017 between Cimpress France SARL and Ashley Hubka is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2017

10.37* Settlement Agreement dated February 17, 2017 between Vistaprint B.V. and Wilhelm G.A. Jacobs is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2017

10.38 Call Option Agreement between Cimpress N.V. and Stichting Continuïteit Cimpress (formerly Stichting Continuïteit Vistaprint) dated November 16, 2009 is incorporated by reference to our Current Report on Form 8-K filed with the SEC on November 19, 2009 (File No. 000-51539)

10.39 Amendment and Restatement Agreement dated as of July 13, 2017 among Cimpress N.V., Vistaprint Limited, Cimpress Schweiz GmbH, Vistaprint B.V., and Cimpress USA Incorporated, as borrowers (the “Borrowers”); the lenders named therein as lenders; and JPMorgan Chase Bank N.A., as administrative agent for the lenders (the “Administrative Agent”), which amends and restates the senior Credit Agreement dated as of October 21, 2011, as amended and restated as of February 8, 2013, among the Borrowers, the lenders named therein, and the Administrative Agent, is incorporated by reference to our Current Report on Form 8-K filed with the SEC on July 14, 2017

10.40 Second Amended and Restated Guaranty dated as of July 13, 2017 between Cimpress' subsidiary guarantors named therein as guarantors (the "Subsidiary Guarantors") and the Administrative Agent, which amends and restates the Amended and Restated Guaranty dated as of February 8, 2013 between the Subsidiary Guarantors and the Administrative Agent, is incorporated by reference to our Current Report on Form 8-K filed with the SEC on July 14, 2017

10.43	Amended and Restated Pledge and Security Agreement dated as of July 13, 2017 between Cimpress USA Incorporated, Vistaprint Limited, Cimpress Schweiz GmbH, and Vistaprint B.V., as Borrowers, and Cimpress USA Manufacturing Incorporated, National Pen Co. LLC, National Pen Tennessee LLC, NP Corporate Services LLC, Pixartprinting USA Incorporated, Vistaprint Corporate Solutions Incorporated, and Webs, Inc., as Subsidiary Guarantors, on one hand, and the Administrative Agent, on the other hand, which amends and restates the Pledge and Security Agreement dated as of February 8, 2013, between such Borrowers and Subsidiary Guarantors and the Administrative Agent, is incorporated by reference to our Current Report on Form 8-K filed with the SEC on July 14, 2017
21.1	Subsidiaries of Cimpress N.V.
23.1	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm
31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, Rule 13a-14(a)/15d-14(a), by Chief Executive Officer
31.2	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, Rule 13a-14(a)/15d-14(a), by Chief Financial Officer
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, by Chief Executive Officer and Chief Financial Officer
101	The following materials from this Annual Report on Form 10-K, formatted in Extensible Business Reporting Language (XBRL): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Cash Flows, and (iv) Notes to Condensed Consolidated Financial Statements.

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* Management contract or compensatory plan or arrangement

Cimpress

NOTICE AND PROXY STATEMENT
2017

CIMPRESS N.V.

Hudsonweg 8
5928 LW Venlo
The Netherlands

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Cimpress N.V. will hold its 2017 Annual General Meeting of Shareholders:

on Tuesday, November 14, 2017
at 7:30 p.m. Central European Time
at the offices of Stibbe N.V.
Beethovenplein 10
1077 WM Amsterdam
The Netherlands

MATTERS TO BE ACTED UPON AT THE ANNUAL GENERAL MEETING:

(1) Reappoint John J. Gavin, Jr. to our Supervisory Board to serve for a term of four years ending on the date of our annual general meeting of shareholders in 2021;

(2) Appoint Zachary S. Sternberg to our Supervisory Board to serve for a term of four years ending on the date of our annual general meeting of shareholders in 2021;

(3) Reappoint Robert S. Keane to our Management Board to serve for a term of four years ending on the date of our annual general meeting of shareholders in 2021;

(4) Appoint Sean E. Quinn to our Management Board to serve for a term of three years ending on the date of our annual general meeting of shareholders in 2020;

(5) Following a discussion on the application of the remuneration policy over the fiscal year ended June 30, 2017, hold a non-binding, advisory “say on pay” vote regarding the compensation of our named executive officers, as described in the Compensation Discussion and Analysis, executive compensation tables, and accompanying narrative disclosures in this proxy statement;

(6) Adopt our statutory annual accounts, as prepared in accordance with Dutch law, for the fiscal year ended June 30, 2017;

(7) Discharge the members of our Management Board from liability with respect to the exercise of their duties during the fiscal year ended June 30, 2017;

(8) Discharge the members of our Supervisory Board from liability with respect to the exercise of their duties during the fiscal year ended June 30, 2017;

(9) Authorize our Management Board, acting with the approval of our Supervisory Board, until May 14, 2019 to repurchase up to 6,300,000 of our issued and outstanding ordinary shares (which represents approximately 20% of our 31.4 million shares outstanding as of June 30, 2017) on the open market (including block trades that satisfy the safe harbor provisions of Rule 10b-18 pursuant to the United States Securities Exchange Act of 1934, or the Exchange Act), through privately negotiated transactions, or in one or more self-tender offers at prices per share between an amount equal to €0.01 and an amount equal to 120% of the market price of our ordinary shares on the Nasdaq Global Select Market, or Nasdaq, or any other securities exchange where our shares are then traded (the market price being deemed to be the average of the closing price on each of the consecutive days of trading during a period no shorter than one trading day and no longer than 10 trading days immediately preceding the date of repurchase, as reasonably determined by the Management Board);

(10) Renew the authorization of our Management Board, acting with the approval of our Supervisory Board, until May 14, 2019 to issue ordinary shares or grant rights to subscribe for ordinary shares up to a maximum of (i) 10% of our outstanding share capital at the time of issue for general corporate purposes including but not limited to

equity compensation, acquisitions, and financings, and (ii) an additional 10% of our outstanding share capital at the time of issue in connection with our acquisition of all or a majority of the equity or assets of another entity;

(11) Renew the authorization of our Management Board, acting with the approval of our Supervisory Board, until May 14, 2019 to resolve to exclude or restrict our shareholders' preemptive rights under Dutch law with respect to ordinary shares and rights to subscribe for ordinary shares that the Management Board may issue or grant pursuant to any authorization of our shareholders;

(12) Appoint PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending June 30, 2018;

(13) Hold a non-binding, advisory "say on frequency" vote regarding the frequency of the future advisory votes on executive compensation (once every year, every two years or every three years); and

(14) Transact other business, if any, that may properly come before the meeting or any adjournment of the meeting.

Our Management Board and Supervisory Board have no knowledge of any other business to be transacted at the annual general meeting.

Shareholders of record at the close of business on October 17, 2017 are entitled to vote at the annual general meeting. Your vote is important regardless of the number of shares you own. Whether or not you expect to attend the meeting, please complete and promptly return the enclosed proxy card or voter instruction form in accordance with the instructions that we or your bank or brokerage firm have provided. Your prompt response will ensure that your shares are represented at the annual general meeting. You can change your vote and revoke your proxy by following the procedures described in this proxy statement.

All shareholders are cordially invited to attend the annual general meeting.

By order of the Management Board,

Chairman of the Management Board, President and Chief Executive Officer
October 23, 2017

CIMPRESS N.V.
Hudsonweg 8
5928 LW Venlo
The Netherlands

PROXY STATEMENT FOR ANNUAL GENERAL MEETING OF SHAREHOLDERS

to be held on November 14, 2017

This proxy statement contains information about the 2017 Annual General Meeting of Shareholders of Cimpress N.V., which we refer to in this proxy statement as the annual meeting or the meeting. We will hold the annual meeting on Tuesday, November 14, 2017 at the offices of Stibbe N.V., Beethovenplein 10, 1077 WM Amsterdam, the Netherlands. The meeting will begin at 7:30 p.m. Central European Time.

We are furnishing this proxy statement to you in connection with the solicitation of proxies by the Management Board of Cimpress N.V. (which is also referred to as we, us, or Cimpress in this proxy statement) for use at the annual meeting and at any adjournment of the annual meeting.

We are first mailing the Notice of Annual General Meeting, this proxy statement, and our Annual Report to Shareholders for the fiscal year ended June 30, 2017 on or about October 23, 2017.

Important Notice Regarding the Availability of Proxy Materials for the 2017 Annual General Meeting of Shareholders:

This Proxy Statement and the 2017 Annual Report to Shareholders are available for viewing, printing and downloading at *http://proxy.ir.cimpress.com*. In addition, our statutory annual accounts and accompanying annual report, as prepared in accordance with Dutch law and including biographical information about the candidates nominated for appointment as members of our Supervisory Board, are available at our offices at the address above and for viewing, printing, and downloading at *http://proxy.ir.cimpress.com.*

We will furnish without charge a copy of this proxy statement and our Annual Report on Form 10-K for the fiscal year ended June 30, 2017, as filed with the United States Securities and Exchange Commission, or SEC, to any shareholder who requests it by emailing IR@cimpress.com or writing to Cimpress N.V., c/o Cimpress USA Incorporated, Attention: Investor Relations, 275 Wyman Street, Waltham, MA 02451, USA. This proxy statement and our Annual Report on Form 10-K are also available on the SEC's web site at *www.sec.gov.*

INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

What is the purpose of the annual meeting?

At the annual meeting, our shareholders will consider and act upon the 13 proposals listed in the Notice of Annual General Meeting of Shareholders that appears on the first two pages of this proxy statement. Our Management Board and Supervisory Board are not aware of any other business to be transacted at the annual meeting.

Who can vote?

To be able to vote on the matters listed in the Notice of Annual General Meeting of Shareholders on the first two pages of this proxy statement, you must have held ordinary shares of Cimpress at the close of business on October 17, 2017, which is the record date for the annual meeting. Shareholders of record at the close of business on October 17, 2017 are entitled to vote on each proposal at the meeting. The number of outstanding ordinary shares entitled to vote on each proposal at the meeting is 31,040,631.

How many votes do I have?

Each ordinary share of Cimpress that you owned on the record date entitles you to one vote on each matter that is voted on at the annual meeting.

Is my vote important?

Your vote is important regardless of how many ordinary shares you own. Please take a moment to read the instructions below, vote your shares, and submit your proxy as soon as possible to ensure that your shares are represented and voted at the annual meeting.

How do I vote?

If you are a holder of record and your shares are not held in “street name” by a bank or brokerage firm, you may vote by completing and signing the proxy card that accompanies this proxy statement and promptly mailing it in the enclosed postage-prepaid envelope. For your vote to be counted at the meeting, our transfer agent, Computershare Trust Company, Inc., must receive your proxy no later than 4:00 p.m. Eastern Standard Time on the last business day before the meeting.

If the shares you own are held in street name by a bank or brokerage firm, then your bank or brokerage firm, as the record holder of your shares, is required to vote your shares according to your instructions. In order to vote your shares, you will need to follow the directions your bank or brokerage firm provides to you. Many banks and brokerage firms offer the option of voting by mail, over the Internet, or by telephone, which will be explained in the voting instruction form you receive from your bank or brokerage firm.

The shares you own will be voted according to the instructions you return to Computershare Trust Company or your bank or brokerage firm. If you are a holder of record and sign and return the proxy card, but do not give any instructions on a particular matter to be voted on as described in this proxy statement, then the shares you own will be voted in accordance with the recommendations of our Management Board and Supervisory Board. If your shares are held in street name at a broker, your broker may under certain circumstances vote your shares on “routine” matters if you do not timely provide voting instructions in accordance with the instructions provided by them. However, if you do not provide timely instructions, your broker does not have the authority to vote on any “non-routine” proposals at the annual meeting and a “broker non-vote” will occur. “Broker non-votes” are shares that are held in street name by a bank or brokerage firm that indicates on its proxy that it does not have discretionary authority to vote such shares on a particular matter.

If you are a record holder and attend the annual meeting in person, then you may also vote in person. If you hold your shares in street name and wish to attend the meeting or vote in person, then you must follow the instructions below under “How do I attend the meeting and vote in person?”

Can I change my vote or revoke my proxy after I have mailed my proxy card?

Yes. If your shares are held in street name by a bank or brokerage firm and you wish to revoke or change your voting instructions, then you must follow the directions you receive from your bank or brokerage firm. If you are a holder of record and your shares are not held in street name, then you can revoke your proxy and change your vote by doing any one of the following things:

- signing another proxy card with a later date and delivering the new proxy card to our Senior Securities Counsel at the offices of our subsidiary Cimpress USA Incorporated, 275 Wyman Street, Waltham, MA 02451 USA no later than 4:00 p.m. Eastern Standard Time on the last business day before the meeting;

- delivering to our Senior Securities Counsel written notice no later than 4:00 p.m. Eastern Standard Time on the last business day before the meeting that you want to revoke your proxy; or

- voting in person at the meeting.

Your attendance at the meeting alone will not revoke your proxy.

How do I attend the meeting and vote in person?

If you wish to attend our annual meeting in Amsterdam, the Netherlands in person, please send our Senior Securities Counsel written notice at the offices of our subsidiary Cimpress USA Incorporated, 275 Wyman Street, Waltham, MA 02451 USA no later than November 9, 2017. If you need directions to the meeting, please call Investor Relations at +1 781-652-6480.

If you wish to attend the meeting and your shares are held in street name by a bank or brokerage firm, then you must provide the written notice referenced above and also bring with you to the meeting an account statement or letter from your bank or brokerage firm showing that you are the beneficial owner of the shares as of the record date in order to be admitted to the meeting. To be able to vote your shares held in street name at the meeting, you will need to obtain a legal proxy from the holder of record, i.e., your bank or brokerage firm.

What vote is required?

Under our articles of association, holders of at least one third of our outstanding ordinary shares must be represented at the annual meeting to constitute a quorum, and the following vote is required to approve each of the proposals described in this proxy statement:

- *Proposals 1 through 4 (appointments of members of our Supervisory Board and Management Board):* In accordance with our articles of association, our Supervisory Board adopted unanimous resolutions to make binding nominations of the candidates for appointment to the Supervisory Board and Management Board. Our shareholders may set aside any of these binding nominations only by a vote of at least two thirds of the votes cast at a meeting representing more than half of our share capital.

- *Proposal 5 (advisory "say on pay"):* This proposal requires the approval of a majority of votes cast at a meeting at which a quorum is present. This vote is non-binding and advisory in nature, but our Compensation Committee will take into account the outcome of the vote when considering future executive compensation arrangements.

- *Proposal 11 (authority to exclude or restrict pre-emptive rights):* This proposal requires the approval of a majority of votes cast at a meeting at which a quorum is present, unless less than half of our issued capital is present or represented at the meeting, in which case this proposal requires a vote of at least two thirds of the votes cast.

- *Proposals 6 through 10, and 12:* These proposals require the approval of a majority of votes cast at a meeting at which a quorum is present.

- *Proposal 13:* This vote is non-binding and advisory in nature, but our Supervisory Board will take into account the outcome of the vote and expects to adopt the frequency that receives the greatest level of support from our shareholders.

For all proposals, Dutch law and our articles of association provide that ordinary shares represented at the meeting and abstaining from voting will count as shares present at the annual meeting but will not count for the purpose of determining the number of votes cast. Broker non-votes will not count as shares present at the annual meeting or for the purpose of determining the number of votes cast. “Broker non-votes” are shares that are held in street name by a bank or brokerage firm that indicates on its proxy that it does not have discretionary authority to vote on a particular matter.

How will votes be counted?

Each ordinary share will be counted as one vote according to the instructions contained on a properly completed proxy or on a ballot voted in person at the annual meeting. Shares will not be voted in favor of a proposal if either the shareholder abstains from voting on a particular matter or the shares are broker non-votes.

Who will count the votes?

Computershare Trust Company, Inc., our transfer agent, will count, tabulate, and certify the votes.

How do the Management Board and Supervisory Board recommend that I vote on the proposals?

The Management Board and Supervisory Board recommend that you vote FOR Proposals 1 through 12 and for a frequency of every 1 YEAR on Proposal 13.

Will any other business be conducted at the meeting or will other matters be voted on?

Our Management Board and Supervisory Board do not know of any other matters that may come before the meeting. If any other matter properly comes before the meeting, then, to the extent permitted by applicable law, the persons named in the proxy card that accompanies this proxy statement may exercise their judgment in deciding how to vote, or otherwise act, at the meeting with respect to that matter or proposal.

Where can I find the voting results?

Within four business days after the annual meeting, we will report the voting results on a Current Report on Form 8-K that we will file with the SEC.

How and when may I submit a shareholder proposal, including a shareholder nomination for a Supervisory Board position, for the 2018 annual general meeting?

Because we are a Dutch limited company whose shares are traded on a U.S. securities exchange, both U.S. and Dutch rules and timeframes apply if you wish to submit a candidate to be considered for election to our Supervisory Board at our 2018 annual general meeting or if you wish to submit another kind of proposal for consideration by shareholders at our 2018 annual general meeting.

Under our articles of association, if you are interested in submitting a proposal, you must fulfill the requirements set forth in our articles of association, including satisfying both of the following criteria:

- We must receive your proposal at our registered offices in Venlo, the Netherlands as set forth below no later than 60 days before the 2018 annual general meeting, and

- The number of ordinary shares you hold must equal at least 3% of our issued share capital.

Under our articles of association, shareholders do not have the right to nominate or appoint their own candidates for positions on our Supervisory Board directly, but if you submit information about a potential candidate for the Supervisory Board to our Nominating and Corporate Governance Committee, as described in the section of this proxy statement entitled “Supervisory Board Nomination Process,” then our Nominating and Corporate Governance Committee will consider whether he or she is appropriate for nomination to our Supervisory Board.

Under U.S. securities laws, if you wish to have a proposal included in our proxy statement for the 2018 annual general meeting, then in addition to the above requirements, you also need to follow the procedures outlined in

Rule 14a-8 of the Exchange Act, and the deadline for submitting your proposal to us is earlier than the deadline specified above: For your proposal to be eligible for inclusion in our proxy statement for the 2018 annual general meeting, we must receive your proposal at our registered offices in Venlo, the Netherlands as set forth below no later than June 25, 2018.

Any proposals, nominations or notices under our articles of association or pursuant to Rule 14a-8 should be sent to:

Secretary, Cimpress N.V.
Hudsonweg 8
5928 LW Venlo
The Netherlands

With a copy to:
Senior Securities Counsel
Cimpress USA Incorporated
275 Wyman Street
Waltham, MA 02451
USA

What are the costs of soliciting these proxies?

