



webs

Vistaprint to acquire Webs, Inc.

December 19, 2011



Safe Harbor Statement

This presentation 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 the closing of Vistaprint's acquisition of Webs and the effect of the acquisition on Vistaprint's financial results and both companies' businesses. Actual results may differ materially from those indicated by these forward-looking statements. If either company fails to satisfy the conditions to the closing of the transaction, then the acquisition may be delayed or may not close at all. In addition, the acquisition may fail to meet the companies' business and financial expectations if, among other factors, the companies fail to retain their current customers and attract new customers, the companies are unsuccessful at cross-selling their products and services to each other's customers, the companies fail to develop new and enhanced products and services, the market for digital marketing services fails to grow and develop, the companies fail to anticipate or adapt their products and services to accommodate changes in the technologies or social media platforms on which their products and services depend, key employees of Vistaprint or Webs leave the company, Vistaprint fails to make planned investments in its or Webs' business or those investments do not have the anticipated effects on Vistaprint's or Webs' business, competitors succeed in taking sales away from the companies' products and services, the Webs transaction or the integration of Webs' systems and operations are more costly than anticipated, or there are unfavorable changes in general economic conditions. You can also find other factors described in our Form 10-Q for the fiscal quarter ended September 30, 2011 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. We anticipate that 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.

Overview

Definitive agreement to acquire Webs, Inc. for total consideration of \$117.5 million, subject to customary closing adjustments

- Approximately \$100.0 million in cash/debt
- Approximately \$17.5 million in shares

Advantages

- Furthers Vistaprint vision of integrated online and offline micro businesses marketing solutions
- Great talent, focused on digital products
- Leadership market share in websites and Facebook fan pages
 - Deep reach into micro-business market
 - 8 million active accounts
 - 40 million registrations since inception
- Long-term monetization via cross sell and upsell into each other's bases



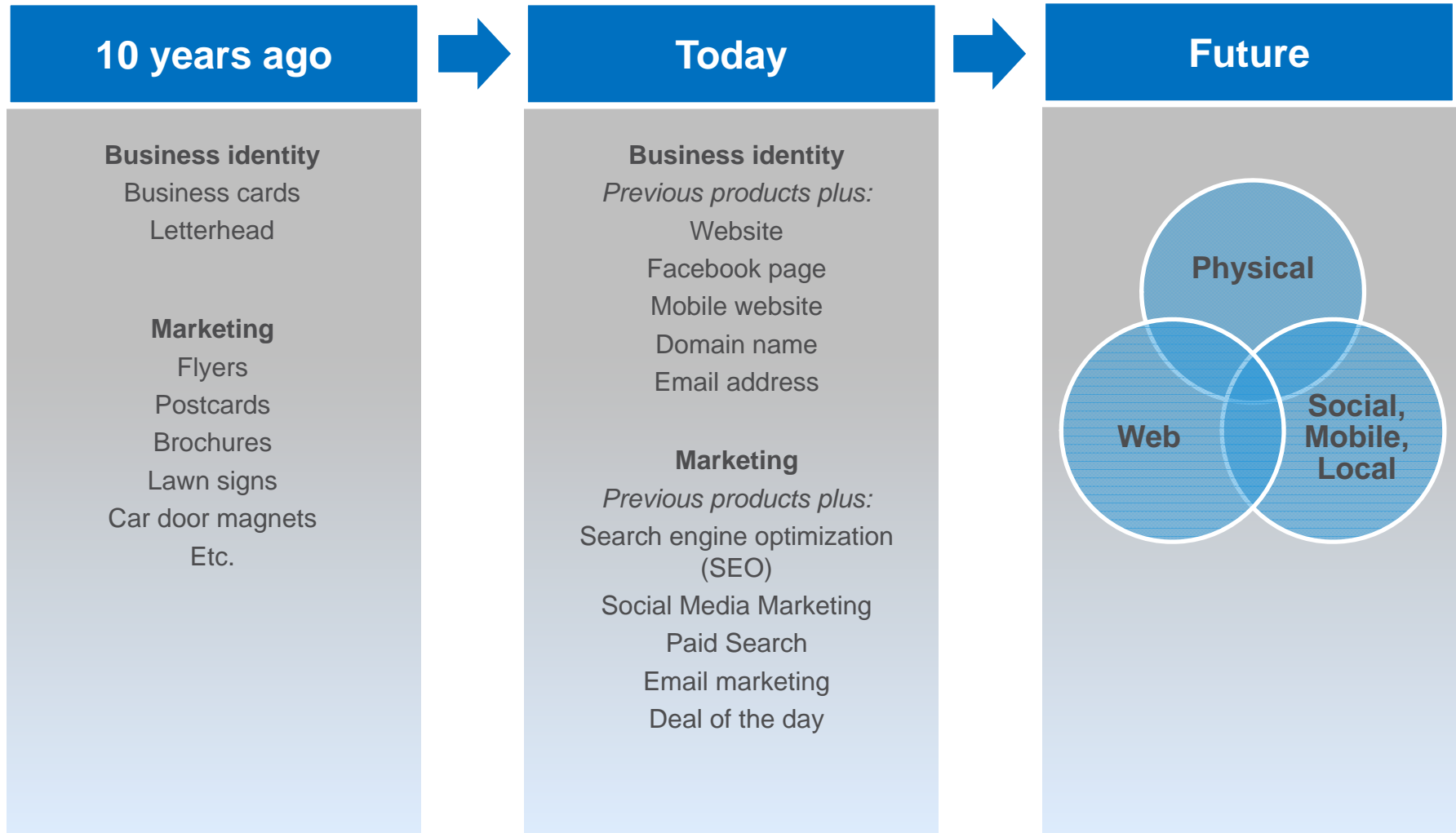
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Evolution of Micro Business Customer Need



