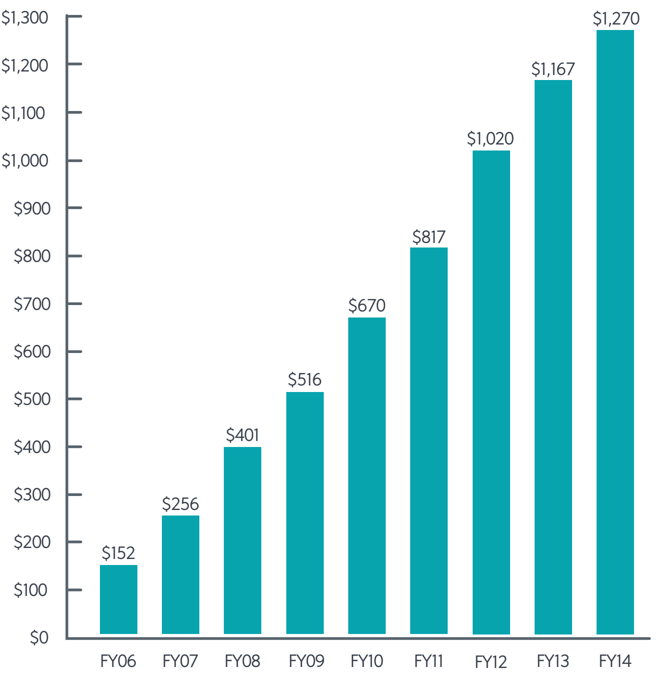
2014
ANNUAL REPORT
Notice of Annual General Meeting of Shareholders | Proxy Statement

Vistaprint N.V.

cimpress

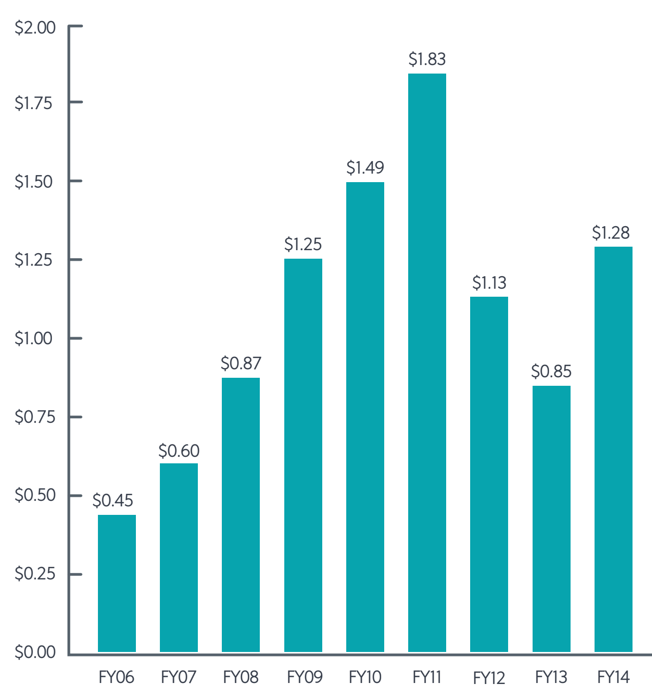
Annual Revenue (Consolidated)

U.S. Dollars in Millions



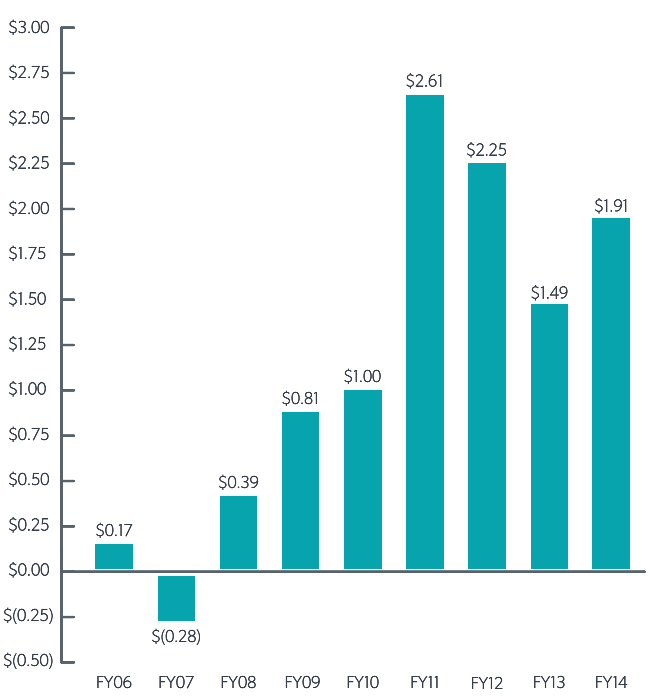
Diluted Earnings Per Share (Consolidated)

U.S. Dollars



Free Cash Flow per Share*

U.S. Dollars



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

Proposed Name Change to Cimpress N.V.