We will bear the costs of solicitation of proxies. We have retained Alliance Advisors for a fee of $10,500 plus expenses to assist us in soliciting proxies from our shareholders and to verify certain records relating to the solicitation. We and our Supervisory Board members, officers, and selected other employees may also solicit proxies by mail, telephone, e-mail, or other means of communication. Supervisory Board members, officers, and employees who help us in soliciting proxies will not be specially compensated for those services, but they may be reimbursed for their reasonable out-of-pocket expenses incurred in connection with their solicitation. We will request brokers, custodians, and fiduciaries to forward proxy soliciting material to the owners of our ordinary shares that they hold in their names and will reimburse these entities for their out-of-pocket expenses incurred in connection with the distribution of our proxy materials.

Householding of Annual Meeting Materials

Some banks, brokers, and other nominee record holders may participate in the practice of “householding” proxy statements and annual reports. This means that only one copy of our proxy statement and annual report to shareholders may be sent to multiple shareholders in your household. We will promptly deliver a separate copy of either document to you if you contact us by emailing IR@cimpress.com, writing us at Investor Relations, Cimpress, 275 Wyman Street, Waltham, MA 02451 USA, or calling us at telephone no. +1 781-652-6480. If you want to receive separate copies of the proxy statement or annual report to shareholders in the future, or if you are receiving multiple copies and would like to receive only one copy per household, you should contact your bank, broker, or other nominee record holder if you hold your shares in street name, or you may contact us per the above if you are a holder of record.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table contains information regarding the beneficial ownership of our ordinary shares as of September 8, 2017 by:

- each shareholder we know to own beneficially more than 5% of our outstanding ordinary shares;
- each member of, and nominee for appointment to, our Supervisory Board;
- our named executive officers who are listed in the Summary Compensation Table in this proxy statement; and
- all of our current Supervisory Board members and executive officers as a group.

Name and Address of Beneficial Owner(1)	Number of Ordinary Shares Beneficially Owned(2)	Percent of Ordinary Shares Beneficially Owned(3)
Cantillon Capital Management LLC(4) 40 West 57th Street New York, NY 10019	1,544,213	5.0%
FMR LLC(5) 245 Summer Street Boston, MA 02210 USA	2,305,733	7.4
Janus Henderson Group plc(6) 201 Bishopsgate EC2M 3AE London UK	4,098,249	13.2
Prescott General Partners LLC 2200 Butts Road, Suite 320 Boca Raton, FL 33431 USA	4,656,492	15.0
The Spruce House Partnership LP 435 Hudson Street, 8th Floor New York, NY 10014 USA	2,358,903	7.6
Named Executive Officers, Supervisory Board members, and Nominees for Supervisory Board		
Robert S. Keane(7)(8)	3,446,957	10.5
Cornelis David Arends(9)	15,450	*
Katryn S. Blake(8)	98,311	*
Paolo De Cesare(8)	20,004	*
Sophie A. Gasperment	—	0
John J. Gavin, Jr.(8)(10)	55,505	*
Donald LeBlanc(8)	27,861	*
Eric C. Olsen(8)	22,504	*
Sean E. Quinn	3,185	*
Richard T. Riley(8)(11)	72,612	*
Nadia Shouraboura(8)	5,600	*

Zachary S. Sternberg(12)	2,374,246	7.6
Mark T. Thomas(8)(13)	37,321	*
Scott Vassalluzzo(8)(14)	75,274	*
Lawrence A. Gold(8)(15)	5,579	*
Donald R. Nelson(15)	—	0
All current executive officers and Supervisory Board members as a group (13 persons) (8)	3,880,584	11.8%

* Less than 1%

(1) Unless otherwise indicated, the address of each executive officer and Supervisory Board member is c/o Cimpress N.V., Hudsonweg 8, 5928 LW Venlo, the Netherlands.

(2) For each person or entity in the table above, the "Number of Shares Beneficially Owned" column may include ordinary shares attributable to the person or entity because of that holder's voting or investment power or other relationship, as determined under SEC rules. Under these rules, a person or entity is deemed to have "beneficial ownership" of any shares over which that person or entity has or shares voting or investment power, plus any shares that the person or entity may acquire within 60 days of September 8, 2017 (i.e., November 7, 2017), including through the exercise of share options or the vesting of restricted share units. Unless otherwise indicated, each person or entity referenced in the table has sole voting and investment power over the shares listed or shares such power with his or her spouse. The inclusion in the table of any shares, however, does not constitute an admission of beneficial ownership of those shares by the named shareholder.

(3) The percentage ownership for each shareholder on September 8, 2017 is calculated by dividing (1) the total number of shares beneficially owned by the shareholder by (2) 31,045,789, the number of ordinary shares outstanding on September 8, 2017, plus any shares issuable to the shareholder within 60 days after September 8, 2017 (i.e., November 7, 2017), including restricted share units that vest and share options that are exercisable on or before November 7, 2017.

(4) This information is based solely upon a Schedule 13G that the shareholder filed with the SEC on February 14, 2017.

(5) This information is based solely upon a Schedule 13G/A that the shareholder filed with the SEC on February 14, 2017.

(6) This information is based solely upon a Schedule 13G/A that the shareholder filed with the SEC on June 12, 2017.

(7) Includes an aggregate of (i) 1,619,986 shares held by irrevocable discretionary trusts established for the benefit of Mr. Keane or members of his immediate family, or the Trusts, and other entities that are wholly owned by the Trusts, and (ii) 74,181 shares held by a charitable entity established by Mr. Keane and his spouse. Trustees who are independent of Mr. Keane or his spouse hold exclusive voting and investment power with respect to the ordinary shares owned by the Trusts and the ordinary shares issuable pursuant to share options held by the Trusts; Mr. Keane and his spouse do not hold such power with respect to the Trusts. Mr. Keane and his spouse share voting and investment power with respect to the shares held by the charitable entity. Mr. Keane and his spouse disclaim beneficial ownership of the shares and share options held by the Trusts, entities owned by the Trusts, and the charitable entity except to the extent of their pecuniary interest therein.

(8) Includes the number of shares listed below that each executive officer and supervisory director has the right to acquire under share options and restricted share units that vest on or before November 7, 2017:

- Mr. Keane: 1,752,790 shares, held by the Trusts
- Ms. Blake: 86,000 shares
- Mr. De Cesare: 10,873 shares
- Mr. Gavin: 23,644 shares
- Mr. LeBlanc: 5,877 shares
- Mr. Olsen: 10,873 shares
- Mr. Riley: 14,096 shares
- Dr. Shouraboura: 4,419 shares
- Mr. Thomas: 12,070 shares
- Mr. Vassalluzzo: 4,419 shares
- Mr. Gold: 1,953 shares
- All current executive officers and supervisory directors in the aggregate: 1,925,061 shares

(9) Includes 11,900 shares held by a limited company of which Mr. Arends is a managing director. Mr. Arends disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein.

(10) Includes 27,977 shares held by a trust of which Mr. Gavin and his wife are trustees.

(11) Includes 45,824 shares held by a grantor annuity trust of which Mr. Riley is the trustee.

(12) Includes 2,358,903 shares held by The Spruce House Partnership LP. The general partner of The Spruce House Partnership LP is Spruce House Capital LLC, of which Mr. Sternberg is a managing member. Mr. Sternberg disclaims beneficial ownership of the shares held by The Spruce House Partnership LP except to the extent of his pecuniary interest therein.

(13) Includes 1,800 shares held by a family limited liability company of which Mr. Thomas is a manager. Mr. Thomas disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein.

(14) Includes 2,174 shares held in investment accounts established for the benefit of certain family members, with respect to which Mr. Vassalluzzo disclaims beneficial ownership except to the extent of his pecuniary interest therein.

(15) Messrs. Gold and Nelson ceased to be executive officers in January 2017 and departed Cimpress in fiscal year 2017.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our Supervisory Board members, executive officers, and the holders of more than 10% of our ordinary shares, referred to as reporting persons, to file reports with the SEC disclosing their ownership of and transactions in our ordinary shares and other equity securities. SEC regulations also require these reporting persons to furnish us with copies of all such reports that they file.

Based on written representations from the reporting persons and our review of the reports they filed, we believe that all reporting persons other than Cornelis David Arends and Sophie Gasperment complied with all Section 16(a) filing requirements during our fiscal year ended June 30, 2017. Mr. Arends reported four transactions on a single Form 4 after the filing deadline. Due to an administrative error by Cimpress, Ms. Gasperment was late in filing her initial report on Form 3 and reported one transaction on Form 4 after the filing deadline.

PROPOSALS 1 AND 2 - APPOINT TWO MEMBERS TO OUR SUPERVISORY BOARD

The eight members of our Supervisory Board serve for rotating terms of up to four years. None of the members of our Supervisory Board is an employee of Cimpress.

- The term of John J. Gavin, Jr. expires at this 2017 annual general meeting.
- The terms of Richard T. Riley and Scott Vassalluzzo expire at our 2018 annual general meeting.
- The terms of Eric C. Olsen and Nadia Shouraboura expire at our 2019 annual general meeting.
- The terms of Paolo De Cesare, Sophie A. Gasperment, and Mark T. Thomas expire at our 2020 annual general meeting.

Under our articles of association, our Supervisory Board has the right to determine the number of members of the Supervisory Board, and the Supervisory Board has adopted unanimous resolutions determining that it is in the best interest of Cimpress and its shareholders to increase the size of the Supervisory Board to nine members. We are asking our shareholders to reappoint John J. Gavin, Jr. to our Supervisory Board and to appoint Zachary S. Sternberg as a new member of our Supervisory Board. Under Dutch law and our articles of association, our Supervisory Board has the right to make binding nominations for open positions on the Supervisory Board. In accordance with the recommendation of the Nominating and Corporate Governance Committee of the Supervisory Board and pursuant to the invitation of our Management Board, the Supervisory Board has adopted unanimous resolutions to make binding nominations of Messrs. Gavin and Sternberg to serve as Supervisory Board members for a term of four years ending on the date of our annual general meeting of shareholders in 2021.

The Supervisory Board recommends that shareholders vote for the reappointment of Mr. Gavin because of his extensive experience as chief financial officer of several growing companies, as well as ten years as an independent auditor. Mr. Gavin chairs the Audit Committee of the Supervisory Board. The Supervisory Board recommends that shareholders vote for the appointment of Mr. Sternberg because of his perspective as a significant and long-term shareholder of Cimpress who possesses a deep understanding of the importance of long-term stewardship of capital informed by more than a decade of successful investment experience. We believe Mr. Sternberg's appointment will further our uppermost strategic and financial objectives and add valuable perspective to our Supervisory Board. Following Mr. Sternberg's appointment, approximately 23% of Cimpress' outstanding shares would be represented on our Supervisory Board by long-term owners. You can find more information about Messrs. Gavin and Sternberg, and the other members of our Supervisory Board in the section of this proxy statement entitled "INFORMATION ABOUT OUR SUPERVISORY BOARD MEMBERS AND EXECUTIVE OFFICERS."

The Management Board and Supervisory Board recommend that you vote FOR the appointments of Messrs. Gavin and Sternberg as members of our Supervisory Board.

PROPOSALS 3 AND 4 - APPOINT TWO MEMBERS TO OUR MANAGEMENT BOARD

As a Dutch company, we have a two-tiered board structure consisting of a Supervisory Board, composed of independent, non-employee directors, and a Management Board, composed of members of our senior management team. The principal responsibility of the Management Board is to manage Cimpress, which means, among other things, that it is responsible for implementing Cimpress' goals and strategy, managing Cimpress' associated risk profile, operating Cimpress' business on a day-to-day basis, and addressing corporate social responsibility issues that are relevant to Cimpress.

Our Management Board currently consists of two of our executive officers who serve on the Management Board for four-year terms:

- The term of Robert S. Keane, our President, Chief Executive Officer of Cimpress, and Chairman of the Management Board, expires at this 2017 annual general meeting.
- The term of Katryn Blake, our Executive Vice President and Chief Executive Officer of Vistaprint, expires at our 2019 annual general meeting.

Under our articles of association, our Supervisory Board has the right to determine the number of members of the Management Board, and the Supervisory Board has adopted unanimous resolutions determining that it is in the best interest of Cimpress and its shareholders to increase the size of the Management Board to three members. We are therefore asking our shareholders to appoint Sean E. Quinn, our Executive Vice President and Chief

Financial Officer, as a new member of our Management Board and to reappoint Robert S. Keane to the Management Board. Under Dutch law and our articles of association, our Supervisory Board has the right to make binding nominations for open positions on the Management Board. In accordance with the recommendation of the Nominating and Corporate Governance Committee of the Supervisory Board and pursuant to the invitation of our Management Board, the Supervisory Board has adopted unanimous resolutions to make binding nominations of Mr. Keane to serve on the Management Board for a term of four years ending on the date of our annual general meeting of shareholders in 2021 and Mr. Quinn to serve on the Management Board for a term of three years ending on the date of our annual general meeting of shareholders in 2020.

The Supervisory Board recommends that shareholders vote for the reappointment of Mr. Keane because of his valuable service as a managing director due in part to his experience growing Cimpress from inception in 1995 to $2.1 billion of revenue in our 2017 fiscal year, his understanding of the drivers of intrinsic value per share, and his knowledge of Cimpress' business and markets. The Supervisory Board recommends that shareholders vote for the appointment of Mr. Quinn because of the extensive experience, leadership, and knowledge of Cimpress he has acquired over the last seven years as he has risen through the ranks in Cimpress' finance department to his current position of Chief Financial Officer, as well as his strength in finance and accounting and responsibility and experience as a steward of our shareholders' and debt holders' capital. You can find more information about Messrs. Keane and Quinn and our other executive officers in the section of this proxy statement entitled "INFORMATION ABOUT OUR SUPERVISORY BOARD MEMBERS AND EXECUTIVE OFFICERS."

The Management Board and Supervisory Board recommend that you vote FOR the appointments of Messrs. Keane and Quinn as members of our Management Board.

PROPOSAL 5 - ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

At the annual meeting, we are asking our shareholders to approve the compensation of our named executive officers, as described in the Compensation Discussion and Analysis, or CD&A, executive compensation tables, and accompanying narrative disclosures in this proxy statement. This is an advisory vote, meaning that this proposal is not binding on us, but our Compensation Committee values the opinions expressed by our shareholders and will carefully consider the outcome of the shareholder vote when making future compensation decisions for our named executive officers.

Please carefully read the CD&A section of this proxy statement. As you cast your vote on this proposal, we would like you to consider the following compensation program highlights, which are described in more detail in CD&A.

- The total compensation package for our executive officers is weighted heavily toward compensation based on Cimpress' performance. For fiscal year 2017, our Chief Executive Officer had 76% of his total compensation at risk through our long-term incentive program.

- In fiscal year 2016, under the leadership of our Compensation Committee and with input from our shareholders, we significantly redesigned our compensation program for executives and employees, as well as for our Supervisory Board. Beginning with this fiscal year 2017, our long-term incentive compensation program consists of (1) performance share units granted under our new 2016 Performance Equity Plan, which are based upon performance conditions relating to the compound annual growth rate of the three-year moving average of the daily closing share price of Cimpress' ordinary shares over a 6- to 10-year period, and (2) for employees other than our CEO, cash retention bonus awards that pay out over several years contingent upon continued employment.

- We periodically reach out to our major shareholders to solicit their feedback on our executive compensation design, particularly when we are considering changes to the design. During fiscal year 2016, we engaged our major, long-term shareholders in the design and approval phases of the new compensation program for executives and employees for fiscal years 2017 and beyond and took shareholders' feedback into account throughout the process.

- As required by Dutch law, we have a shareholder-approved Remuneration Policy that applies to our Management Board members, which you can find on the Corporate Governance page in the Investor Relations section of *www.cimpress.com*, and the compensation of our named executive officers is in accordance with the Remuneration Policy. This proposal provides, pursuant to Section 2:135(5a) of the Dutch Civil Code, for a discussion regarding the implementation of the remuneration policy for the

Management Board. The discussion takes place on the basis of the information referred to in Section 2:383c up to and including Section 2:383e of the Dutch Civil Code, as included in the explanatory notes to the financial statements included in our Dutch statutory annual accounts for the fiscal year ended June 30, 2017. This advisory vote on executive compensation does not amend the Remuneration Policy in any way.

In 2011, a majority of our shareholders voted to hold the advisory vote to approve our execution compensation on an annual basis. In accordance with the results of this vote, we implemented an advisory vote on our executive compensation every year until the next vote on the preferred frequency of advisory votes on executive compensation, which will occur at this annual meeting and is the subject of the non-binding advisory vote in Proposal 13.

Our Management Board and Supervisory Board recommend that you vote FOR the approval of the compensation of our named executive officers, as described in this proxy statement.

PROPOSAL 6 - ADOPT OUR ANNUAL ACCOUNTS

At the annual meeting, we are asking you to confirm and adopt our Dutch statutory annual accounts, or Annual Accounts, for the fiscal year ended June 30, 2017, which are our audited consolidated financial statements prepared in accordance with Dutch law. As a Dutch company, we are required by Dutch law and our articles of association to prepare the Annual Accounts and submit them to our shareholders for confirmation and adoption. Our Annual Accounts are different from our audited financial statements contained in our Annual Report on Form 10-K for the year ended June 30, 2017 that were prepared in accordance with United States generally accepted accounting principles, or U.S. GAAP, as required by United States law and Nasdaq listing standards for companies with securities listed on U.S. stock markets.

The Annual Accounts contain some disclosures that are not required under U.S. GAAP. In addition, the report of our Management Board that accompanies the Annual Accounts contains information included in this proxy statement and our Annual Report on Form 10-K, as well as other information required by Dutch law.

It is important that our shareholders adopt our Annual Accounts because it is a Dutch law requirement and also because we are not permitted under Dutch law to take certain corporate actions unless our Annual Accounts are adopted.

You can access a copy of the Annual Accounts through our website at *http://proxy.ir.cimpress.com*, by emailing us at IR@cimpress.com, or by sending a written request to Investor Relations, c/o Cimpress USA Incorporated, 275 Wyman Street, Waltham, MA 02451 USA.

Our Management Board and Supervisory Board recommend that you vote FOR the confirmation and adoption of the Annual Accounts.

PROPOSALS 7 AND 8 - DISCHARGE OUR MANAGEMENT BOARD AND SUPERVISORY BOARD FROM CERTAIN LIABILITY

At the annual meeting, as permitted under Dutch law and customary for Dutch companies, we are asking you to discharge the members of our Management Board and Supervisory Board from liability with respect to the exercise of their management and supervisory duties during our fiscal year ended June 30, 2017. If our shareholders approve this discharge of liability, then our Management Board and Supervisory Board members will not be liable to Cimpress for actions that they took on behalf of the company in the exercise of their duties during fiscal year 2017. However, the discharge does not apply to matters that are not disclosed to our shareholders, and it does not affect the liability, if any, of our Management Board and Supervisory Board to our shareholders. The discharge is also subject to the provisions of Dutch laws relating to liability upon bankruptcy.