Uniquely Positioned as a Leader in Digital-Physical Marketing Integration



About Webs



- **40 million** websites created since inception
- Started in 2001 as a tool for *anyone* to easily create a website for free and evolved to focus on online solutions for *micro businesses*
- Well-positioned at the cusp of a significant growth phase in micro-business online marketing activity
- Great products, proprietary, dynamic and scalable technology platform, years of domain expertise in web products
- Vast majority of new users come from viral/organic channels
- About 50 full-time employees
- Headquartered in Silver Spring, MD, USA
- Strong customer adoption internationally

Webs Product Offering

Websites



Mobile



Facebook

pagemodo



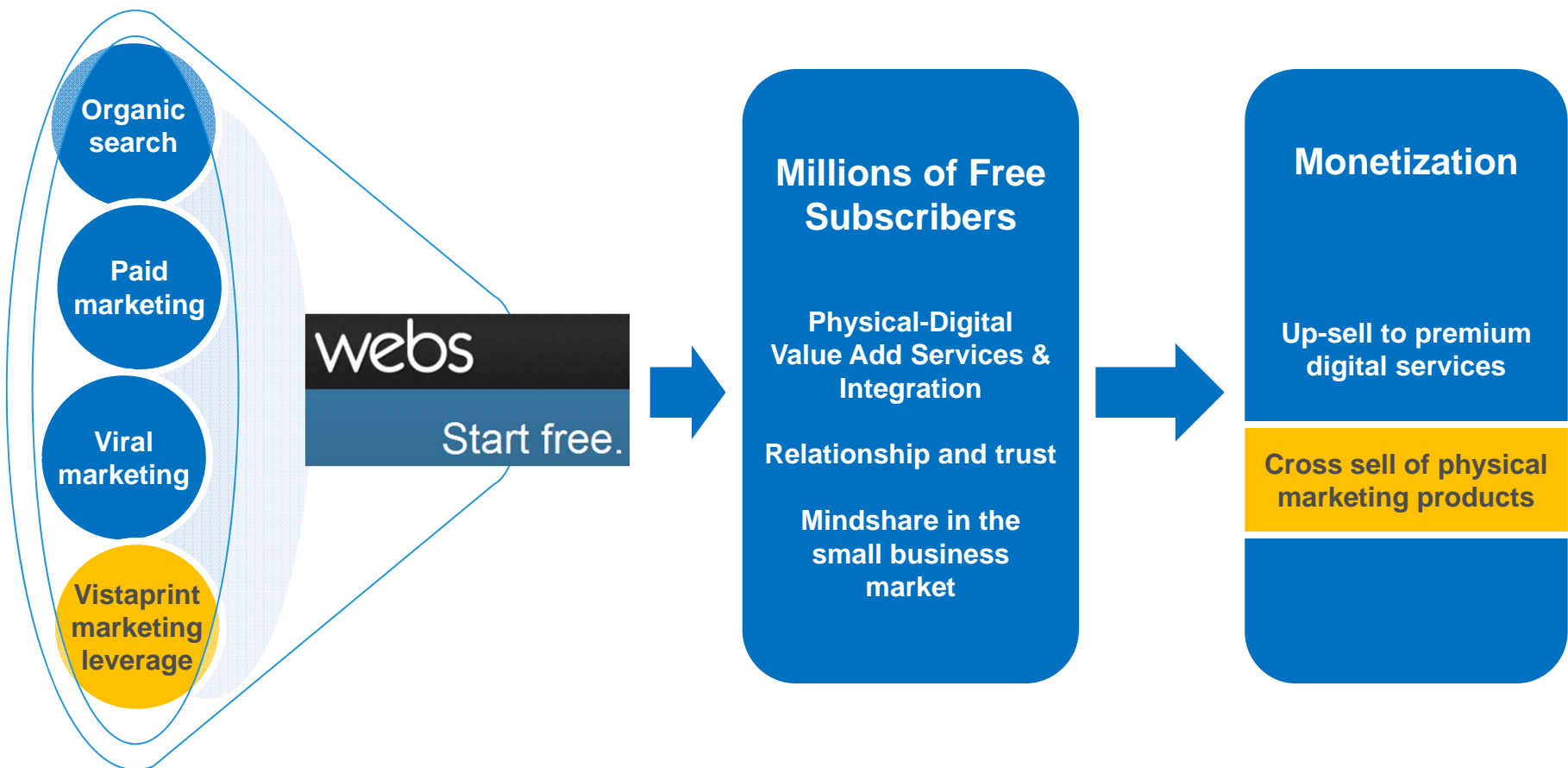
CRM

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Customer Acquisition via Free Digital Services

Expanding on Vistaprint's long history of success with free business cards



Complementary & Shared Strengths

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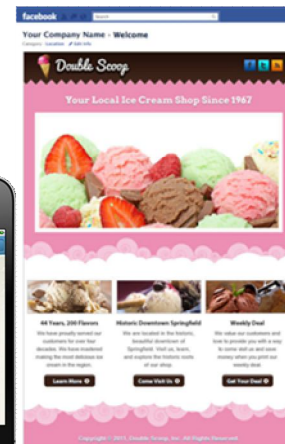
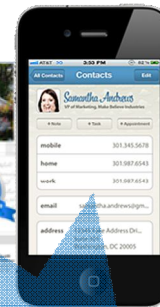


Leaders in marketing products for micro businesses	Digital	Physical
Large customer base, viral word of mouth	>8 million active websites (99% non-paying)	12 million active customers (100% paying)
Digital product set beyond websites	Facebook CRM Mobile	Search listings Email marketing Local search optimization
Micro Business Focus	✓	✓
Significant traction in viral marketing	✓	✓
Rapid software development & A/B testing	✓	✓
DIY Design Product and User Interface	✓	✓
Other		Global operations, service, marketing teams
		Marketing power (acquisition + cross/up-sell)