Shareholders to vote in the November 12, 2014 annual meeting

In this proxy statement we propose renaming our corporate parent company to Cimpress N.V. We seek to change our corporate name in order to reflect and help articulate our strategy and ambition to build the world's leading mass customization platform whose products we will bring to market via multiple, differentiated brands.

Please note that Vistaprint remains our largest and most important brand and a leading brand for micro business marketing products and services. However, in recent years we have acquired a number of other brands that also serve the needs of various mass customization market segments. As such, there has been increasing divergence between the meanings of the term "Vistaprint" in the sense of the brand and customer value proposition and that of the term "Vistaprint" in the sense of our overall corporation.

In this context, we believe that the change to "Cimpress" will help clarify our communication and stakeholder understanding of our corporate entity.

Dear Fellow Investor:

In January 2015, just a few months from now, we will celebrate the 20th anniversary of our company's founding. As we prepare to enter our third decade, I am pleased to provide you this update on our progress toward our long-held objective of building an enduring and transformational business that serves the mutual interests of our customers, our team members, and our shareholders.

This annual report and its associated proxy statement are important documents: they provide extensive detail and information about our company. But if you are considering investing your capital with us I encourage you to also study the documents from our annual investor day. We design those annual presentations to explain and to illustrate, qualitatively, how we think about our business. We held this year's meeting on August 6, 2014: a copy of the presentation and a transcript of our accompanying remarks are available on our IR website. Copies of prior years' events are also available there.

This year's investor day presentation was especially important because it took place in the context of us not having achieved some important objectives we had set for the strategy which we announced three years prior, in July 2011. Revenue growth rates in our core Vistaprint brand continued to decline into fiscal year 2014. Our laying of foundations for future growth has not yet achieved all of our objectives for higher value customers, new geographic markets, digital small business marketing, or photo books for home and family customers. Our anticipated rebound in free cash flow per share and earnings per share did not arrive as robustly as we had forecast three years ago, though both moved in a positive direction in fiscal 2014.

Please rest assured: our strategic picture is far from bleak. Several of the initiatives to which we publicly committed ourselves in July 2011 have proven very successful. We have experienced the powerful competitive advantages of larger scale as we grew our revenues by 55% from fiscal year 2011 to fiscal year 2014 through a combination of growth in our organic business and acquisitions. We have greatly improved the cost, quality and reliability of our manufacturing and supply chain. The first wave of proprietary technology we have developed as part of our accelerated R&D spending is now coming to market. Improvements to and investments in the value proposition of our critical "Vistaprint" brand are moving customer loyalty scores steadily upward. We sought to increase per-share value by repurchasing shares when our share price fell below what we believed to be a conservative estimate of intrinsic value.

Yet, despite those significant successes, any honest appraiser of our results relative to the aspirations we laid out for our shareholders in July 2011 would reach the same conclusion as we have: we need to do better if we are to extend our proud history of wealth creation for our investors, career opportunity for our team members, and value delivery for our customers. For the first decade of this century we delivered extraordinary levels of growth and value creation for each of those stakeholders. We aspire to continue to do so in the future.

Our presentation at our investor day this past August laid out in specific detail how we intend to do better. How we plan to extend our extraordinary history of value creation in light of our past results, our strengths, our weaknesses, and our aspirations. Why we are optimistic about our future.

As you consider investing your capital with us, please understand that extending our history of success into the next decade, and beyond, is important to us. To that end we ask our team members to work intensely to optimize every aspect of the business according to three priorities:

1. **Leadership**: being the world's leader in mass customization, a discipline that lies at the intersection of what we are passionate about, where we can be the best in the world, and what drives our economic engine.
2. **Long-termism**: multi-decade mutual success for customers, team members, investors and our contribution to society.
3. **Intrinsic value**: maximizing discounted cash flow (DCF) per share. When we say DCF, we mean the free cash flow (FCF) that, in our best judgment, will occur between now and the long-term future, appropriately discounted to reflect our cost of capital.