Our Management Board and Supervisory Board recommend that you vote FOR the discharge of the members of our Management Board and Supervisory Board from liability as described above.

PROPOSAL 9 - RENEW OUR AUTHORIZATION TO REPURCHASE SHARES

Under Dutch law and our articles of association, our shareholders may authorize our Management Board, with the approval of our Supervisory Board and subject to certain Dutch statutory provisions, to repurchase outstanding shares on our behalf in an amount, at prices, and in the manner authorized by the shareholders. This authorization will give us the flexibility to repurchase our ordinary shares without the expense of calling further general meetings of shareholders. Under Dutch law and our articles of association, a shareholder authorization to repurchase shares may not continue for more than 18 months, but may be given on a rolling basis. On November 15, 2016, we received authorization from our shareholders to repurchase up to 6,300,000 of our issued and outstanding ordinary shares, and from that date until June 30, 2017, we did not repurchase any shares under this authority. We are now seeking a renewal of our authorization to repurchase our ordinary shares.

Our Management Board believes that we would benefit from a renewal of the grant of authority to repurchase our ordinary shares. If the Management Board believes that our shares may be undervalued at the market levels at which they are then trading, repurchases of our share capital may represent an attractive investment for us and our shareholders. Our Management Board, with the prior approval of our Supervisory Board and within the parameters described in this proposal, would determine the number of shares to be repurchased, if any, and the timing and manner of any repurchases in light of prevailing market conditions, our available resources, obligations under our equity compensation plans, and other factors that we cannot now predict. The repurchased shares will be used for the issuance of shares under our equity compensation plans and, if so desired, for corporate acquisitions or similar transactions and any other valid corporate purposes. The reduction in our issued and outstanding shares resulting from any repurchases would increase the proportionate interest of the remaining shareholders in whatever future profits we may earn. Under Dutch law, the number of our ordinary shares that we or our subsidiaries hold may never exceed 50% of the total number of our issued and outstanding shares.

In order to provide us with maximum flexibility, we propose that our shareholders grant the Management Board, acting with the approval of our Supervisory Board, authority to repurchase up to 6,300,000 of our issued and outstanding ordinary shares (which represents approximately 20% of the 31.4 million shares outstanding as of June 30, 2017) on the open market (including block trades that satisfy the safe harbor provisions of Rule 10b-18 pursuant to the Exchange Act), through privately negotiated transactions, or in one or more self-tender offers at prices per share between an amount equal to €0.01 and an amount equal to 120% of the market price of our ordinary shares on Nasdaq or any other securities exchange where our shares are then traded (the market price being deemed to be the average of the closing price on each of the consecutive days of trading during a period no shorter than one trading day and no longer than 10 trading days immediately preceding the date of repurchase, as reasonably determined by the Management Board). This authority would begin on the date of the annual meeting and extend for 18 months until May 14, 2019.

An authorization to repurchase up to 6,300,000 of our issued and outstanding ordinary shares would not necessarily mean that we will repurchase this amount over the authorization period. We may choose to repurchase fewer than all of the shares authorized or none at all, and we are seeking this authorization to have the flexibility to make repurchases if we believe doing so would be in the best interests of Cimpress and our shareholders. Our Supervisory Board and Management Board will analyze many factors relating to a repurchase decision, including share price relative to our anticipated future cash flows, our obligations under our equity compensation plans, our ability to use operating cash flow or debt to repurchase the shares while taking into account our debt covenants and other uses for our cash or debt capacity, general shareholder concentration, and liquidity concerns, as well as other items.

If our shareholders do not approve this proposal, then we intend to continue to make share repurchases, if any, under the previous authorization that our shareholders approved at our November 15, 2016 annual general meeting, which will expire on May 15, 2018. If our shareholders do approve this proposal, then the repurchase authorization described in this proposal will replace the November 15, 2016 repurchase authorization, and we will make any future share repurchases pursuant to this new authorization.

Our Management Board and Supervisory Board recommend that you vote FOR the authorization of the Management Board and Supervisory Board to repurchase our issued and outstanding ordinary shares as described above.

PROPOSAL 10 - RENEW OUR AUTHORIZATION TO ISSUE ORDINARY SHARES

Dutch law and our articles of association require us to seek the approval of our shareholders each time we wish to issue new shares from our authorized share capital, unless our shareholders have previously authorized our Management Board, with the approval of our Supervisory Board, to issue shares. This authorization may not continue for more than five years, but may be given on a rolling basis. On November 15, 2016, our shareholders authorized our Management Board, with the approval of our Supervisory Board to issue ordinary shares, or grant rights to subscribe for ordinary shares, up to a maximum of 10% of our outstanding share capital at the time of issue for general corporate purposes (including but not limited to equity compensation, acquisitions, and financings) and an additional 10% of our outstanding share capital at the time of issue in connection with our acquisition of all or a majority of the equity or assets of another entity. We refer to this existing authorization as the "2016 general authorization."

In addition to and separate from the 2016 general authorization, on May 27, 2016 our shareholders authorized our Management Board, with the approval of our Supervisory Board, until May 27, 2021 to issue ordinary shares, or grant rights to subscribe for ordinary shares, pursuant to our 2016 Performance Equity Plan, up to a maximum of the number of ordinary shares issuable under that plan. We refer to this existing authorization as the "Performance Equity Plan authorization."

It is common practice for Dutch companies to seek to renew the general authorization to issue shares periodically on a rolling basis, and at this annual meeting, we are asking our shareholders, separate from and in addition to the Performance Equity Plan authorization described above, to renew the general authorization of our Management Board, with the approval of our Supervisory Board, until May 14, 2019 to issue ordinary shares, or grant rights to subscribe for ordinary shares, up to a maximum of:

- 10% of our outstanding share capital at the time of issue for general corporate purposes including but not limited to equity compensation, acquisitions, and financings; and
- an additional 10% of our outstanding share capital at the time of issue in connection with our acquisition of all or a majority of the equity or assets of another entity.

Although we currently issue ordinary shares from our treasury account and have no plans to issue any new ordinary shares from our authorized share capital, we are seeking this authorization to maintain our flexibility to issue, or grant rights to subscribe for, 10% of our outstanding share capital at times when we believe doing so would be in Cimpress' best interests, including for equity compensation purposes, in connection with acquisitions, financings, and other transactions, and for other general corporate purposes. In addition, because an important component of our strategy is to selectively pursue acquisitions of businesses that complement or enhance our current business and operations, we are also seeking authorization to issue, or grant rights to subscribe for, up to an additional 10% of our outstanding share capital in connection with the acquisition of other entities or their assets. We believe it is important to our continued growth to retain the flexibility to issue securities in a timely manner without the delay and uncertainty of obtaining specific shareholder approval for each issuance. We are seeking authorization to issue a limited number of shares for a limited time (18 months) to balance our need for flexibility to issue new shares against the potential dilution of our shareholders. Furthermore, because our ordinary shares are listed on Nasdaq, our issuance of additional shares will remain subject to Nasdaq rules, which require, among other things, shareholder approval for the issuance of shares in excess of 20% of our shares outstanding (with several exceptions).

If our shareholders do not renew the Management Board’s authority, then the 2016 general authorization would remain in place, and we could continue to issue ordinary shares pursuant to the 2016 general authorization until it expires on May 15, 2018. If our shareholders do approve this proposal, then the authorization to issue ordinary shares described in this proposal will replace the 2016 general authorization. In any case, the Performance Equity Plan authorization will remain in place whether or not our shareholders approve this new authorization at the meeting; the new authorization to issue ordinary shares described above is separate from, and does not replace, the Performance Equity Plan authorization.

Our Management Board and Supervisory Board recommend that you vote FOR the renewal of our authorization to issue ordinary shares and grant rights to subscribe for ordinary shares as described above.

PROPOSAL 11 - RENEW OUR AUTHORIZATION TO EXCLUDE OR RESTRICT SHAREHOLDERS' PREEMPTIVE RIGHTS

Under Dutch law, holders of our ordinary shares (other than our employees who receive ordinary shares under our equity compensation plans) would generally have a pro rata preemptive right of subscription with respect to any new ordinary shares we issue for cash or any grant of rights to subscribe for ordinary shares. A preemptive right of subscription is the right of our current shareholders to maintain their percentage ownership of Cimpress' shares by buying a proportional number of any new shares that Cimpress issues. However, Dutch law and our articles of association permit our shareholders to authorize our Management Board, with the approval of our Supervisory Board, to exclude or restrict these preemptive rights. This authorization may not continue for more than five years, but may be given on a rolling basis. We received such authorization at our last annual general meeting of shareholders on November 15, 2016, which authorization expires on May 15, 2018, and it is common practice for Dutch companies to seek to renew this authorization periodically on a rolling basis.

At the annual meeting, we are asking our shareholders to renew the authority of our Management Board, with the approval of our Supervisory Board, until May 14, 2019 to exclude or restrict preemptive rights with respect to issuances of ordinary shares or grants of rights to subscribe for ordinary shares pursuant to any authorization of our shareholders. **Preemptive rights are uncommon for public companies domiciled in the United States.** We believe that if we are not granted the authority to limit preemptive rights, our ability to raise capital through sales of our securities would be significantly affected because shareholders' exercise of their preemptive rights would cause delays in a transaction and may dissuade potential buyers of our securities from entering into a transaction with us. Any limits or waivers of preemptive rights would apply equally to all holders of our ordinary shares.

If our shareholders do not renew the Management Board's authority, then our previous authorization would remain in place, and we could continue to exclude or restrict preemptive rights pursuant to that authorization until it expires on May 15, 2018. If our shareholders do approve this proposal, then the authorization to exclude or restrict preemptive rights described in this proposal will replace the November 15, 2016 authorization.

Our Management Board and Supervisory Board recommend that you vote FOR the renewal of our authorization to exclude or restrict our shareholders' preemptive rights.

PROPOSAL 12 - APPOINT OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our Audit Committee has selected PricewaterhouseCoopers LLP, or PwC, as our independent registered public accounting firm for the fiscal year ending June 30, 2018 with respect to our consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles, and we are asking our shareholders to appoint PwC as our statutory auditor of Cimpress N.V. We do not expect that PwC will attend the annual meeting or be available to answer questions.

Our Management Board and Supervisory Board recommend that you vote FOR the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending June 30, 2018.

Independent Registered Public Accounting Firm Fees and Other Matters

The following table presents the aggregate fees and expenses billed for services rendered by PwC for the fiscal years ended June 30, 2017 and June 30, 2016. The amounts reported for each fiscal year represent the fees and expenses for services rendered during the applicable fiscal year, regardless of when the fees and expenses were billed.

	Fiscal 2017	Fiscal 2016
Audit Fees(1)	$ 2,262,500	$ 1,928,000
Audit-Related Fees(2)	—	168,000
Tax Fees(3)	668,000	1,382,400
All Other Fees(4)	4,000	33,000
Total Fees	$ 2,934,500	$ 3,511,400

(1) Audit fees and expenses consisted of fees and expenses billed for the audit of our consolidated financial statements, statutory audits of Cimpress N.V. and certain of our subsidiaries, quarterly reviews of our financial statements, and the audit of the effectiveness of internal control over financial reporting as promulgated by Section 404 of the U.S. Sarbanes-Oxley Act.

(2) Audit-related fees and expenses consisted of fees and expenses for services that are reasonably related to the performance of the audit and the review of our financial statements and that are not reported under “Audit Fees.” These services relate principally to consultations regarding financial accounting and reporting matters and financial due diligence assistance with acquisitions.

(3) Tax fees and expenses consisted of fees and expenses for tax compliance (including tax return preparation), tax advice, tax planning and consultation services. Tax compliance services (assistance with tax returns, tax audits and appeals) accounted for $116,000 of the total tax fees billed in fiscal 2017 and $142,000 of the total tax fees billed in fiscal 2016.

(4) All of this amount for fiscal year 2017 and $4,600 of this amount for fiscal year 2016 represent subscription fees for PwC's accounting research tool. The remaining $28,400 for fiscal year 2016 represents fees for global mobility immigration services.

Audit Committee’s Pre-approval Policy and Procedures

Our Audit Committee has adopted policies and procedures for the pre-approval of audit and non-audit services for the purpose of maintaining the independence of our registered public accounting firm. We may not engage the independent registered public accounting firm to render any audit or non-audit service unless either the service is approved in advance by the Audit Committee or the engagement to render the service is entered into pursuant to the Audit Committee’s pre-approval policies and procedures. From time to time, the Audit Committee pre-approves services that are expected to be provided to Cimpress by the independent registered public accounting firm during the following 12 months. Any such pre-approval is detailed as to the particular service or type of services to be provided and is also subject to a maximum dollar amount. At regularly scheduled meetings of the Audit Committee, management or the independent registered public accounting firm report to the Audit Committee regarding services actually provided to Cimpress.

During our fiscal year ended June 30, 2017, PwC did not provide any services to Cimpress other than in accordance with the pre-approval policies and procedures described above.

PROPOSAL 13 - FREQUENCY OF FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION

We are asking our shareholders to advise us on how frequently they wish to cast an advisory vote on the compensation of our named executive officers: Once every year, once every two years, or once every three years. In 2011, a majority of our shareholders voted to hold the advisory vote to approve our executive compensation on an annual basis, and based on our review of ISS recommendations and shareholder votes of other companies that are publicly traded in the United States, we have determined that an annual vote continues to be the best practice in the market. Accordingly, we recommend annual advisory votes on executive compensation.

This is an advisory vote, meaning that it is not binding on us, but our Supervisory Board will take into consideration the outcome of this vote in making a determination about the frequency of future executive compensation advisory votes.

Our Management Board and Supervisory Board recommend that you vote in favor of a frequency of every ONE YEAR for future advisory votes on our executive compensation.

OTHER MATTERS

Our Management Board and Supervisory Board do not know of any other matters that may come before the annual meeting. However, if any other matters are properly presented to the annual meeting, then, to the extent permitted by applicable law, the persons named as proxies may vote, or otherwise act, in accordance with their judgment on such matters.

INFORMATION ABOUT OUR SUPERVISORY BOARD MEMBERS AND EXECUTIVE OFFICERS

Our Supervisory Board:

Our Supervisory Board consists of eight independent, non-employee directors, and we are asking our shareholders to appoint a ninth director to our Supervisory Board.

Nominee for New Member of our Supervisory Board:

ZACHARY S. STERNBERG

Mr. Sternberg, age 32, is the co-founder and Managing Member of the General Partner of The Spruce House Partnership, a New York-based investment partnership. Spruce House invests in public and private companies globally and seeks to partner with management teams that are focused on growing the per share value of their companies over the long-term. Mr. Sternberg graduated from The Wharton School at The University of Pennsylvania with a concentration in accounting. Spruce House holds 7.6% of Cimpress' outstanding shares and has been a shareholder of Cimpress since 2011. If appointed, Mr. Sternberg would bring to the Supervisory Board his perspective as a material and long-term shareholder of Cimpress with a deep understanding of the importance of long-term stewardship of capital informed by more than a decade of successful investment experience.

Nominee for Member of our Supervisory Board whose term expires at this annual meeting:

JOHN J. GAVIN, JR., ***Director since August 2006***

Mr. Gavin, age 62, serves on the boards of BroadSoft, Inc., a global provider of residential and business Voice over IP applications, and Varonis Systems, Inc., a provider of data governance solutions for unstructured data. Mr. Gavin previously served as Chief Financial Officer of BladeLogic, Inc., a provider of data center automation software, from January 2007 through June 2008, when it was acquired by BMC Software, and as Chief Financial Officer of Navisite, Inc., a provider of information technology hosting, outsourcing and professional services, from April 2004 through December 2006. Mr. Gavin also spent ten years at Price Waterhouse LLP, an accounting firm, in various accounting and audit positions including as Senior Manager in charge of multi-national audits. In addition to serving on the Supervisory Board of Cimpress N.V., Mr. Gavin also serves on the supervisory board of Vistaprint B.V., a wholly owned Dutch subsidiary of Cimpress. Mr. Gavin brings to the Supervisory Board his extensive experience as chief financial officer of several growing companies, as well as ten years as an independent auditor. Mr. Gavin is a certified public accountant.

Members of our Supervisory Board whose terms will expire at our 2018 annual general meeting:

RICHARD T. RILEY, ***Director since February 2005 and Chairman of the Supervisory Board since August 2009***

Mr. Riley, age 61, served in various capacities at LoJack Corporation, a publicly traded provider of tracking and recovery systems, during the period from 2005 until 2013, including Chairman of the Board of Directors from November 2006 to May 2012; Chief Executive Officer from November 2006 to February 2008 and again from May 2010 to November 2011; and President, Chief Operating Officer and a director from February 2005 through November 2006 and again from May 2010 to November 2011. From 1997 through 2004, Mr. Riley held a variety of positions with New England Business Service, Inc., a publicly traded provider of products and services to small businesses, most recently serving as Chief Executive Officer, President, Chief Operating Officer and director. Mr. Riley also serves on the boards of Dorman Products, Inc., a supplier of original equipment automotive replacement parts, and Tupperware Brands Corporation, a direct-to-consumer marketer of various products across a range of brands and categories worldwide. In addition to serving on the Supervisory Board of Cimpress N.V., Mr. Riley also serves on the supervisory board of Vistaprint B.V., a wholly owned Dutch subsidiary of Cimpress. Mr. Riley brings to the Supervisory Board his extensive experience of leading companies as a chief executive officer and board member, including 26 years leading a publicly traded company providing products and services to small businesses.

SCOTT VASSALLUZZO, ***Director since January 2015***

Mr. Vassalluzzo, age 45, is a Managing Member of Prescott General Partners LLC ("PGP"), an investment adviser registered with the U.S. Securities and Exchange Commission that holds 15% of Cimpress' outstanding shares. PGP serves as the general partner of three private investment limited partnerships, including Prescott Associates L.P. (together, the "Prescott Partnerships"). Mr. Vassalluzzo joined the Prescott organization in 1998 as an equity analyst, became a general partner of the Prescott Partnerships in 2000, and transitioned to Managing Member of PGP following Prescott's reorganization in January 2012. Prior to 1998, Mr. Vassalluzzo worked in public accounting at Coopers & Lybrand (now PricewaterhouseCoopers LLP). Mr. Vassalluzzo serves on the boards of directors of Credit Acceptance Corporation, an auto finance company providing automobile loans and other related financial products, and World Acceptance Corporation, a personal installment loan company. Mr. Vassalluzzo brings to the board his advocacy for the priorities of long-termism and intrinsic value per share, his appreciation and understanding of the perspectives of our other long-term shareholders, and his experience on the boards and compensation committees of other publicly traded companies.