Significant Long-Term Revenue Synergies Possible

Vistaprint

webs



Vistaprint Customers

Webs Customers





Webs Financial and Operating Metrics

In USD, Unaudited

Estimated Calendar Year 2011 Financials

Financial metrics

Estimated CY 2011 Revenue ~ \$9 million

Expected to reach profitability as a stand-alone company in CY 2013

Operating metrics

Cumulative websites ~40 million

Active websites ~8 million

Paying subscribers ~100,000

Expected Financial Impact of Transaction

Preliminary; subject to close and purchase accounting

	Cash/Share Impact	Accounting/P&L Impact
Cash Consideration*	~\$100 million	<p>Vast majority of Purchase Price will be booked as Goodwill and Intangibles</p> <ul style="list-style-type: none"> • 85% - 90% Goodwill - not amortized • 10% - 15% Intangibles - amortized, dilutive to GAAP EPS, will not impact Non-GAAP EPS
Share Consideration*	~\$17.5 million	<p>Share Consideration is connected to continued employment of founders and will be accounted for as Share Based Compensation</p> <ul style="list-style-type: none"> • Will impact GAAP EPS in FY12-14 • Will not impact Non-GAAP EPS
Tax Impact of IP Alignment	\$18 - \$24 million**	<p>By aligning IP with global operations, we will incur tax charges impacting the P&L over a multi-year period; likely to have different P&L profile vs. cash flow profile</p> <ul style="list-style-type: none"> • Will impact GAAP EPS • Will not impact Non-GAAP EPS
Other Transaction Related Items	~\$2.5 million	<p>Other cash items include deal-related costs (tax, legal, financial advisory) and interest expenses (combined, ~\$2.5 million in FY12)</p> <ul style="list-style-type: none"> • Will impact GAAP and Non-GAAP EPS

* Subject to customary closing adjustments

** We currently estimate the cash tax charge in this range; timing and size of cash tax payments to be confirmed

Expected Transaction Related P&L Impact

- Expect transaction to be dilutive to GAAP Earnings in FY12 – FY14; accretive thereafter
- Expect transaction to be dilutive to Non-GAAP Earnings in FY12 – FY13; accretive thereafter
- No update to guidance today, but below is a high-level view of expected P&L charges:

	GAAP Earnings Impact	Non-GAAP Earnings Impact*
Net loss of standalone business + integration costs	\$3M - \$4M in each of FY12 and FY13	\$3M - \$4M in each of FY12 and FY13
Amortization of Acquired Intangibles	~\$1M in FY12; ~\$2M per year thereafter	None
Share Consideration and SBC	~\$4M in FY12; ~\$8M in FY13	None
Tax-Related Charges**	~1.5M in FY12; ~\$3M per year thereafter	None
Interest Expense	~\$0.5M in FY12; ~\$1M per year thereafter	~\$0.5M in FY12; ~\$1M per year thereafter
Deal-Related/Other Expenses	~\$2M in FY12	~\$2M in FY12

* Non-GAAP net income and EPS exclude certain share-based compensation, acquisition-related charges, such as amortization of acquisition-related intangible assets, and tax charges related to the alignment of IP with global operations.

** Tax related charges likely to have different P&L profile vs. cash flow profile



Update on Share Repurchases

- We have repurchased a further 2.1 million shares since our latest update in October
- This brings the total shares repurchased in FY12 YTD to 6.9 million
- The shares repurchased since October guidance would provide the following accretion to EPS versus our October FY12 guidance:
 - GAAP EPS accretion: \$0.03 - \$0.04
 - Non-GAAP accretion: \$0.05 - \$0.06
- This does not constitute an update to guidance for either Q2 or FY12

Combined Estimated FY 12 EPS Impact from Webs Transaction and Recent Share Repurchases ***Preliminary***

GAAP

- FY12 dilution expected to be about \$0.27 - \$0.31*

Non-GAAP

- FY12 dilution expected to be about \$0.10 - \$0.14*

This does not constitute an update to guidance for FY12; we expect to update FY12 guidance in January in our Q2 2012 earnings announcement

* Includes the dilutive impact of shares issued as consideration for Webs transaction. These estimates are preliminary and subject to close and purchase accounting.

Closing Comments

Acquisition supports long-term vision and growth:

- New digital customer acquisition model
- Leadership position in digital marketing space
- Large customer bases to monetize with premium digital and physical products
- Innovative, customer-centric product development



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Welcome Webs team to Vistaprint

Excited about opportunity to combine strengths and talents

Together, we intend to set the standard for true digital-physical marketing integration for micro businesses