Our 2014 investor day presentation addressed each of the above priorities. As a publicly traded company we endure significant pressure to dilute our priorities with others that we consider less sound. For the long-term good of our stakeholders, we actively resist such pressure.

Our priorities can only be achieved through hard work and disciplined decision making that balances sound analysis and judgment. They require managing risk and the harvesting of past investment and, very importantly, they also require audacity and investment for the long term.

In terms of leadership, no company comes close to our scale and our ability to mass customize products that empower millions of customers to make an impression, and we intend to further our lead materially over the coming years. In regard to long-termism, we look to create value for our stakeholders as measured from the perspective of decades. With respect to intrinsic value, last year, in fiscal year 2014, we generated $1.91 of free cash flow per share, with the anticipation of significant growth in the coming years thanks to our ongoing investments in our future.

Finally, and very importantly, before closing this letter I would like to thank each of our team members for their hard work and dedication last year. As of June 30, 2014, we employed over 5,000 team members in more than 20 different locations across 17 countries. Without their talents we could never have created this company, and we could never achieve the priorities set out above.

Sincerely,

Robert S. Keane
Chairman of the Management Board, President and CEO

Special Note Regarding Forward-Looking Statements
The statements in this letter concerning our expectations for the future growth and development of our business and anticipated effects of our strategy and investments constitute forward-looking statements for purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995. 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 those contained in the Risk Factors section of this Annual Report.

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, 2014

or

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

Commission file number 000-51539

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

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

Hudsonweg 8
5928 LW Venlo
The Netherlands
(Address of Principal Executive Offices) (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, or a smaller reporting company (as defined in Exchange Act Rule 12b-2).

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

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 $1.79 billion on December 31, 2013 (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 8, 2014, there were 32,367,372 of Vistaprint 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, 2014. 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.

VISTAPRINT N.V.
ANNUAL REPORT ON FORM 10-K
For the Fiscal Year Ended June 30, 2014

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PART I

Item 1. *Business*

Overview

We are a technology and manufacturing-driven company that aggregates, via the Internet, large volumes of individually small, customized orders for a broad spectrum of print, signage, apparel and similar products. We produce those orders in highly automated, capital and technology intensive production facilities in a manner that we believe makes our production techniques significantly more competitive than those of traditional suppliers. We bring our products to market via various brands that deliver marketing products and services to the small business, and home and family markets. These brands include Vistaprint, our leading global brand for micro business marketing products and services, as well as several brands that we have acquired that serve the needs of various market segments, including resellers, small and medium businesses with differentiated service needs, and consumers purchasing products for personal use.

Through innovative technology, we offer our customers a broad selection of customized products and services, low pricing and personalized customer service. While we offer a broad selection of designs and formats, we seek to reduce manufacturing complexity and costs by using limited characteristics that can be reconfigured and combined. This reduces our costs versus comparable customized products produced using traditional methods. This approach has allowed us to successfully penetrate the large, fragmented and geographically dispersed micro business and home and family markets. As we penetrate deeper into other markets, we expect to increase the number of product characteristics that can be reconfigured and combined.

We have standardized, automated and integrated the design and production process, from design conceptualization to product shipment and service delivery. On the Vistaprint websites, customers typically use our proprietary online design software to easily create and order full-color, personalized, professional-looking physical and digital marketing products and services, without any prior design training or experience. Customers have access to extensive graphic designs, design templates, photographs and illustrations as well as logo design services and content suggestions. We are also able to automatically match and adapt graphic content from one product format to another, which allows us to generate and display additional products and services as part of the ordering process. For photo products used by home and family customers, our Albumprinter subsidiary also provides self-service design software for page creation and layout functions. In contrast, through our People & Print Group and Pixartprinting websites, we focus on the upload of production-ready graphic files that were created in desktop publishing files.

Our proprietary Internet-based order processing systems receive and store tens of thousands of individual orders on a daily basis and, using complex algorithms, organize these orders for efficient production and delivery to our customers. Through our production technologies and highly automated manufacturing facilities, we are able to significantly reduce the costs and inefficiencies associated with traditional production and can provide customized finished products in as little as 24 hours from design to delivery. During the fiscal year ended June 30, 2014, excluding our People & Print Group and Pixartprinting acquisitions, our customers placed approximately 30.5 million orders.