Members of our Supervisory Board whose terms will expire at our 2019 annual general meeting:

ERIC C. OLSEN, ***Director since March 2013***

Mr. Olsen, age 53, served in various roles from August 1999 to July 2017 at LafargeHolcim (previously Lafarge), a world leader in building materials, including as Chief Executive Officer of LafargeHolcim and chairman and Chief Executive Officer of Lafarge SA from July 2015 to July 2017. Immediately prior, he served as Executive Vice President, Operations from September 2013 to July 2015. Mr. Olsen was previously Executive Vice President, Organization and Human Resources, Chief Executive Officer and Executive Vice President of Lafarge North America in the United States (formerly NYSE LAF), and President, Northeast Cement Region and Senior Vice President, Purchasing of Lafarge North America in Canada. Mr. Olsen currently serves on the boards of Ambuja Cements Ltd., one of India's leading cement manufacturers, and ACC Limited, India's foremost manufacturer of cement and ready mixed concrete. A certified public accountant, he started his career as a senior accountant at Deloitte & Touche in New York. Mr. Olsen brings to the Supervisory Board his varied executive experience in international business, his strong background in executive talent development and executive compensation, and his expertise in finance within an international business context.

NADIA SHOURABOURA, ***Director since January 2015***

Dr. Shouraboura, age 47, has served as the Founder and Chief Executive Officer of Hointer, Inc., a technology company that brings together the best features of virtual shopping with in-store shopping, since August 2012. Before founding Hointer, Dr. Shouraboura served on the senior management team responsible for overall direction and operations at Amazon.com, Inc. from April 2004 to August 2012, including as Technology Vice President, Global Supply Chain and Fulfillment Platform from 2008 to August 2012. Before joining Amazon.com, Dr. Shouraboura served in technology and leadership roles at Diamond Technology Partners, Mobilicity, and Exelon Corporation. Dr. Shouraboura also currently serves on the board of directors of Ferguson plc, a world-leading specialist distributor of plumbing and heating products. Dr. Shouraboura brings to the board her strong advocacy and experience with building customer-centric company cultures and her experience in operations and technology.

Members of our Supervisory Board whose terms will expire at our 2020 annual general meeting:

PAOLO DE CESARE, ***Director since March 2013***

Mr. De Cesare, age 57, has served as Chief Executive Officer of Printemps Department Store Paris, a retailer dedicated to fashion and luxury brands with department stores in France, since September 2007. Previously, Mr. De Cesare served in various executive capacities at Procter & Gamble from 1983 to 2007, most recently as President of Procter & Gamble Global Skin Care and, prior to that, as Vice President of Procter & Gamble Far East and President Max Factor KK, the Cosmetic division of Procter in Japan. Mr. De Cesare also served on the board of Indesit Company, a publicly traded company and leading European manufacturer and distributor of domestic appliances, from 2009 until 2013. Mr. De Cesare brings to the Supervisory Board his strong knowledge of brand and marketing strategy, his international business experience and perspective, and his operational, executive, and board experience in a variety of roles worldwide.

SOPHIE A. GASPERMENT, ***Director since November 2016***

Ms. Gasperment, age 53, has served as Group General Manager, Financial Communication and Strategic Prospective of L'Oréal, the world's leading beauty company, since January 2014. She has held multiple marketing and general management positions at L'Oréal since joining the company in September 1986, including Chief Executive Officer and Executive Chairman of The Body Shop International, the iconic British retailer spanning 60 countries and ca. 20,000 people strong, from July 2008 to October 2013, as well as Managing Director, L'Oréal UK and Ireland, from January 2004 to January 2008. Since June 2010, Ms. Gasperment also serves on the board of AccorHotels, a publicly traded company and a world leader in hospitality, and is currently Chair of that board's Appointments and Compensation Committee and a member of the Audit Committee and Governance, Compliance and CSR Committee. Ms. Gasperment brings to the Supervisory Board her leadership skills and perspective, international brand-building experience, expertise in managing a portfolio of branded go-to-market businesses, and acumen in both consumer goods and retail, as well as her broader business experience in multi-cultural environments.

MARK T. THOMAS, ***Director since November 2009***

Mr. Thomas, age 63, has served as a Founder and Partner of Monitor Clipper Partners, a middle market private equity firm, since December 1997 and also serves as a member of Monitor Clipper Partners' Investment Committee and as a director of several of its portfolio companies. In addition, Mr. Thomas was a co-founder of Monitor Company Group LP, a global strategy and marketing consulting firm, where he served in various leadership positions from 1983 to November 2012. In June 2016, Roger Garments LLC, a portfolio company of MCP Fund III and of which Mr. Thomas was a director at the time, assigned all its assets for the benefit of creditors. In addition to serving on the Supervisory Board of Cimpress N.V., Mr. Thomas also serves on the supervisory board of Vistaprint B.V., a wholly owned Dutch subsidiary of Cimpress. Mr. Thomas brings to the Supervisory Board his extensive strategy, investment, and international experience, which includes more than 30 years of building companies, serving on boards, and providing advice to top executives on strategic matters.

Our Management Board and Executive Officers:

Our Management Board: The Management Board of Cimpress N.V. consists of two of our executive officers, and we are asking our shareholders to appoint Sean E. Quinn, our Executive Vice President and Chief Financial Officer, as a third Management Board member.

ROBERT S. KEANE, ***President, Chief Executive Officer, and Chairman of the Management Board***

Mr. Keane, age 54, has served as our President and Chief Executive Officer since he founded Cimpress (then Vistaprint) in January 1995. Mr. Keane served as the Chairman of our Board of Directors from January 1995 to August 2009 and was appointed Chairman of the Management Board in September 2009. From 1988 to 1994, Mr. Keane was an executive at Flex-Key Corporation, an OEM manufacturer of keyboards, displays and retail kiosks used for desktop publishing. Mr. Keane holds a Bachelor of Arts in economics from Harvard College and a Masters of Business Administration from INSEAD in Fontainebleau, France. Mr. Keane's term as a member of our Management Board expires at this 2017 annual general meeting, and we are asking our shareholders to reappoint him.

KATRYN "TRYNKA" S. BLAKE (née Shineman), ***Executive Vice President and Chief Executive Officer, Vistaprint***

Ms. Blake, age 43, has served as Executive Vice President and Chief Executive Officer, Vistaprint since February 2017. Ms. Blake previously served in a variety of positions since joining Cimpress in March 2004, including President, Vistaprint Business Unit from July 2014 to January 2017, Executive Vice President, Global Marketing from July 2012 to June 2014, Chief Customer Officer from June 2011 to June 2014, and President of Vistaprint's North American business unit from November 2010 to June 2012. Before joining Cimpress, she served as a director and senior manager for PreVision Marketing from 1996 to March 2004. Ms. Blake also serves on the board of directors of UBM plc, a world-leading B2B event organiser traded on the London Stock Exchange. Ms. Blake holds a Bachelor of Arts in psychology from Cornell University and a Masters of Business Administration from Columbia Business School. Ms. Blake's term as a member of our Management Board will expire at our 2019 annual general meeting.

Other Executive Officers: We have three additional executive officers who do not currently serve on our Management Board. We are asking our shareholders to appoint one of the three, Mr. Quinn, to our Management Board at this 2017 annual general meeting.

CORNELIS DAVID ("KEES") ARENDS, ***Executive Vice President and President, Upload and Print Businesses***

Mr. Arends, age 57, has served as our Executive Vice President and President, Upload and Print Businesses since July 2016. Mr. Arends previously served as our President, European Business Units from November 2015 to July 2016. Before joining Cimpress, Mr. Arends was an entrepreneur and founder of various companies. His relationship with Cimpress goes back to 2011 when he was Chief Executive Officer and one of the shareholders of AlbumPrinter B.V. which was sold to Cimpress in October of that year, and he served as Managing Director of AlbumPrinter until November 2012. From December 2013 to January 2015, Mr. Arends was Chief Executive Officer of NPM Capital NV. Before joining Cimpress' executive team he served as interim Chief Executive Officer of Drukwerkdeal.nl B.V., a Cimpress company, from March 2015 to January 2016. Mr. Arends studied at Nijenrode Business School in Breukelen, the Netherlands.

DONALD LEBLANC, ***Executive Vice President and President, Corporate Solutions***

Mr. LeBlanc, age 49, has served as our President, Corporate Solutions since October 2015 and as Executive Vice President since July 2016. Mr. LeBlanc previously served as our Chief Marketing Officer for the Vistaprint brand from May 2011 to October 2015. Before joining Cimpress, Mr. LeBlanc held various senior roles at Staples, including Senior Vice President of Retail Marketing and Vice President of Strategy. Mr. LeBlanc holds a Bachelor of Science from Worcester Polytechnic Institute and a Masters of Business Administration from the Tuck School at Dartmouth College.

SEAN E. QUINN, ***Executive Vice President and Chief Financial Officer***

Mr. Quinn, age 38, has served as our Chief Financial Officer since October 2015 and as Executive Vice President since July 2016. Mr. Quinn previously served as Senior Vice President from October 2015 to July 2016, as Chief Accounting Officer from November 2014 to October 2015, as Vice President, Corporate Finance from January 2014 to October 2015, as Global Controller from April 2012 to November 2014, as Director, External Reporting & Accounting from July 2010 to April 2012, and as Senior Manager, External Reporting & Accounting from October 2009 to July 2010. Before joining Cimpress, Mr. Quinn was a Certified Public Accountant with KPMG LLP from September 2001 to October 2009 in the firm's Philadelphia, London, and Boston offices, most recently as an Audit Senior Manager. Mr. Quinn holds a Bachelor of Science in accounting from Saint Joseph's University.

There are no family relationships among any of the Supervisory Board members and executive officers of Cimpress. No arrangements or understandings exist between any Supervisory Board member or any person nominated for appointment as a Supervisory Board member and any other person pursuant to which such person is to be selected as a Supervisory Board member or nominee for appointment to the Supervisory Board.

CORPORATE GOVERNANCE

Board Structure

We have a two-tiered board structure consisting of a Supervisory Board and a separate Management Board. The Supervisory Board consists of our independent, non-employee directors, and the Management Board consists of members of our senior management team. The principal responsibility of the Supervisory Board is to oversee the Management Board and its management of Cimpress and, in so doing, serve the best interests of Cimpress and its stakeholders. The principal responsibility of the Management Board is to manage Cimpress' operations, business, and strategy.

Each of our Supervisory Board and Management Board has its own chairman. The Chairman of our Supervisory Board is Mr. Riley, an independent, non-employee director, and the Chairman of our Management Board is Mr. Keane, who is also our Chief Executive Officer and President.

Governance Guidelines

We believe that good corporate governance is important to ensure that Cimpress is managed for the long-term benefit of our stakeholders, including but not limited to our shareholders. The Management Board and Supervisory Board have adopted Rules to assist each Board in the exercise of its duties and responsibilities and to serve the best interests of Cimpress and our stakeholders. The Rules for each Board provide a framework for the conduct of each Board's business.

Among other things, the Rules for the Supervisory Board provide as follows:

- A majority of the members of the Supervisory Board must be independent directors, except as permitted by Nasdaq rules.
- The Supervisory Board must meet at least twice a year in executive session.
- The Supervisory Board has full and free access to management and employees and, as necessary and appropriate, to hire and consult with independent advisors.
- All members of the Supervisory Board are expected to participate in a mandatory orientation program and continuing director education on an ongoing basis.
- At least annually the Nominating and Corporate Governance Committee is required to oversee a self-evaluation of the Supervisory Board to determine whether the Supervisory Board and its committees are functioning effectively. Every other year the committee engages an outside advisor to interview confidentially each of the members of our Supervisory Board and to conduct a comprehensive Supervisory Board self-evaluation to assess the effectiveness of our Supervisory Board and committees. The Supervisory Board then meets with the outside advisor to review and discuss the evaluation results and any actions to be taken as a result of the discussion. The evaluation aims to (1) find opportunities where our Supervisory Board and committees can improve their performance and effectiveness, (2) assess any need to evolve the composition and expertise of our Supervisory Board, and (3) assure that our Supervisory Board and committees are operating in accordance with our Rules for the Supervisory Board and committee charters.

Among other things, the Rules for the Management Board provide as follows:

- The Management Board is responsible for managing Cimpress, including implementing Cimpress' goals and strategy, managing risks, operating the business on a day-to-day basis, and addressing corporate social responsibility issues that are relevant to the enterprise.
- The Management Board is responsible for determining that effective systems are in place for the periodic and timely reporting to the Supervisory Board on important matters concerning Cimpress and its subsidiaries.
- At least annually the Supervisory Board is required to conduct an evaluation of the Management Board to determine whether the Management Board is functioning effectively.

You can find our Rules for the Supervisory Board, our Rules for the Management Board, our Code of Business Conduct, our current articles of association, and the current charters for our Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee on the Corporate Governance Page in the Investor Relations section of *www.cimpress.com*, or you can request copies of these documents by emailing us at IR@cimpress.com or writing to Investor Relations, c/o Cimpress USA Incorporated, 275 Wyman Street, Waltham, MA 02451 USA.

In addition, the Dutch Corporate Governance Code, or Dutch Code, applies to Cimpress. The Dutch Code emphasizes the principles of integrity, transparency, and accountability as the primary means of achieving good corporate governance. The Dutch Code includes certain principles of good corporate governance, supported by "best practice" provisions, and our Management Board and Supervisory Board agree with the fundamental principles of the Dutch Code. However, as a company whose ordinary shares are traded on Nasdaq, we are also subject to the corporate governance rules of the Nasdaq Stock Market and U.S. securities laws, and we may also choose to follow certain market practices that are common for Nasdaq-traded companies. Some of the U.S. corporate governance rules and market practices that we are required to or choose to follow conflict, in whole or in part, with the best practice provisions of the Dutch Code. As a result, we do not apply some of the Dutch best practice provisions. In accordance with the Dutch Code's compliance principle of "apply or explain," which permits Dutch companies to be fully compliant with the Dutch Code either by applying the Dutch best practices or by explaining why the company has chosen not to apply certain of the best practices, we are disclosing in our Dutch annual report that accompanies our Annual Accounts to what extent we do not apply provisions of the Dutch Code, together with the reasons for those deviations.

Code of Business Conduct

We have adopted a written code of business conduct that applies to our Supervisory Board, officers, and employees, a current copy of which is posted on the Corporate Governance Page in the Investor Relations section of our website, *www.cimpress.com*. In addition, we intend to post on our website all disclosures that are required by law or Nasdaq stock market listing standards concerning any amendments to, or waivers from, any provision of the code.

Determination of Independence

Under Nasdaq rules, members of our Supervisory Board qualify as "independent directors" only if, in the opinion of our Supervisory Board, they do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Supervisory Board has determined that none of its members or nominee for director has a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that all of its members and nominee for director are "independent directors" as defined under Nasdaq's Marketplace Rules.

In addition, all members of our Supervisory Board satisfy the criteria for independence under the Dutch Code, other than Scott Vassalluzzo, who is a Managing Member of Prescott General Partners LLC, a major shareholder of Cimpress.

Oversight of Risk

Under the Rules for the Supervisory Board, our Supervisory Board is responsible for reviewing the integrity of our internal control and management information systems, the main risks of our business, and the design and effectiveness of our internal risk management and control systems. As set forth in its charter, our Audit Committee assists the Supervisory Board in its review and oversight of risk by reviewing our policies with respect to risk assessment and risk management, including the guidelines and policies that govern the process by which our exposure to risk is handled. The Supervisory Board and Audit Committee regularly discuss with management our major risk exposures, their potential impact on Cimpress, and the steps we take to manage them.

In addition, based on an internal risk assessment, we believe that any risks arising from our compensation programs for our employees are not reasonably likely to have a material adverse effect on Cimpress.

Supervisory Board Nomination Process

The process that our Nominating and Corporate Governance Committee follows to identify and evaluate candidates for members of our Supervisory Board includes requests to its members and others for recommendations, meetings from time to time to evaluate biographical information and background material relating to potential candidates, and interviews of selected candidates by members of the Committee and the Supervisory Board.

In considering whether to recommend any particular candidate for inclusion in the Supervisory Board's slate of nominees, the Nominating and Corporate Governance Committee applies, among other things, the criteria for Supervisory Board members set forth as an attachment to the Rules for the Supervisory Board. These criteria include among others the candidate's integrity, business acumen, knowledge of our business and industry, experience, diligence, absence of any conflicts of interest, and ability to act in the interests of all of Cimpress' stakeholders. In addition, the Rules for the Supervisory Board specify that nominees shall not be discriminated against on the basis of race, religion, national origin, sex, sexual orientation, disability, or any other basis proscribed by law and that the Nominating and Corporate Governance Committee and Supervisory Board should consider the value of diversity on the Supervisory Board. The Committee does not assign specific weights to particular criteria, and no particular criterion other than integrity and good character is a prerequisite for each prospective nominee.

We believe that the backgrounds and qualifications of the members of our Supervisory Board, considered as a group, should provide a composite mix of experience, knowledge and abilities that will allow the Supervisory Board to fulfill its responsibilities. Accordingly, the Nominating and Corporate Governance Committee seeks nominees with a broad diversity of experience, professions, skills and backgrounds.

Shareholders may recommend individuals to the Nominating and Corporate Governance Committee for consideration as potential candidates for the Supervisory Board by submitting their names, together with appropriate biographical information and background materials and a statement as to whether the shareholder or group of shareholders making the recommendation has beneficially owned more than 5% of our ordinary shares for at least a year as of the date such recommendation is made, to Nominating and Corporate Governance Committee, c/o General Counsel, Cimpress USA Incorporated, 275 Wyman Street, Waltham, MA 02451 USA. If appropriate biographical and background material has been provided on a timely basis, the Nominating and Corporate Governance Committee will evaluate shareholder-recommended candidates by following substantially the same process, and applying substantially the same criteria, as it follows for candidates submitted by others.

If the Supervisory Board does not submit a binding nomination for a Supervisory Board position, then the shareholders represented at the general meeting may select a nominee. The shareholders may appoint such a nominee as a member of the Supervisory Board by the vote of at least two thirds of the votes cast at the meeting representing more than half of our share capital.