Market and Industry Background

The Marketplace for Micro Business Marketing Products and Services

The primary market for our Vistaprint brand is the micro business market, generally businesses or organizations with fewer than 10 employees and usually 2 or fewer. We believe that there are approximately 60 million businesses with fewer than 10 employees in the United States, Canada, and the European Union and that these micro businesses undergo frequent changes with many forming and dissolving each year, creating a large market for business identity products and services in addition to marketing products and services. We also believe that, in response to the growth of the Internet and the emergence of digital production technologies, many micro businesses are shifting from traditional suppliers of customized marketing products and media toward online alternatives.

In the past, a business seeking customized marketing products and services could either hire a designer to develop and coordinate the production of marketing materials or produce printed materials themselves using desktop software and an inkjet or laser printer. These choices historically prohibited a majority of small businesses from presenting a professional image through marketing material as the former is seen by many as too expensive

or time consuming and the latter too amateurish for business purposes. A graphic designer can produce a professionally coordinated portfolio of marketing products and services, but this is a significantly more costly and time-consuming alternative, whereas a traditional self-service model typically produces less sophisticated and lower quality output. We believe that neither alternative satisfies the needs of most micro businesses, which typically lack the resources or skills to generate satisfactory results using either approach. As a result, we believe the micro business market has been underserved historically.

Through customer research, we have analyzed the market opportunity related to micro businesses with fewer than 10 employees into three conceptual market segments:

- Price Primary Market Segment: This part of the market has the largest number of small businesses but the lowest per-customer annual spend. These businesses choose a customized product primarily based on the price of the product offered, and are often incentivized to purchase through a promotional discounted direct marketing approach and cross-selling of products. Vistaprint has historically gained the most traction in this segment, and we believe our biggest competition in this space is either non-consumption or printing from a desktop or photocopier. It remains an important part of our business as we are able to aggregate millions of orders from customers in this segment, enabling scale advantages in our business.

- Higher Expectations Market Segment: This part of the market is made up of fewer small businesses than the Price Primary segment, but with higher per-customer annual spend. We believe the segment is highly fragmented in terms of suppliers and several times the total revenue opportunity of the Price Primary market segment, as these customers typically purchase a broader spectrum of marketing and promotional products from multiple vendors. These customers have more sophisticated marketing needs and choose their marketing providers not solely on price, but on a blend of value, supplier reputation, product quality and selection, customer service and overall experience. We believe this segment represents the most significant growth opportunity for our Vistaprint brand over the long term.

- Locally Focused Market Segment: We believe the third market segment is the largest and most fragmented among the micro businesses. The customers in this segment often choose to work with local graphic designers, agencies, resellers and local, offline print shops to meet their marketing needs as their primary purchase consideration is personal service. Many of these graphic designers and resellers, or the customers themselves, have a level of graphic design sophistication that enables these customers to create and manipulate images in professional publishing and design programs, rather than rely on design templates. They also typically require a broader selection of specifications. Our Vistaprint brand serves very few of these customers in comparison with the Price Primary and Higher Expectations market segments. However, we are now serving this segment through brands that are managed by our Pixartprinting and People & Print Group subsidiaries.

Online commerce provides significant advantages and opportunities to micro business customers seeking customized marketing products and services at affordable prices. These customers do not typically need the large quantities that are traditionally required to achieve low per-unit pricing and do not maintain dedicated procurement departments to negotiate pricing effectively. We believe that the highly fragmented, geographically dispersed nature of the micro business market is ideally suited for Internet-based procurement, as the Internet provides a standardized interface through web browsers, availability to interact and transact seven days a week, 24 hours per day, the ability to offer a wide selection of products and services, and the opportunity to efficiently aggregate individual orders into larger and more efficient production units.

In addition to physical marketing materials and promotional items, micro businesses are also increasingly seeking to establish an online marketing presence, via websites, email marketing, and social media. While adoption of digital marketing approaches has been slower among micro businesses than in large companies, it is a growing component of marketing spend for micro businesses. We believe that a coordinated portfolio of marketing products and services, including digital marketing services, can help micro businesses appear more competent and professional, which can enhance their marketing efforts, customer relationships and prospects for success.