Supervisory Board Meetings and Committees

During our fiscal year ended June 30, 2017, our Supervisory Board met six times, and each of the members of our Supervisory Board other than Eric Olsen attended at least 75% of the total number of meetings of the Supervisory Board and the committees of which such director was a member during the period of time he or she served on such committee. In addition, it is our policy that one or more of the members of our Supervisory Board should attend annual general meetings of shareholders to the extent practicable. All eight of our current supervisory directors attended our 2016 annual general meeting of shareholders.

The Supervisory Board has standing Audit, Compensation, and Nominating and Corporate Governance Committees. Each committee has a charter that has been approved by the Supervisory Board, and each committee must review the appropriateness of its charter at least annually. All members of all committees are non-employee directors, and the Supervisory Board has determined that all of the members of our three standing committees are independent as defined under Nasdaq's Marketplace Rules.

Audit Committee

The current members of our Audit Committee are Messrs. Gavin (Chair), Riley, and Thomas. Our Supervisory Board has determined that Mr. Gavin qualifies as an "audit committee financial expert" under SEC rules, and all three Audit Committee members meet the SEC's independence criteria for audit committee members. The Audit Committee met seven times during fiscal year 2017. The Audit Committee's responsibilities include:

- retaining our independent registered public accounting firm, subject to shareholder ratification and approval;
- approving the compensation of, and assessing (or recommending that the Supervisory Board assess) the independence of, our registered public accounting firm;
- overseeing the work of our independent registered public accounting firm, including the receipt and consideration of certain reports from the firm;
- coordinating the Supervisory Board's oversight of our internal control over financial reporting and disclosure controls and procedures;
- overseeing our internal audit function;
- establishing procedures for the receipt, retention, and treatment of accounting-related complaints and concerns;
- reviewing and approving any related person transactions;
- meeting independently with our independent registered public accounting firm and management; and
- preparing the Audit Committee report included in this proxy statement.

Compensation Committee

The current members of the Compensation Committee are Messrs. Vassalluzzo (Chair), Olsen, and Thomas, and all three Compensation Committee members meet Nasdaq's independence criteria for compensation committee members. The Compensation Committee met three times during fiscal year 2017. The Compensation Committee's responsibilities include:

- reviewing and approving, or making recommendations to the Supervisory Board with respect to, the compensation of our Chief Executive Officer and our other executive officers;
- overseeing and administering our cash and equity incentive plans;
- reviewing and making recommendations to the Supervisory Board with respect to Supervisory Board compensation;
- reviewing and discussing with management the Compensation Discussion and Analysis section of the proxy statement and considering whether to recommend to the Supervisory Board that the Compensation Discussion and Analysis be included in the proxy statement; and
- preparing the Compensation Committee report included in this proxy statement.

Nominating and Corporate Governance Committee

The current members of the Nominating and Corporate Governance Committee are Messrs. Thomas (Chair), De Cesare, and Riley, and Ms. Shouraboura. The Nominating and Corporate Governance Committee met twice during fiscal year 2017. The responsibilities of the Nominating and Corporate Governance Committee include:

- identifying individuals qualified to become Supervisory Board members;
- recommending to the Supervisory Board the persons to be nominated for appointment as members of the Supervisory Board and the Management Board and to each of the Supervisory Board's committees;
- overseeing an annual evaluation of the Supervisory Board, the Management Board and all committees of the Supervisory Board to determine whether each is functioning effectively;

- overseeing succession planning for the Supervisory Board; and

- reviewing and assessing the adequacy of the Rules of the Supervisory Board and of the Management Board.

Report of the Audit Committee

The Audit Committee has reviewed Cimpress' audited consolidated financial statements for the fiscal year ended June 30, 2017 and has discussed these financial statements with Cimpress' management and PricewaterhouseCoopers LLP, our independent registered public accounting firm for fiscal year 2017.

The Audit Committee has also received from, and discussed with, PwC various communications that PwC is required to provide to the Audit Committee, including the matters required to be discussed by AS 1301, Communications with Audit Committees, as adopted by the Public Company Accounting Oversight Board, or PCAOB, and in effect for Cimpress' fiscal year 2017.

PwC also provided the Audit Committee with the written disclosures and the letter required by PCAOB Rule 3526 (Communicating with Audit Committees Concerning Independence), as modified or supplemented. The Audit Committee has discussed with the independent registered public accounting firm its independence from Cimpress. The Audit Committee also considered whether the provision of other, non-audit related services referred to under the heading “Independent Registered Public Accounting Firm Fees and Other Matters” under Proposal 12 is compatible with maintaining the independence of our registered public accounting firm.

Based on its discussions with, and its review of the representations and information provided by, management and PwC, the Audit Committee recommended to the Supervisory Board that the audited financial statements be included in Cimpress' Annual Report on Form 10-K for the fiscal year ended June 30, 2017.

This Audit Committee Report is not incorporated by reference into any of our previous or future filings with the SEC, unless any such filing explicitly incorporates this Report.

Audit Committee of the Supervisory Board
John J. Gavin, Jr., *Chairman*
Richard T. Riley
Mark T. Thomas

Certain Relationships and Related Transactions

Policies and Procedures for Related Person Transactions

We have a written related person transaction policy that sets forth the policies and procedures for the review and approval or ratification of related person transactions. This policy covers any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships in which we are a participant, the amount involved exceeds $25,000, and a related person has a direct or indirect material interest, including, without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness, and employment by us of a related person. A related person is any person who is or was a Cimpress executive officer or member of our Management Board or Supervisory Board at any time since the beginning of our most recently completed fiscal year, the beneficial holder of more than 5% of any class of our voting securities, or an immediate family member of anyone described in this sentence.

All potential related person transactions that we propose to enter into must be reported to our Chief Legal Officer (CLO, who is currently our General Counsel) or Chief Accounting Officer (CAO, who is currently our Chief Financial Officer), who will determine whether each reported transaction qualifies as a related person transaction. If so, then the CLO and CAO will submit the transaction for review and approval by our Audit Committee. If our CLO and CAO determine that advance approval of a related person transaction by the full Audit Committee is not practicable under the circumstances, then they will submit the transaction to the Audit Committee chair for review and approval, and the full Audit Committee will review and ratify the related person transaction at the next Committee meeting.

In addition, the Audit Committee will review annually any previously approved or otherwise already existing related person transaction that is ongoing in nature to ensure that such related person transaction has been conducted in accordance with the Audit Committee's previous approval, if any, and that all required disclosures regarding the related person transaction are made.

When considering a proposed related person transaction, the Audit Committee will review and consider, to the extent appropriate for the circumstances:

- the related person's interest in the related person transaction;
- the approximate dollar value of the amount involved in the related person transaction;
- the approximate dollar value of the amount of the related person's interest in the transaction without regard to the amount of any profit or loss;
- whether the transaction was undertaken in the ordinary course of business;
- whether the transaction with the related person is entered into on terms no less favorable to us than terms that could have been reached with an unrelated third party;
- the purpose of, and the potential benefits to us of, the transaction; and
- any other information regarding the related person transaction or the related person that would be material to investors in light of the circumstances of the particular transaction.

The Audit Committee will review all relevant information available to it about the related person transaction. The Audit Committee may approve or ratify the related person transaction only if the Committee determines that, under all of the circumstances, the transaction is in or is not inconsistent with our best interests. The Committee may, in its sole discretion, impose conditions as it deems appropriate on us or the related person in connection with approval of the related person transaction.

In addition, under Dutch law, any member of our Supervisory Board or Management Board who has a conflict of interest is required to disclose that conflict to the Chairman of the Supervisory Board and to abstain from voting on any resolution involving, or participating in any board discussion of, the conflict.

Related Person Transaction

During fiscal year 2017, there was one related person transaction, as defined under SEC rules: Katryn Blake's brother-in-law has been an employee of Cimpress since 2007, and he received compensation of $193,304 for fiscal year 2017. The Audit Committee has reviewed this relationship and concluded that it is consistent with our best interests and does not constitute a conflict of interest.

Communicating with the Supervisory Board

Our Supervisory Board will give appropriate attention to written communications that are submitted by shareholders, and will respond if and as appropriate. The chair of the Nominating and Corporate Governance Committee, with the assistance of Cimpress' General Counsel, is primarily responsible for monitoring communications from shareholders and for providing copies or summaries to the other directors as its members consider appropriate.

The chair of the Nominating and Corporate Governance Committee will forward communications to the full Supervisory Board if the communications relate to substantive matters and include suggestions or comments that he considers to be important for the directors to know. In general, the chair is more likely to forward communications relating to corporate governance and corporate strategy than communications relating to ordinary business affairs, personal grievances, and matters as to which Cimpress may receive repetitive or duplicative communications.

Shareholders who wish to send communications on any topic to our Supervisory Board should address such communications to:

Supervisory Board
c/o Corporate Secretary, Cimpress N.V.
Hudsonweg 8
5928 LW Venlo
The Netherlands

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Executive Overview

Our success depends on our ability to attract and retain top talent in a competitive marketplace, and to motivate that talent to achieve outstanding performance. In determining the compensation of our executive officers, our Compensation Committee begins with an analysis of the competitiveness of our executive compensation program and, as a starting point, seeks to pay our executives total compensation (including base salary and long-term incentive awards) at the 75th percentile of our peer group for extraordinary performance by Cimpress. The Compensation Committee then applies its own discretion to take into account any other factors it may deem relevant in any given fiscal year, such as general economic conditions, the internal equity of compensation among our executives, each executive's experience and role, and individual performance. The Committee does not assign specific weights to particular factors but considers them together in determining compensation.

Incentive compensation redesign. In fiscal year 2016, under the leadership of our Compensation Committee and with input from our shareholders, we significantly redesigned our compensation program for executives and employees. Beginning with fiscal year 2017, we now use the following two new long-term incentive, or LTI, compensation vehicles:

1. Performance share units, or PSUs, granted under our 2016 Performance Equity Plan, or 2016 Plan, approved by our shareholders in May 2016. Each PSU represents a right to receive between 0 and 2.5 ordinary shares of Cimpress N.V. upon the satisfaction of both service-based vesting over time and performance conditions relating to the compound annual growth rate, or CAGR, of the three-year moving average of the daily closing share price of Cimpress' ordinary shares, or 3YMA, over a 6- to 10-year period.

2. Cash retention bonus awards for employees other than Robert Keane, who receives 100% of his LTI compensation in the form of PSUs. These bonus awards are focused on retention and pay the employee a fixed amount in equal payments over several years (typically four years) so long as Cimpress continues to employ the recipient.

As described in more detail below, we give employees other than Robert Keane an opportunity to elect the percentage of their LTI compensation that will be allocated to PSUs versus cash retention bonuses, subject to minimum thresholds depending on each employee's level within the organization.

In addition, beginning in fiscal year 2017, we have incorporated the annual cash incentive component of our previous compensation program into the base salary for our executive officers and broader employee population, in order to reduce incentives to take actions that enhance short-term financial performance at the expense of long-term value creation and support a culture of long-termism.

Pay for performance. Cimpress' uppermost priorities are to be the world leader in mass customization and to maximize intrinsic value per share over the long term. Extending our history of success into the next decade and beyond in line with these top-level priorities is important to us, and we have designed our compensation program to encourage our executives and employees to manage to a long-term time horizon and to forgo short-term actions and metrics except to the extent those short-term actions and metrics support our long-term goals. Accordingly, the PSUs are based on Cimpress' performance over a period of six to ten years, and the earliest that Cimpress may issues shares under a PSU award, and therefore the earliest that executives and employees could receive any value from the PSUs, is six years from grant (unless there is an earlier change in control), and only if Cimpress' 3YMA meets or exceeds our CAGR targets.

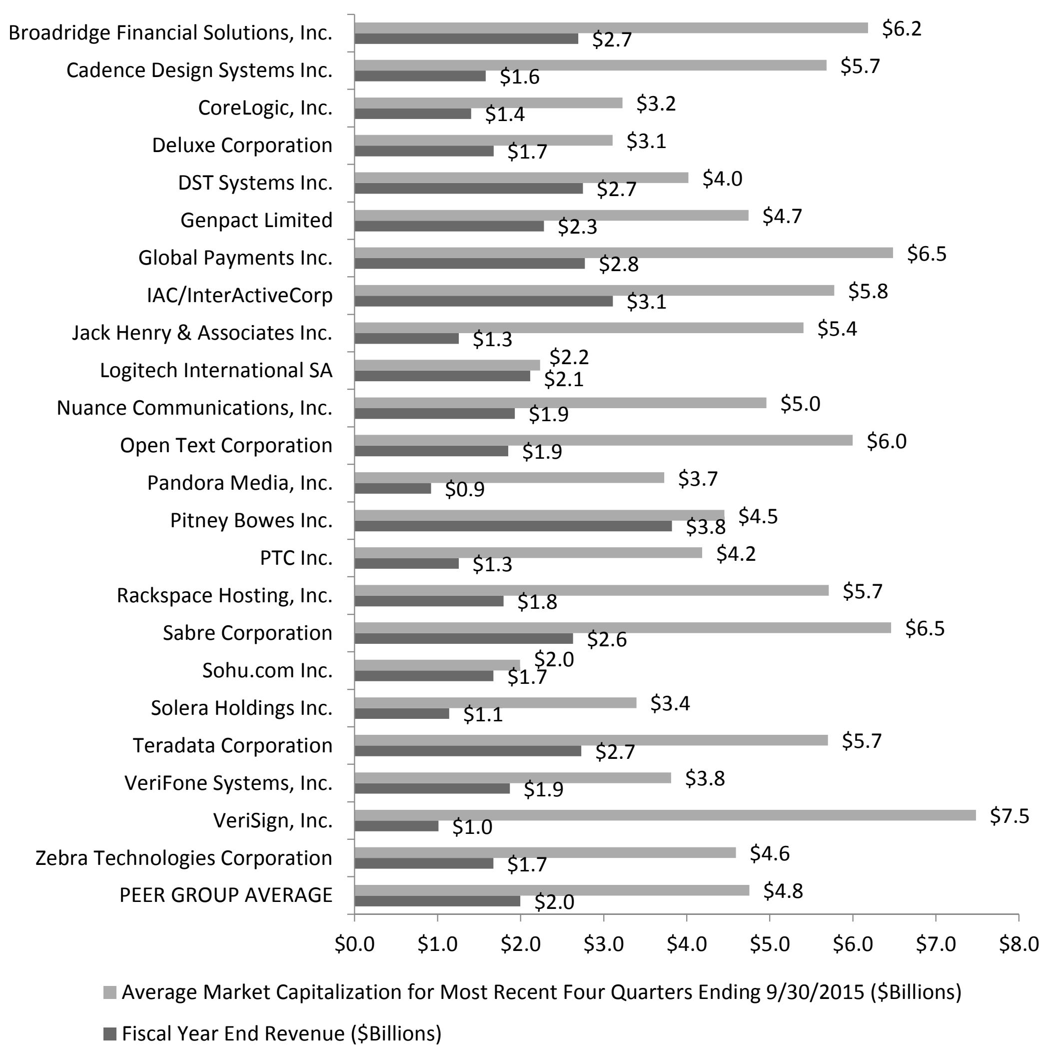
The total compensation package for our executive officers is weighted heavily toward compensation based on Cimpress' long-term performance. For fiscal year 2017, our Chief Executive Officer had 76% of his total compensation at risk through our LTI program.

Shareholder engagement. We believe that our collaboration with shareholders on executive compensation design and our emphasis on long-term, performance-based compensation are major contributors to our executive compensation program's receiving more than 99% approval from our shareholders at each of our last four annual general meetings of shareholders. When our Compensation Committee redesigned our compensation program for executives and employees during fiscal year 2016, we reached out to our major shareholders during the planning phase, and the Compensation Committee took shareholders' feedback into account in the design process. When we sought shareholder approval of our 2016 Plan that is the lynchpin of the redesigned compensation program, we listened to the constructive feedback of our major, long-term shareholders and made several changes to the compensation program to address shareholders' concerns, which we believe contributed to our shareholders' voting to approve the plan at our Extraordinary General Meeting of Shareholders on May 27, 2016.

Compensation Committee Approach

In determining the competitiveness of our executive compensation program, our Compensation Committee takes into account the analysis and recommendations of the Committee's independent compensation consultant (currently Willis Towers Watson), data from the comparison peer group described below, published compensation survey data, and detailed tally sheets summarizing our executive officers' current and historical compensation.

Our Compensation Committee worked with Willis Towers Watson to update its comparison peer group for fiscal year 2017, which consists of publicly traded companies that have characteristics that are currently comparable to Cimpress or comparable to where Cimpress expects to be in the near future, and therefore the peer group changes from year to year. Through a multi-step process, the Committee considered a robust number of companies for inclusion in our peer group, including the consideration of, among other attributes, each company's ownership structure, industry groupings (including Global Industry Classification Standards), annual revenue, and other financial metrics, as well as comparable companies identified on the Dow Jones and Institutional Shareholder Services lists. For the comparison peer group our Compensation Committee used in determining our executive officers' fiscal year 2017 compensation, the financial criteria included annual revenue in the range of $1.58 billion to $4.2 billion and market capitalization between $2.25 billion and $6.0 billion (utilizing a 75% to 200% criteria range for both revenue and market capitalization). The Compensation Committee also considered companies with high growth and in the same general industry as Cimpress. For fiscal year 2017, the peer group consisted of the 23 companies listed below. Because the Compensation Committee determined the peer group in November 2015, before the beginning of our fiscal year 2017, the Committee used the most recent information that was available at that time for each peer group company.



The Compensation Committee engages an independent compensation consultant and manages the relationship with that firm. During fiscal year 2017, Willis Towers Watson, the Committee's compensation consultant, provided the following services to Cimpress and the Compensation Committee:

- Competitive analysis and recommendations to the Compensation Committee with respect to the compensation of our executive officers;

- Competitive analysis and recommendations to our Compensation Committee and Chief Executive Officer with respect to the compensation of some of our senior employees who are not executive officers;

- Review of and feedback on our proposed LTI compensation design featuring PSUs; and

- Detailed pay-for-performance assessment that reviewed the pay-for-performance relationship among our executive officers.

The Compensation Committee took into account the above services as well as the fees paid to Willis Towers Watson when assessing the firm's independence and determined that Willis Towers Watson was independent during fiscal year 2017.

Compensation Components for Executives

For fiscal year 2017, the principal elements of our compensation program for our executive officers were the following:

- Base salary, into which we have incorporated the annual cash incentive component of our previous compensation program.
- LTI awards that reward executives based on Cimpress' achievement of longer-term financial objectives and the creation of value for our shareholders as reflected in our share price. These incentive awards include:
  - PSUs
  - Cash retention bonuses for executives who elected to allocate less than 100% of their fiscal year 2017 LTI award to PSUs
  - Long-term cash incentives for Messrs. LeBlanc and Quinn, who received long-term cash incentive awards in previous years before they became executive officers
- Standard health and welfare benefits that are applicable to all of our employees in each executive’s geographic location.

In addition, we have severance and change in control arrangements with most of our executive officers, and from time to time we provide expatriate benefits for executives who are assigned to work in geographic locations outside of their home countries.

Under our pay-for-performance philosophy, the compensation of our executives and other employees at higher levels in the organization is more heavily weighted towards variable compensation based on our performance, and base salary generally accounts for a smaller portion of these employees’ total compensation packages. The percentiles below are designed to ensure that our executive officers will receive compensation significantly below the median of our peer group if Cimpress does not perform well and significantly above the median for Cimpress' extraordinary performance. In accordance with this philosophy, the Compensation Committee initially allocates the compensation of our executive officers within the percentiles listed below, and then may use its discretion to adjust each executive officer’s compensation to reflect other factors such as general economic conditions, the internal equity of compensation among our executives, and the executive’s experience, role, and performance.

- Annual cash compensation (base salary and value from prior annual cash incentive) of all executive officers including Mr. Keane at the 50th percentile of our peer group and published compensation surveys
- Total compensation (base salary, annual cash incentive, and LTI awards) of all executive officers including Mr. Keane at the 75th percentile of our peer group and published compensation surveys

Base Salary (Annual Cash Compensation)

In fiscal year 2017 in connection with the launch of our redesigned LTI program, we eliminated our annual cash incentive program and incorporated the annual incentive component of our previous program into the base salary for our executive officers and broader employee population. Our previous annual cash incentive plan was tied to our short-term (annual) profit and revenue performance. However, to maximize long-term value creation, our executive officers and broader management team need to make decisions in an agile and iterative way that are not able to be predicted in advance. Those decisions regularly impact near-term profitability (both up and down), which in turn directly influenced annual bonus plan payouts under our previous compensation program. We do not want to financially reward or penalize employees for investment decisions our executives and broader management team members make that they believe are right for the long term but which impact near-term financial performance in ways that could not be anticipated when annual performance metrics would need to have been established.

Accordingly, for fiscal year 2017, the base salary of each of our executive officers other than Cornelis David Arends included the amount of his or her fiscal year 2016 annual cash incentive at the target level. The Compensation Committee also adjusted the base salaries of Ms. Blake and Messrs. LeBlanc and Quinn to maintain their salaries at the percentiles described above and also to reflect each executive’s performance and internal equity with other Cimpress executives. Mr. Keane did not receive an increase in annual cash compensation in fiscal year 2017. We paid Mr. Keane's salary in Euros in fiscal year 2015 and changed his compensation to US dollars for fiscal years 2016 and 2017; therefore, his compensation in the Summary Compensation Table of this proxy statement, which is reported in US dollars, is not directly comparable year-over-year because of currency fluctuations.

Mr. Arends has an employment agreement dated November 1, 2015 with Cimpress that sets his compensation, and the Compensation Committee did not make any changes to his contractual compensation for fiscal year 2017.

Long-Term Incentive Program

PSUs and Cash Retention Bonuses. Our LTI program is designed to focus our executives and employees on long-term performance and value creation for the company and our shareholders. During fiscal year 2016, the Compensation Committee redesigned our long-term executive compensation program for fiscal year 2017 and beyond, and accordingly, the Compensation Committee granted PSUs to all executive officers other than Mr. Arends, whose compensation is determined by his employment agreement.

Each PSU represents a right to receive between 0 and 2.5 ordinary shares of Cimpress N.V. upon the satisfaction of both service-based vesting over time and performance conditions relating to the 3YMA CAGR over a 6- to 10-year period. We refer to the issuance of Cimpress ordinary shares pursuant to a PSU upon satisfaction of both conditions as the Performance Dependent Issuance.

> *First condition to a Performance Dependent Issuance: Service-based Vesting*
> PSUs granted to employees generally vest no faster than 25% per year over four years so long as the employee remains employed by Cimpress. However, service-based vesting is not sufficient for payout; PSU service-based vesting events are the dates after which the participant gains the future right to a Performance Dependent Issuance with respect to his or her then-vested PSUs, subject to achievement of the relevant performance conditions.
>
> If a participant resigns or is terminated other than for cause, he or she retains all PSUs that have satisfied the service-based vesting condition as of his or her resignation or termination date. If Cimpress achieves the performance thresholds described below, the former participant would receive Cimpress ordinary shares upon settlement of the PSUs, even though he or she no longer has an employment, director, or other service relationship with Cimpress.
>
> *Second condition to a Performance Dependent Issuance: 3YMA Performance*
> For each PSU award, we calculate a baseline 3YMA as of a specified date at the time of grant for two purposes: to establish the number of units to be granted and to establish the baseline for future performance measurement. Beginning on the sixth anniversary of such baseline measurement date, and on each anniversary thereafter through year nine, we will calculate the 3YMA as of such date. On the first such measurement date that the 3YMA equals or exceeds a CAGR of 11%, the 3YMA performance condition would be satisfied, and we would issue to the participant the number of Cimpress ordinary shares

determined by multiplying the number of PSUs subject to the award by the applicable performance-based multiplier set forth in Table 1 below.

TABLE 1:

3YMA CAGR	Multiplier to the number of PSUs subject to the award
11 to 11.99%	125.0%
12 to 12.99%	137.5%
13 to 13.99%	150.0%
14 to 14.99%	162.5%
15 to 15.99%	175.0%
16 to 16.99%	187.5%
17 to 17.99%	200.0%
18 to 18.99%	212.5%
19 to 19.99%	225.0%
20% to 25.8925%	250.0%
Above 25.8925%	Variable Cap (defined below)

If the 3YMA has not reached at least 11% on any of the sixth through ninth anniversaries of the baseline measurement date for the PSU award and thus a Performance Dependent Issuance has not yet occurred, then the threshold CAGR level for 3YMA performance at the tenth anniversary of the baseline measurement date is lowered to a 7% CAGR for participants other than Robert Keane and members of our Supervisory Board. If the 3YMA performance meets or exceeds a 7% CAGR on the tenth anniversary, recipients other than Mr. Keane and Supervisory Board members would still receive Cimpress ordinary shares, but at a significantly declining multiple, as set forth in Table 2 below. Table 2 does not apply to PSUs granted to Mr. Keane or members of the Supervisory Board, and we will use Table 1 for all measurement dates for PSUs granted to Mr. Keane and the Supervisory Board members.

TABLE 2:

3YMA CAGR	Multiplier to the number of PSUs subject to the award
11% & higher	Same as Table 1 above
10 to 10.99%	112.5%
9 to 9.99%	100.0%
8 to 8.99%	87.5%
7 to 7.99%	75.0%
Less than 7%	0%

If none of the CAGR performance goals are achieved by the tenth anniversary of the baseline measurement date for the PSU award, then the PSU award would be terminated and no Cimpress ordinary shares would be issued with respect to the award.

The 2016 Plan limits the 3YMA value of the share issuance (defined as the number of Cimpress ordinary shares to be issued multiplied by the 3YMA at the measurement date on which the Performance Dependent Issuance is triggered) to a maximum of ten times the 3YMA grant value of the PSU award (defined as the number of PSUs granted multiplied by the baseline 3YMA used for the initial grant). Therefore, in cases of a 3YMA CAGR above 25.8925%, a "Variable Cap," which is less than 250.0%, will be applied in order to achieve the fixed ten times maximum 3YMA value of the share issuance. The actual closing price of the Cimpress shares issued upon the Performance Dependent Issuance may be higher or lower than the 3YMA used to calculate the number of shares issued at such time.

Since PSU awards are more risky than cash retention bonuses, we allow our executive officers other than our Chief Executive Officer to choose the levels of risk and reward they wish to undertake by choosing the percentage of their LTI compensation that will be allocated to cash retention bonuses and PSU awards, subject to a minimum threshold of 60% of LTI compensation allocated to PSUs. Cash retention bonuses pay the employee a fixed amount in equal payments over several years (typically four years) so long as Cimpress continues to employ the recipient. Broader-based employees eligible for long-term incentives make a similar choice, with minimum thresholds allocated to PSUs decreasing at lower levels in the organization. This approach recognizes that different employees have a broad spectrum of personal circumstances and attitudes regarding the tradeoff between risk and reward. Because life events can change an individual's risk appetite, employees will be allowed to make these choices annually for the following year's LTI award but always subject to the applicable minimum threshold.

Mr. Keane receives 100% of his LTI awards in the form of PSUs, and the number of PSUs he may receive is capped at a maximum of 75,000 PSUs per fiscal year. Our other current named executive officers elected to receive the following percentages of the LTI awards granted to them in fiscal year 2017 in the form of PSUs:

- Katryn Blake: 100%
- Donald LeBlanc: 100%
- Sean Quinn: 75%
- Cornelis David Arends: No LTI award, per his employment agreement

Legacy Long-Term Cash Incentive Awards. Because Donald LeBlanc and Sean Quinn became executive officers within the last two fiscal years and participated in our long-term incentive program for non-executive employees before their promotions, they received fiscal year 2017 payouts under the four-year cash incentive awards they received in previous fiscal years. For fiscal years 2016 and before, we granted long-term cash incentive awards to our non-executive employees to reflect our pay-for-performance culture and philosophy, enhance our ability to manage the number of shares available under our equity compensation plans, and balance the focus on share price appreciation created through equity awards with cash awards based on the achievement of financial metrics that drive long-term company and shareholder value creation. These long-term cash incentive awards have a performance cycle of four fiscal years, and each employee is eligible to receive 25% of his or her total award for each fiscal year in the performance cycle based on Cimpress' achievement of performance goals based on our adjusted net operating profit after tax, or adjusted NOPAT, which is defined as, in constant currency, GAAP operating income less cash taxes attributable to the applicable period and excluding amounts for the following to the extent included in GAAP operating income:

- the impact of contingent consideration and option arrangements from acquisitions
- transition and integration costs from acquisitions including compensation expense from earn outs or other deal consideration
- amortization of acquired intangible assets
- the results of acquired businesses if such acquisition was not included in arriving at the fiscal year 2017 NOPAT goal
- non-recurring or unusual items such as discontinued operations, restructurings meeting the GAAP definition of restructuring costs, and certain asset impairments
- any variance between actual and target for major organic long-term investments and realized gains or losses on currency hedging contracts

We measure performance on an annual basis and make payments for each fiscal year in the performance cycle based on the level of goal achievement for that fiscal year. Our adjusted NOPAT for fiscal year 2017 for purposes of these legacy long-term cash incentive awards granted to our non-executive employees in previous years was below the previously established goals. However, in recognition of the scale of the decentralization of Cimpress' organization that the company announced in January 2017 and the efforts of employees across the organization to support Cimpress' revised strategy and direction, we decided to pay the 2017 portion of all outstanding long-term cash incentive awards at 50% of target.

Benefit Programs

The Compensation Committee believes that all employees based in the same geographic location should have access to similar levels of health and welfare benefits, and therefore our executive officers receive the same health and welfare benefits, including medical, dental, vision, and disability plans, group life and accidental death and disability insurance and other benefit plans, as those offered to other employees in their location. We do, however, from time to time enter into arrangements with some of our named executive officers to reimburse them for living and relocation expenses relating to their work outside of their home countries.

U.S. based employees may participate in a 401(k) plan that provides a company match of up to 50% on the first 6% of the participant's eligible compensation that is contributed, subject to certain limits under the United States Internal Revenue Code of 1986, or US Tax Code, with company matching contributions vesting over a four-year period. We also provide customary pension plans to our European employees.

Perquisites

In general, executives are not entitled to benefits that are not otherwise available to all other employees who work in the same geographic location.

Executive Retention and Other Agreements

We have entered into executive retention agreements with all of our executive officers other than Mr. Arends, whose employment agreement with Cimpress (described below) does not include any severance or change in control provisions. Under the executive retention agreements, if we terminate an executive officer's employment without cause (as defined in the agreements) or the executive terminates his or her employment for good reason (as defined in the agreements) before a change in control of Cimpress or within one year after a change in control (as defined in the agreements), then the executive is entitled to receive:

- A lump sum severance payment equal to two years' salary and bonus, in the case of Mr. Keane, or one year's salary and bonus, in the case of the other executive officers.
- With respect to any outstanding annual cash incentive award under any cash incentive plan, a pro rata portion, based on the number of days from the beginning of the then current fiscal year until the date of termination, of his or her target incentive for the fiscal year multiplied by the average actual payout percentage for the previous two fiscal years. If there is no change in control of Cimpress during the fiscal year, this pro rata portion is capped at the actual amount of annual cash incentive that the executive would have received had he or she remained employed by Cimpress through the end of the fiscal year. Because we no longer grant annual cash incentive awards to our executives and employees, this amount would be zero.
- With respect to any outstanding multi-year cash incentive award under any cash incentive plan, a pro rata portion, based on the number of days from the beginning of the then current performance period until the date of termination, of his or her mid-range target incentive for the then current performance period multiplied by the average actual payout percentage for the previous two fiscal years. If there is no change in control of Cimpress during the applicable performance period, this pro rata portion is capped at the actual amount of cash incentive for the performance period that the executive would have received had he or she remained employed by Cimpress through the end of the performance period.
- The continuation of all other employment-related health and welfare benefits for two years after the termination in the case of Mr. Keane, or one year after the termination in the case of our other executive officers.

Both the executive retention agreements and our 2016 Plan have change of control provisions. The executive retention agreements provide that, upon a change in control of Cimpress, all equity awards (other than PSUs granted under the 2016 Plan) granted to each executive officer will accelerate and become fully vested; each executive's multi-year cash incentive awards under our cash incentive plan will accelerate such that the executive will receive the mid-range target bonus for the then current performance period and each performance period after the change in control; and each executive will receive a pro rata portion, based on the number of days in the fiscal year before the change in control, of his or her target annual cash incentive award for that fiscal year. In addition, if after a change in control Cimpress' successor terminates the executive without cause, or the executive terminates his or her employment for good reason (as defined in the agreements), then each of the executive's equity awards remains exercisable until the earlier of one year after termination or the original expiration date of the award.

The 2016 Plan provides that upon a change in control all PSUs that have satisfied the applicable service-based vesting conditions will be settled for Cimpress ordinary shares in accordance with the plan if the actual price paid per share to holders of Cimpress' securities in connection with the change in control equals or exceeds the CAGR performance goals set forth in the plan.

Our Compensation Committee decided that we would no longer include any excise tax gross-up provisions in any executive retention agreements we enter into with new executives after August 1, 2012, and accordingly, the only current executive officers who have excise tax gross-up provisions in their agreements are Mr. Keane and Ms. Blake. If either of these two executives is required to pay any excise tax pursuant to Section 280G of the US Tax Code as a result of compensation payments made to him or her, or benefits obtained by him or her (including the acceleration of equity awards), resulting from a termination or change in ownership or control of Cimpress, we are required to pay the executive an amount, referred to as a gross-up payment, equal to the amount of such excise tax plus any additional taxes attributable to such gross-up payment. However, if reducing the executive's compensation payments by up to $50,000 would eliminate the requirement to pay an excise tax under Section 280G of the US Tax Code, then Cimpress has the right to reduce the payment by up to $50,000 to avoid triggering the excise tax and thus avoid providing gross-up payments to the executive.

The following table sets forth information on the potential payments to our named executive officers, other than Cornelis David Arends, Lawrence A. Gold, and Donald R. Nelson, upon their termination or a change in control of Cimpress, assuming that a termination or change in control took place on June 30, 2017. Messrs. Gold and Nelson ceased to be executive officers in January 2017 and departed Cimpress in fiscal year 2017, and the table shows the actual amounts that Cimpress paid in connection with their termination. Mr. Arends' employment agreement with Cimpress (described below) does not provide for any payment upon termination or change in control, and Mr. Arends did not hold any PSUs under our 2016 Plan at June 30, 2017.

Name	Cash Payment ($)(1)	Accelerated Vesting of Share Options ($)(2)	Accelerated Vesting of RSUs and PSUs ($)(3)	Welfare Benefits ($)(4)	Tax Gross-Up Payment ($)(5)	Total ($)
Robert S. Keane						
• Termination Without Cause or With Good Reason	3,230,000	—	—	60,769	—	3,290,769
• Change in Control	—	10,223,465	2,215,594	—	—	12,439,059
• Change in Control w/ Termination Without Cause or With Good Reason	3,230,000	10,223,465	2,215,594	60,769	—	15,729,828
Katryn S. Blake						
• Termination Without Cause or With Good Reason	800,000	—	—	24,584	—	824,584
• Change in Control	—	1,241,986	2,084,387	—	—	3,326,373
• Change in Control w/ Termination Without Cause or With Good Reason	800,000	1,241,986	2,084,387	24,584	—	4,150,957
Donald LeBlanc						
• Termination Without Cause or With Good Reason	675,000	—	—	24,415	—	699,415
• Change in Control	288,750	75,612	1,038,128	—	—	1,402,490
• Change in Control w/ Termination Without Cause or With Good Reason	963,750	75,612	1,038,128	24,415	—	2,101,905
Sean E. Quinn						
• Termination Without Cause or With Good Reason	700,000	—	—	21,346	—	721,346
• Change in Control	81,250	—	1,456,991	—	—	1,538,241
• Change in Control w/ Termination Without Cause or With Good Reason	781,250	—	1,456,991	21,346	—	2,259,587
Lawrence A. Gold(6)						
• Termination Without Cause	914,129	256,151	704,565	23,748	—	1,898,593
Donald R. Nelson(6)						
• Termination Without Cause	773,118	820,715	613,607	23,474	—	2,230,914

(1) Amounts in this column represent severance amounts payable under the executive retention agreements. For Messrs. LeBlanc and Quinn, the amounts in this column for Change in Control and Change in Control with Termination include the acceleration of their long-term cash incentive awards.

(2) Amounts in this column represent the value of unvested, in-the-money share options that would vest upon the triggering event described in the first column. The value of share options for our named executive officers other than Messrs. Gold and Nelson is based on the difference between the exercise price of the options and $94.53 per share, which was the closing price of our ordinary shares on Nasdaq on June 30, 2017. The value of share options for Messrs. Gold and Nelson is based on the difference between the exercise price of the options and the closing price of our ordinary shares on Nasdaq on their termination dates.

(3) Amounts in this column for our named executive officers other than Messrs. Gold and Nelson represent the value, based on $94.53 per share, which was the closing price of our ordinary shares on Nasdaq on June 30, 2017, of (1) unvested restricted share units, or RSUs, that would vest and (2) shares that would be issued pursuant to vested PSUs upon the triggering event described in the first column. For PSUs, we assumed the price paid per share to holders of Cimpress' shares in connection with the change in control would represent an 11% CAGR over the baseline 3YMA of the PSUs, which is the target performance goal in the 2016 Plan. Amounts in this column for Messrs. Gold and Nelson represent the value, based on the closing price of our ordinary shares on their termination dates, of their accelerated RSUs. In addition, the service-based vesting condition of Mr. Gold's PSU award was accelerated with respect to 2,808 PSUs, and the service-based vesting condition of Mr. Nelson's PSU award was accelerated with respect to 6,481 PSUs.

(4) Amounts reported in this column represent the estimated cost of providing employment related benefits (such as insurance for medical, dental, and vision) during the period the named executive officer is eligible to receive those benefits under the executive retention agreements, which is two years for Mr. Keane and one year for the other named executive officers. Some of the amounts would be payable to Mr. Keane in Euros. For purposes of this table, we converted these payments from Euros to U.S. dollars at a currency exchange rate of 1.12271 based on the 30-day average currency exchange rate for June 1-30, 2017, which was the end of our most recent fiscal year.

(5) Amounts in this column are estimates based on a number of assumptions and do not necessarily reflect the actual amounts of tax gross-up payments that Mr. Keane or Ms. Blake would receive.

(6) Messrs. Gold and Nelson ceased to be executive officers in January 2017 and departed Cimpress in fiscal year 2017, and the amounts in this table represent the actual amounts paid in connection with their termination.

Mr. Arends has an employment agreement with Cimpress N.V. dated November 1, 2015 under which Cimpress agreed to pay Mr. Arends a base salary of €125,000 per month and Mr. Arends is eligible to receive a monthly car and fuel allowance. Under the agreement, Mr. Arends is eligible to participate in the pension scheme made available to members of the management team in his location, but is not eligible to receive any bonuses or equity awards. The agreement terminates on January 10, 2018, and we anticipate entering into a replacement employment agreement with Mr. Arends before that date.

Mr. Arends also has a long term international assignment agreement with Cimpress N.V. dated December 9, 2015 relating to his relocation and assignment to our office in Paris, France. Under this agreement, Mr. Arends' base salary is increased to €1,750,000 per year for the term of the assignment, and he receives a mobility premium of €500,000 per year. Cimpress also pays for Mr. Arends' housing costs up to €15,000 per month.

The Role of Company Executives in the Compensation Process

Although the Compensation Committee manages and makes decisions about the compensation process, the Committee also takes into account the views of our Chief Executive Officer, who makes initial recommendations with respect to executive officers other than himself. Other employees of Cimpress also participate in the preparation of materials presented to or requested by the Compensation Committee for use and consideration at Compensation Committee meetings.

Share Ownership Guidelines

We have share ownership guidelines for all of our executive officers and members of our Supervisory Board. The guidelines require our executive officers and Supervisory Board members to hold Cimpress equity, including ordinary shares they hold directly or indirectly, unvested restricted share units, vested and unvested performance share units, and vested, unexercised, in-the-money share options, with a value, based on the two-year trailing average of the closing prices of Cimpress' ordinary shares on Nasdaq, equal to or greater than a multiple of the executive officer’s annual base salary or the Supervisory Board member's annual retainer, as follows:

- Chief Executive Officer: 5 times annual base salary
- Other executive officers: 3 times annual base salary

- Supervisory Board: 3 times Supervisory Board annual cash retainer

We give each executive officer and Supervisory Board member four years from his or her initial appointment as a Cimpress officer or director to comply with the share ownership guidelines. As of June 30, 2017, all executive officers and Supervisory Board members had satisfied their ownership guideline requirement, other than Mr. Arends, Ms. Gasperment, and Dr. Shouraboura, each of whom has two or more years to increase his or her share ownership to the level described above.

Section 162(m)

The United States Internal Revenue Service, pursuant to Section 162(m) of the US Tax Code, generally disallows a tax deduction for compensation in excess of $1.0 million paid to our Chief Executive Officer and to each other named executive officer (other than the Chief Financial Officer) whose compensation is required to be reported to our shareholders pursuant to SEC rules by reason of being among our three most highly paid executive officers. This deduction limitation can apply to compensation paid by U.S. subsidiaries of Cimpress. Qualifying performance-based compensation is not subject to the deduction limitation if certain requirements are met.

The Compensation Committee reserves the right to use its judgment to authorize compensation payments that may be subject to the Section 162(m) limitation when it believes that such payments are appropriate and in the best interests of Cimpress and its shareholders, after taking into account business conditions or the officer's performance. Although the Compensation Committee considers the impact of Section 162(m) when administering Cimpress' compensation plans, it does not make decisions regarding executive compensation based solely on the expected tax treatment of such compensation. As a result, the Compensation Committee has deemed it appropriate at times to forego awarding compensation that may qualify as performance-based compensation under Section 162(m) in favor of awards that may not be fully tax-deductible by Cimpress' subsidiaries.

Compensation Committee Report

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis contained in this proxy statement. Based on the Compensation Committee's review and discussions with management, the Compensation Committee recommended to the Supervisory Board that the Compensation Discussion and Analysis be included in this proxy statement.

Compensation Committee of the
Supervisory Board
Scott Vassalluzzo, Chair
Eric C. Olsen
Mark T. Thomas

SUMMARY COMPENSATION TABLES

Summary Compensation Table

The following table summarizes the compensation earned in each of the last three fiscal years by:

(i) our principal executive officer,

(ii) our principal financial officer,

(iii) our other three executive officers as of June 30, 2017, and

(iv) two former executive officers who served in their positions during a portion of our fiscal year 2017.

Throughout this proxy statement, we refer to the individuals listed in (i) through (iv) above as our named executive officers.

Name and Principal Position	Year	Salary ($)(1)	Bonus ($)	Share Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)(3)	All Other Compensation ($)	Total ($)
Robert S. Keane	2017	1,619,804	—	9,248,693	—	3,260(4)	10,871,757
President and Chief	2016	579,735	—	—	1,156,012	10,766	1,746,513
Executive Officer	2015	494,804	—	—	1,481,285	6,200	1,982,289
Cornelis David Arends(5)(6) *Executive Vice President and President, Upload and Print*	2017	1,964,743	—	—	—	706,765(7)	2,671,508
Katryn S. Blake	2017	803,019	—	3,647,557	—	412,525(8)	4,863,101
Executive Vice President	2016	379,596	—	—	436,020	973,985(8)	1,789,601
and Chief Executive Officer, Vistaprint	2015	365,000	—	1,205,954	612,344	1,104,617(8)	3,287,915
Donald LeBlanc(5) *Executive Vice President and President, Corporate Solutions*	2017	677,596	—	2,006,214	142,500	7,975(9)	2,834,285
Sean E. Quinn(5)	2017	702,692	112,500	2,462,142	29,875	11,619(9)	3,318,828
Executive Vice President and Chief Financial Officer	2016	305,885	—	924,917	284,900	6,924	1,522,626
Lawrence A. Gold(10) *Former Executive Vice President and Chief Legal Officer*	2017	432,500	—	1,422,498	—	918,328(11)	2,773,326
Donald R. Nelson(10)	2017	467,039	—	3,282,814	—	780,443(12)	4,530,296
Former Executive Vice	2016	349,731	—	—	279,500	7,713	636,944
President and President, Mass Customization Platform	2015	340,000	—	799,930	411,875	7,800	1,559,605

(1) For fiscal year 2017, we incorporated into the base salary of each of our executive officers other than Mr. Arends the amount of his or her fiscal year 2016 annual cash incentive at the target level.

(2) The amounts reported in this column represent a dollar amount equal to the grant date fair value of the share awards as computed in accordance with FASB ASC Topic 718. You can find the assumptions we used in the calculations for these amounts in Note 11 to our audited financial statements included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2017.

(3) The amounts reported in this column represent the aggregate amounts earned for each such fiscal year under each named executive officer's annual cash incentive award for that fiscal year and the component of each officer's long-term cash incentive award that is attributable to that fiscal year.

(4) $1,571 of this amount represents payments of tax preparation fees and associated gross-up payments, and $1,689 of this amount represents the reimbursement of business travel expenses for Mr. Keane's attendance at meetings of Cimpress' Management Board and associated tax gross-up payments. Although the reimbursement of business travel expenses would not be taxable to Mr. Keane in the United States and although Mr. Keane is not a resident of the Netherlands, under his ruling with the Dutch tax authorities, this reimbursement is considered taxable income to Mr. Keane. Because Mr. Keane should not be financially penalized as a result of taxation by the country in which Cimpress is incorporated, we gross up the reimbursement payments to offset the increased tax liability to him.

(5) Messrs. Arends and LeBlanc were appointed executive officers in September 2016, and Mr. Quinn was appointed an executive officer in October 2015.

(6) These amounts relating to Mr. Arends' compensation were paid in Euros. For purposes of this table, we converted these payments from Euros to U.S. dollars at a currency exchange rate of 1.12271 based on the 30-day average currency exchange rate for June 1-30, 2017, which was the end of our most recent fiscal year.

(7) $561,355 of this amount represents a mobility premium, $103,738 of this amount represents rent contribution for Mr. Arends' housing, and $14,773 of this amount represents health insurance contributions, all of which amounts were paid under Mr. Arends' long term international assignment agreement. $26,899 of this amount represents pension contributions.

(8) For fiscal year 2017, $357,089 of this amount represents tax payments for 2015 and 2016, tax preparation fees, and associated tax gross-up amounts relating to Ms. Blake's expatriate payments for her assignment in Paris, $47,653 of this amount represents French taxes paid and associated tax-gross up amounts relating to the vesting of RSUs and exercise of share options attributable to Ms. Blake's assignment in Paris, and $7,783 of this amount represents our matching contributions under Cimpress USA's 401(k) deferred savings plan. For fiscal year 2016, $621,325 of this amount represents tax payments for 2014 and 2015 and associated tax gross-up amounts relating to Ms. Blake's expatriate payments for her assignment in Paris, $344,554 of this amount represents French taxes paid and associated tax-gross up amounts relating to the vesting of RSUs and exercise of share options attributable to Ms. Blake's assignment in Paris, and $8,106 of this amount represents our matching contributions under Cimpress USA's 401(k) deferred savings plan. For fiscal year 2015, $860,604 of this amount represents a lump sum payment of taxes for 2013 and 2014 and associated tax gross-up amounts relating to Ms. Blake's expatriate payments for her assignment in Paris, $236,213 of this amount represents French taxes paid relating to the vesting of RSUs during Ms. Blake's assignment in Paris, and $7,800 of this amount represents our matching contributions under Cimpress USA's 401(k) deferred savings plan.

(9) This amount represents our matching contributions under Cimpress USA's 401(k) deferred savings retirement plan.

(10) Messrs. Gold and Nelson ceased to be executive officers in January 2017 and departed Cimpress in fiscal year 2017.

(11) $914,129 of this amount represents severance payments in connection with the termination of Mr. Gold's employment and $4,199 of this amount represents our matching contributions under Cimpress USA's 401(k) deferred savings retirement plan.

(12) $773,118 of this amount represents severance payments in connection with the termination of Mr. Nelson's employment and $7,325 of this amount represents our matching contributions under Cimpress USA's 401(k) deferred savings retirement plan.

Grants of Plan-Based Awards in the Fiscal Year Ended June 30, 2017

The following table contains information about plan-based awards granted to each of our named executive officers during the fiscal year ended June 30, 2017.

		Estimated Future Payouts Under Equity Incentive Plan Awards(1)			Grant Date Fair Value of Share Awards
Name	Grant Date	Threshold (#)	Target (#)(2)	Maximum (#)(3)	($)(4)
Robert S. Keane	8/15/2016	—	93,750	187,500	9,248,693
Cornelis David Arends	N/A	—	—	—	—
Katryn S. Blake	8/15/2016	—	36,001	72,002	3,647,557
Donald LeBlanc	8/15/2016	—	19,801	39,602	2,006,124
Sean E. Quinn	8/15/2016	—	24,301	48,602	2,462,142
Lawrence A. Gold(5)	8/15/2016	—	14,040	28,080	1,422,498
Donald R. Nelson(5)	8/15/2016	—	32,401	64,802	3,282,814

(1) These columns represent PSUs granted under our 2016 Plan. Each PSU represents a right to receive between 0 and 2.5 Cimpress ordinary shares upon the satisfaction of both (A) service-based vesting and (B) performance conditions relating to the CAGR of the 3YMA of Cimpress' ordinary shares. The service-based vesting condition is that 25% of the original number of PSUs vest on June 30 of each of 2017 through 2020 so long as the executive officer continues to be an eligible participant under Cimpress' 2016 Plan on such vesting date.

(2) These amounts represent the number of Cimpress ordinary shares issuable to each named executive officer six to ten years after the grant date if the following conditions are achieved: (1) The named executive officer fully satisfies the service-based vesting condition described in footnote 1, and (2) the 3YMA CAGR equals or exceeds 11% on any of the sixth through tenth anniversaries of the grant date.

(3) These amounts represent the number of Cimpress ordinary shares issuable to each named executive officer six to ten years after the grant date if the following conditions are achieved: (1) The named executive officer fully satisfies the service-based vesting condition described in footnote 1, and (2) the 3YMA CAGR is 20% to 25.8925% on any of the sixth through tenth anniversaries of the grant date.

(4) The amounts reported in this column represent the grant date fair value for the PSU awards computed in accordance with FASB ASC Topic 718. You can find the assumptions we used in the calculations for these amounts in Note 11 to our audited financial statements included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2017.

(5) Messrs. Gold and Nelson ceased to be executive officers in January 2017 and departed Cimpress in fiscal year 2017.

Outstanding Equity Awards at June 30, 2017

The following table contains information about unexercised share options, unvested RSUs, and unvested PSUs as of June 30, 2017 for each of our named executive officers.

	Option Awards				Share Awards			
	Number of Securities Underlying Unexercised Options		Option Exercise Price	Option Expiration	Number of Share Units That Have Not Vested	Market Value of Share Units That Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Units That Have Not Vested	Equity Incentive Plan Awards: Market Value of Unearned Units That Have Not Vested
Name	(#) Exercisable	(#) Unexercisable	($)(1)	Date	(#)(2)	($)(3)	(#)(4)	($)(5)
Robert S. Keane(6)	333,318	—	34.87	5/2/2018				
	146,028	—	34.25	5/7/2019				
	96,800	—	47.91	5/6/2020				
	105,240	—	54.02	5/5/2021				
	994,876	229,586(7)	50.00(8)	5/4/2020(8)				
					—	—	93,750	8,862,188
Cornelis David Arends	—	—	N/A	N/A	—	—	—	—
Katryn S. Blake	76,703	27,891	50.00(8)	5/4/2020(8)				
					13,049	1,233,522	36,001	3,403,175
Donald LeBlanc	5,537	1,698	50.00(8)	8/15/2020(8)				
					6,031	570,110	19,801	1,871,789
Sean E. Quinn	—	—	N/A	N/A	9,337	882,627	24,301	2,297,174
Lawrence A. Gold(9)	26,649	—	50.00(8)	12/31/2017	—	—	3,510	331,800
Donald R. Nelson(9)	4,646	—	54.02	12/31/2017				
					—	—	8,101	765,788

(1) Except as set forth in footnote 8 below, each share option has an exercise price equal to the fair market value of our ordinary shares on the date of grant and is fully exercisable as of June 30, 2017. Except as set forth in footnote 8, each share option expires 10 years after the date on which it was granted.

(2) This column represents RSUs. So long as the named executive officer continues to be employed with us, each RSU award vests, and the vested shares are issued to the named executive officer, over a period of four years: 25% of the shares subject to the award after one year and 6.25% per quarter thereafter.

(3) The market value of the RSUs is determined by multiplying the number of RSUs by $94.53 per share, which was the closing price of our ordinary shares on Nasdaq on June 30, 2017.

(4) This column represents PSUs granted under our 2016 Plan. Each PSU represents a right to receive between 0 and 2.5 Cimpress ordinary shares upon the satisfaction of both (A) service-based vesting and (B) performance conditions relating to the CAGR of the 3YMA of Cimpress' ordinary shares over a 6- to 10-year period. The service-based vesting condition is that 25% of the original number of PSUs vest each year on June 30 of each of 2017 through 2020 so long as the executive officer continues to be an eligible participant under Cimpress' 2016 Plan on such vesting date.

(5) The market value of the PSUs is determined by multiplying the number of shares that would be issuable if our 3YMA CAGR met the target level by $94.53 per share, which was the closing price of our ordinary shares on Nasdaq on June 30, 2017.

(6) Mr. Keane's share option awards are held by the Trusts.

(7) Mr. Keane may not exercise his premium-priced options unless our share price on Nasdaq is at least $75.00 on the exercise date.

(8) These awards are premium-priced share options with an exercise price that is significantly higher than the closing price of Cimpress' ordinary shares on Nasdaq on the grant dates. The Compensation Committee chose this exercise price in part because it is higher than the highest of the three-, six-, and twelve-month trailing averages of Cimpress' share price on Nasdaq as of the July 28, 2011 public announcement of our growth strategy. The premium-priced share options vest over seven years and have an eight-year term.

(9) Messrs. Gold and Nelson ceased to be executive officers in January 2017 and departed Cimpress in fiscal year 2017. In connection with the termination of their employment, the service-based vesting condition of their PSU awards was accelerated with respect to 25% of their PSUs, and the remaining 75% of their PSUs was canceled.

Option Exercises and Shares Vested in the Fiscal Year Ended June 30, 2017

The following table contains information about option exercises and vesting of RSUs on an aggregated basis during fiscal year 2017 for each of our named executive officers.

	Option Awards		Share Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (1)($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (2)($)
Robert S. Keane	273,668	15,998,744	—	—
Cornelis David Arends	—	—	—	—
Katryn S. Blake	—	—	14,933	1,318,209
Donald LeBlanc	—	—	6,351	569,967
Sean E. Quinn	—	—	6,094	530,239
Lawrence A. Gold(3)	23,044	989,196	20,051	1,730,814
Donald R. Nelson(3)	177,077	7,385,851	15,376	1,299,280

(1) Represents the net amount realized from all option exercises during fiscal 2017. In cases involving an exercise and immediate sale, the value was calculated on the basis of the actual sale price. In cases involving an exercise without immediate sale, the value was calculated on the basis of our closing sale price of our ordinary shares on Nasdaq on the date of exercise.

(2) The value realized on vesting of RSUs is determined by multiplying the number of shares that vested by the closing sale price of our ordinary shares on Nasdaq on the vesting date.

(3) Messrs. Gold and Nelson ceased to be executive officers in January 2017 and departed Cimpress in fiscal year 2017.

COMPENSATION OF SUPERVISORY BOARD MEMBERS

We use a combination of cash and share-based incentive compensation to attract and retain qualified candidates to serve on our Supervisory Board. When considering the compensation of our Supervisory Board, our Compensation Committee considers the significant amount of time that directors expend in fulfilling their duties to Cimpress, the skill level that we require of members of our Supervisory Board, and competitive compensation data from our peer group.

Fees

We pay the members of our Supervisory Board the following fees for their service on our Supervisory Board:

All members of the Supervisory Board	$112,500 retainer per fiscal year
Chairman of the Supervisory Board	Additional $22,500 retainer per fiscal year
Audit Committee	• $15,000 retainer per fiscal year for all committee members (including the committee chairman) • Additional $22,500 retainer per fiscal year for the committee chairman
Compensation Committee	• $10,000 retainer per fiscal year for all committee members (including the committee chairman) • Additional $15,000 retainer per fiscal year for the committee chairman
Nominating and Corporate Governance Committee	• $10,000 retainer per fiscal year for all committee members (including the committee chairman) • Additional $12,500 retainer per fiscal year for the committee chairman

We also reimburse our Supervisory Board for reasonable travel and other expenses incurred in connection with attending meetings of our Supervisory Board and its committees, and we pay for their tax preparation fees and filings for their Dutch income tax returns.

Performance Share Units

In keeping with the goals of aligning the Supervisory Board's equity awards with the equity awards received by Cimpress' executives and employees and maintaining the competitiveness of the compensation program, beginning in fiscal year 2017, we grant to our Supervisory Board members PSUs under our 2016 Plan. PSUs granted to our Supervisory Board have the same terms as the PSUs granted to our executives and employees, except that, as described below, the Supervisory Board PSUs have the same more challenging performance threshold in the tenth year of the award as PSU awards granted to our Chief Executive Officer.

Each incumbent Supervisory Board member receives $112,500 of PSUs annually in connection with our annual general meeting of shareholders so long as he or she remains a director following that annual general meeting. Each new director receives $150,000 of PSUs in connection with his or her initial appointment to the Supervisory Board. Cimpress determines the number of PSUs to be granted to each director by dividing the applicable dollar amounts described in this paragraph by the 3YMA of Cimpress’ ordinary shares as of the following date, which we refer to as a baseline date:

- For incumbent directors, the baseline date is November 15 of each year.

- For newly appointed directors, the baseline date is based on the date of the general meeting of shareholders at which the director is appointed:

General meeting in the months of:	*Baseline date is the nearest:*
June, July, or August	August 15
September, October, or November	November 15
December, January, or February	February 15
March, April, or May	May 15

PSU awards granted to our Supervisory Board have the same terms as PSU awards granted to our executives and employees, where each PSU represents a right to receive between 0 and 2.5 ordinary shares of Cimpress N.V. upon the satisfaction of both service-based vesting over time and performance conditions relating to the CAGR of the 3YMA over a 6- to 10-year period, in accordance with the 2016 Plan.

First condition to a Performance Dependent Issuance: Service-based Vesting
PSUs granted to members of our Supervisory Board vest at a rate of 25% of the original number of PSUs per year over the four years following the applicable annual general meeting (for PSU awards granted to incumbent directors) or the general meeting at which the Supervisory Board member was first appointed (for PSU awards granted to newly appointed directors), in each case so long as the director continues to serve on our Supervisory Board. If a director ceases to serve on the Supervisory Board, other than for cause, he or she retains all PSUs that have satisfied the service-based vesting condition as of his or her termination date. If Cimpress achieves the performance thresholds described below, the former director would receive Cimpress ordinary shares upon settlement of the PSUs, even though he or she is no longer a member of our Supervisory Board.

Second condition to a Performance Dependent Issuance: 3YMA Performance
The performance conditions set forth in the 2016 Plan apply to the PSU awards granted to Supervisory Board members. In summary, beginning on the sixth anniversary of the baseline date for each PSU award, and on each anniversary thereafter through the tenth anniversary, we will calculate the 3YMA as of such date, which we refer to as a measurement date. On the first such measurement date that the 3YMA equals or exceeds a CAGR of 11%, the 3YMA performance condition would be satisfied, and we would issue to the director the number of Cimpress ordinary shares determined by multiplying the number of vested PSUs subject to the award by the applicable performance-based multiplier set forth in the 2016 Plan. If none of the CAGR performance goals set forth in the 2016 Plan are achieved by the tenth anniversary of the baseline measurement date for the PSU award, then the PSU award will be terminated and no Cimpress ordinary shares will be issued with respect to the award.

Summary Compensation Table

The following contains information with respect to the compensation earned by our Supervisory Board members in the fiscal year ended June 30, 2017:

Name	Fees Earned or Paid in Cash ($)	Share Awards ($)(1)	Total ($)
Paolo De Cesare	122,500	155,764	278,264
Sophie A. Gasperment	70,594	207,719	278,313
John J. Gavin, Jr.	150,000	155,764	305,764
Eric C. Olsen	122,500	155,764	278,264
Richard T. Riley	160,000	155,764	315,764
Nadia Shouraboura	122,500	155,764	278,264
Mark T. Thomas	160,000	155,764	315,764
Scott Vassalluzzo	137,500	155,764	293,264

(1) The amounts reported in this column represent a dollar amount equal to the grant date fair value of the PSUs granted to the directors as computed in accordance with FASB ASC Topic 718. You can find the assumptions we used in the calculations for these amounts in Note 11 to our audited financial statements included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2017.

In addition, at June 30, 2017, our Supervisory Board members held the following equity compensation awards:

- Each of Messrs. De Cesare and Olsen had 11,540 shares subject to outstanding, unexercised share options, 336 shares subject to outstanding, unvested RSUs, and 1,926 PSUs.
- Ms. Gasperment held 2,568 PSUs.
- Mr. Gavin had 26,580 shares subject to outstanding, unexercised share options, 336 shares subject to outstanding, unvested RSUs, and 1,926 PSUs.
- Mr. Riley had 14,763 shares subject to outstanding, unexercised share options, 336 shares subject to outstanding, unvested RSUs, and 1,926 PSUs.
- Each of Dr. Shouraboura and Mr. Vassalluzzo had 5,298 shares subject to outstanding, unexercised share options, 336 shares subject to outstanding, unvested RSUs, and 1,926 PSUs.
- Mr. Thomas had 12,737 shares subject to outstanding, unexercised share options, 336 shares subject to outstanding, unvested RSUs, and 1,926 PSUs.

Compensation Committee Interlocks and Insider Participation

During fiscal year 2017, Messrs. Olsen, Thomas, and Vassalluzzo served as members of our Compensation Committee. During fiscal year 2017, no member of our Compensation Committee was an officer or employee of Cimpress or of our subsidiaries or had any relationship with us requiring disclosure under SEC rules.

During fiscal year 2017, none of our executive officers served as a member of the board of directors or compensation committee (or other committee serving an equivalent function) of any entity that had one or more executive officers serving as a member of our Supervisory Board or Compensation Committee.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information as of June 30, 2017 about the securities issued or authorized for future issuance under our equity compensation plans.

Equity Compensation Plan Information

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights(1)	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights(2)	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column(a)
Equity compensation plans approved by shareholders(1)	3,410,391	$29.27	9,523,532(3)
Equity compensation plans not approved by shareholders	—	—	—
Total	3,410,391	$29.27	9,523,532(3)

(1) Consists of our Amended and Restated 2005 Equity Incentive Plan, 2005 Non-Employee Directors' Share Option Plan, 2011 Equity Incentive Plan, and 2016 Performance Equity Plan. This column includes an aggregate of 1,271,965 shares underlying RSUs and PSUs based on 2.5 shares per PSU that were unvested as of June 30, 2017.

(2) The RSUs and PSUs included in column (a) do not have an exercise price, and the weighted-average exercise price excluding these units is $46.68.

(3) Includes 7,093,265 shares available for future awards under our 2016 Performance Equity Plan, 2,379,846 shares available for future awards under our 2011 Equity Incentive Plan, and 50,421 shares available for future awards under our 2005 Non-Employee Directors' Share Option Plan, as amended. No shares are available for future award under our Amended and Restated 2005 Equity Incentive Plan. For PSUs under our 2016 Performance Equity Plan, we assumed that we would issue ordinary shares equal to 250% of the outstanding PSUs, which is the maximum potential share issuance.

About Non-GAAP Financial Measures

To supplement Cimpress' consolidated financial statements presented in accordance with U.S. generally accepted accounting principles, or GAAP, Cimpress has used the following measures defined as non-GAAP financial measures by SEC rules: adjusted NOPAT, Unlevered Free Cash Flow and Net Cash (Debt).

- Adjusted NOPAT is defined as GAAP Operating Income minus cash taxes attributable to the current period (see definition below), with the following adjustments: exclude the impact of M&A related items including amortization of acquisition-related intangibles, the change in fair value of contingent consideration, and expense for deferred payments or equity awards that are treated as compensation expense; exclude the impact of unusual items such as discontinued operations, restructuring charges, and impairments; and include realized gains or losses from currency forward contracts that are not included in operating income as we do not apply hedge accounting.
    - As part of our calculation of Adjusted NOPAT, we subtract the cash taxes attributable to the current period operations, which we define as the actual cash taxes paid or to be paid adjusted for any non-operational items and excluding the excess tax benefit from equity awards.
- Unlevered Free Cash Flow is defined as cash flow from operations minus capital expenditures, purchases of intangible assets not related to acquisitions, capitalized software expenses and payment of contingent consideration in excess of acquisition-date fair value plus gains on proceeds from insurance, plus cash paid during the period for interest minus interest expense associated with Waltham lease.
- Net Cash (Debt) is defined as cash and cash equivalents plus marketable securities minus short-term debt and long-term debt.

The presentation of non-GAAP financial information is not intended to be considered in isolation or as a substitute for our financial information prepared and presented in accordance with GAAP. For more information on these non-GAAP financial measures, please see the tables captioned "Reconciliations of Non-GAAP Financial Measures" below. The tables have more details on the GAAP financial measures that are most directly comparable to non-GAAP financial measures and the related reconciliation between these financial measures.

Cimpress' management believes that these non-GAAP financial measures provide meaningful supplemental information in assessing our performance and liquidity by excluding certain items that may not be indicative of our recurring core business operating results, which could be non-cash charges or discrete cash charges that are infrequent in nature. These non-GAAP financial measures also have facilitated management's internal comparisons to Cimpress' historical performance and our competitors' operating results.

Reconciliation of Non-GAAP Financial Measures

Adjusted NOPAT
Annual, in U.S. Dollar Millions

	FY11	FY12	FY13	FY14	FY15	FY16	FY17
GAAP operating (loss) income	$ 93.1	$ 55.2	$ 46.1	$ 85.9	$ 96.3	$ 78.2	$ (45.7)
Less: Cash taxes attributable to current period (see below)	$ (5.3)	$ (6.8)	$ (14)	$ (20.1)	$ (25)	$ (32.2)	$ (31.1)
Exclude expense (benefit) of:							
Acquisition-related amortization and depreciation	$ 0.4	$ 6.2	$ 10.8	$ 12.7	$ 24.3	$ 40.8	$ 46.4
Earn-out related charges[1]	$ —	$ —	$ (0.6)	$ 2.2	$ 15.3	$ 6.4	$ 40.4
Share-based compensation related to investment consideration	$ —	$ 4.0	$ 7.9	$ 4.4	$ 3.6	$ 4.8	$ 9.6
Certain impairments[2]	$ —	$ —	$ —	$ —	$ —	$ 41.8	$ 9.6
Restructuring-related charges	$ —	$ —	$ —	$ 6.0	$ 3.2	$ 0.4	$ 26.7
Less: Interest expense associated with Waltham lease	$ —	$ —	$ —	$ —	$ —	$ (6.3)	$ (7.7)
Include: Realized (loss) gain on currency derivatives not included in operating income	$ —	$ —	$ —	$ (7)	$ 7.4	$ 5.9	$ 16.5
Adjusted NOPAT	**$ 88.2**	**$ 58.6**	**$ 50.3**	**$ 84.0**	**$ 125.1**	**$ 139.8**	**$ 64.6**
Cash taxes paid in the current period[3]	$ 4.3	$ 7.1	$ 13.7	$ 18.5	$ 14.3	$ 19.8	$ 49.3
Timing differences[4]	$ (1.7)	$ 2.0	$ 2.3	$ —	$ —	$ —	$ —
Less: Cash taxes (paid) received and related to prior periods	$ —	$ —	$ —	$ (6.5)	$ (5.5)	$ 0.9	$ (10.3)
Plus: Cash taxes attributable to the current period but not yet (received) paid	$ —	$ —	$ —	$ 6.0	$ 6.7	$ 9.3	$ (5.7)
Plus: Cash tax impact of excess tax benefit on equity awards attributable to the current period	$ 2.7	$ 0.2	$ 1.4	$ 5.6	$ 12.9	$ 5.6	$ 8.0
Less: cash tax (paid) received related to NOPAT exclusion items	$ —	$ —	$ —	$ —	$ —	$ —	$ (0.7)
Less: installment payment related to the transfer of IP in a prior year	$ —	$ (2.5)	$ (3.4)	$ (3.4)	$ (3.4)	$ (3.3)	$ (9.6)
Cash taxes attributable to current period	$ 5.3	$ 6.8	$ 14.0	$ 20.1	$ 25.0	$ 32.2	$ 31.1

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

[2]Includes the impact of impairments or abandonments of goodwill and other long-lived assets as defined by ASC 350 - "Intangibles - Goodwill and Other" or ASC 360 - "Property, plant, and equipment."

[3]For the fiscal year ended June 30, 2016, cash taxes paid in the current period includes a cash tax refund of $8,479, which is subsequently eliminated from cash taxes attributable to the current period as it relates to a refund of a prior years' taxes generated as a result of a prior year excess share-based compensation deduction. Therefore, the impact is not included in adjusted NOPAT for the full fiscal year.

[4]Prior to 2014, we show the net impact of cash taxes received and related to prior periods and cash taxes attributable to the current period but not yet paid in one line, "Timing differences".

Unlevered Free Cash Flow
Annual, in U.S. Dollar Millions

	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Net cash provided by operating activities	$ 34,637	$ 54,240	$ 89,032	$129,654	$ 159,973	$165,149	$146,749	$141,808	$153,739	$242,022	$247,358	$156,736
Purchases of property, plant and equipment	$(24,929)	$(62,845)	$(62,740)	$(76,286)	$(101,326)	$(37,405)	$(46,420)	$(78,999)	$(72,122)	$(75,813)	$(80,435)	$(74,157)
Purchases of intangible assets not related to acquisitions	$ —	$ —	$ (1,250)	$ —	$ —	$ (205)	$ (239)	$ (750)	$ (253)	$ (250)	$ (476)	$ (197)
Capitalization of software and website development costs	$ (2,656)	$ (4,189)	$ (5,696)	$ (7,168)	$ (6,516)	$ (6,290)	$ (5,463)	$ (7,667)	$ (9,749)	$(17,323)	$(26,324)	$(37,307)
Payment of contingent consideration in excess of acquisition-date fair value	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 8,055	$ 8,613	$ —
Proceeds from insurance related to investing activities	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 3,624	$ —
Free cash flow	**$ 7,052**	**$(12,794)**	**$ 19,346**	**$ 46,200**	**$ 52,131**	**$121,249**	**$ 94,627**	**$ 54,392**	**$ 71,615**	**$156,691**	**$152,360**	**$ 45,075**
Plus: cash paid during the period for interest	$ 1,089	$ 1,789	$ 1,635	$ 1,391	$ 883	$ 219	$ 1,487	$ 4,762	$ 6,446	$ 8,520	$ 37,623	$ 45,275
Less: interest expense for Waltham lease	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ (6,287)	$ (7,727)
Unlevered free cash flow	**$ 8,141**	**$(11,005)**	**$ 20,981**	**$ 47,591**	**$ 53,014**	**$121,468**	**$ 96,114**	**$ 59,154**	**$ 78,061**	**$165,211**	**$183,696**	**$ 82,623**
Reference:												
Value of capital leases	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 300	$ 13,193	$ 7,535	$ 14,422

Net Cash (Debt)
Annual, in U.S. Dollar Millions

	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Cash and cash equivalents	$ 64,653	$ 69,464	$ 103,145	$ 133,988	$ 162,727	$ 236,552	$ 62,203	$ 50,065	$ 62,508	$ 103,584	$ 77,426	$ 25,697
Plus: Marketable securities	$ 43,474	$ 38,578	$ 26,598	$ —	$ 9,604	$ 529	$ —	$ —	$ 13,857	$ 6,910	$ 7,893	$ —
Less: Short-term debt	$ 2,482	$ 3,202	$ 3,304	$ 8,349	$ 5,222	$ —	$ —	$ 8,750	$ 37,575	$ 21,057	$ 21,717	$ 28,926
Less: Long-term debt	$ 23,046	$ 21,772	$ 19,507	$ 10,465	$ —	$ —	$ 229,000	$ 230,000	$ 410,484	$ 493,039	$ 656,794	$ 847,730
Net cash (debt)	**$ 82,599**	**$ 83,068**	**$ 106,932**	**$ 115,174**	**$ 167,109**	**$ 237,081**	**$(166,797)**	**$(188,685)**	**$(371,694)**	**$(403,602)**	**$(593,192)**	**$(850,959)**

CORPORATE INFORMATION

Management Board

Robert Keane
President & Chief Executive Officer
Chairman, Management Board

Trynka Shineman Blake
Executive Vice President &
Chief Executive Officer, Vistaprint

Other Executive Officers

Kees Arends
Executive Vice President &
President, Upload and Print Businesses

Don LeBlanc
Executive Vice President &
President, Corporate Solutions

Sean Quinn
Executive Vice President &
Chief Financial Officer

Supervisory Board

Richard T. Riley
Chairman, Supervisory Board

Paolo De Cesare

Sophie A. Gasperment

John J. Gavin, Jr.

Eric C. Olsen

Dr. Nadia Shouraboura

Mark T. Thomas

Scott Vassalluzzo

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Financial Information

To request financial documents such as our 10-K for the fiscal year ended June 30, 2017, as filed with the Securities and Exchange Commission, please visit ir.cimpress.com, call our investor relations line at +1-781-652-6480 or send an email to ir@cimpress.com.

General Information

Members of the media or others seeking information on the company should contact the public relations department at mediarelations@cimpress.com

Annual General Meeting of Shareholders

November 14, 2017

cimpress™

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