The Marketplace for Customized Products and Services for the Home and Family

While the market focus of our Vistaprint brand is primarily on micro business marketing products and services, many of our product formats are also purchased by consumers seeking customized announcements, greeting cards, calendars, stationery, apparel, personalized gifts, photo books and related photo products. In the past, many such products were supplied by an industry comprising print manufacturing wholesalers and local

retailers, such as stationery stores. Compared with today's Internet-based alternatives, traditional offerings were relatively limited, prices were significantly higher, and delivery often required long lead times. Graphic designs were limited and it was rarely possible to incorporate full color photography into the design. We serve the home and family market through the Vistaprint brand, as well as through our Albumprinter business unit, which in turn operates through the Albelli, Bonusprint, Allfoto, Onskefoto, and FotoKnudsen brands.

Customer Value, Design and Purchase Experience

As of June 30, 2014, we had over 30 localized websites serving countries in North America, Europe and Asia Pacific. We recognize that our customers have differing needs, skills, and expertise, and we offer a corresponding range of products, price points and customer service options. Our websites offer a full complement 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.

Low Prices and Small Quantities

We believe a key reason that our customers try our various brands and stay with us is our ability to sell custom designed and manufactured products and services in low quantities (including as low as a single unit). At the same time, our high-volume, highly automated production facilities produce these low quantity orders at low cost, allowing us to invest in the significant marketing expense required to attract large numbers of customers, yet still sell at low prices. Our manufacturing and supply chain facilities operate in a controlled environment as our quality assurance systems are designed to ensure that we consistently deliver quality products on time through a variety of principles of world-class manufacturing, such as Lean and Kaizen™.

Broad Range of Products and Services

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 and home and family markets, including:

Paper based
- brochures
- business cards
- data sheets
- desk and wall calendars
- envelopes
- flyers
- folded business cards
- folded cards
- holiday cards
- invitations and announcements
- letterheads
- labels
- note cards and note pads
- packaging
- personalized notebooks
- personalized stickers
- photo books
- postcards
- presentation folders
- return address labels
- standard and oversized postcards
- sticky notes

Non-paper based
- banners
- bottle openers
- calculators
- car door magnets
- decals
- drink koozies
- embroidered apparel
- flags
- hats
- iPhone cases
- key chains
- lawn signs
- letter openers
- luggage tags
- magnetic clips
- mouse pads
- mugs
- posters
- printed and engraved pens
- refrigerator magnets
- rubber stamps
- rulers
- signs
- stress cubes
- t-shirts
- tape measures
- tote bags
- USB flash drives

Digital and Marketing Services
- blogs
- custom Facebook pages
- design tools and content
- email marketing services
- logos
- mailing services
- online CRM tools
- online search profiles
- personalized email domains
- search engine optimization
- website design and hosting

Designing Online

When a product type has been selected by a customer visiting the Vistaprint brand website, the customer can initiate the design process by using our predefined industry styles and theme categories or by uploading the customer's own design. When the customer chooses a particular template for personalization, our user-friendly, browser-based application enables the customer to quickly and easily perform a wide range of design and editing functions on the selected design. In many cases, once customers choose a pre-designed template or upload their own content for a product, they can instantly see what their design looks like on a wide array of other products and related services.

Customer Support Experience

Customers who need help with their design or ordering process are able to reach our customer service agents via phone, email, and chat. Our agents are located in eight customer service facilities around the world, servicing customers in multiple languages. The agent support is augmented by a robust set of online tools and self-help options.

Our Competitive Advantage

We have invested significantly in three core areas to seek to build a strong advantage versus traditional competitors:

- Proprietary technology
- Mass customization
- Direct marketing expertise

Our Competitive Advantage: Proprietary Technology

We rely on our advanced proprietary technology to market to, attract and retain our customers, enable customers to create graphic designs and place orders on our websites, and aggregate and produce multiple orders from all over the world. This technology includes:

Design and Document Creation Technologies

Our design creation technologies, primarily deployed through our Vistaprint-branded websites, enable customers, by themselves or together with the assistance of our design support staff, to design and create high quality marketing materials from their homes or offices.

- Our document model architecture and technology employs Internet-compatible data structures to define, process and store product designs as a set of separately searchable, combinable and modifiable component elements and allows us to generate customized initial and later matching product design options automatically in real time. This browser-based software provides immediate client-side editing capabilities plus extensive system scalability. A wide variety of layouts, color schemes and fonts are provided and an extensive selection of high quality photographs and illustrations are currently available for use by customers in product design. Customers can also upload their own images and logos for incorporation into their product designs.

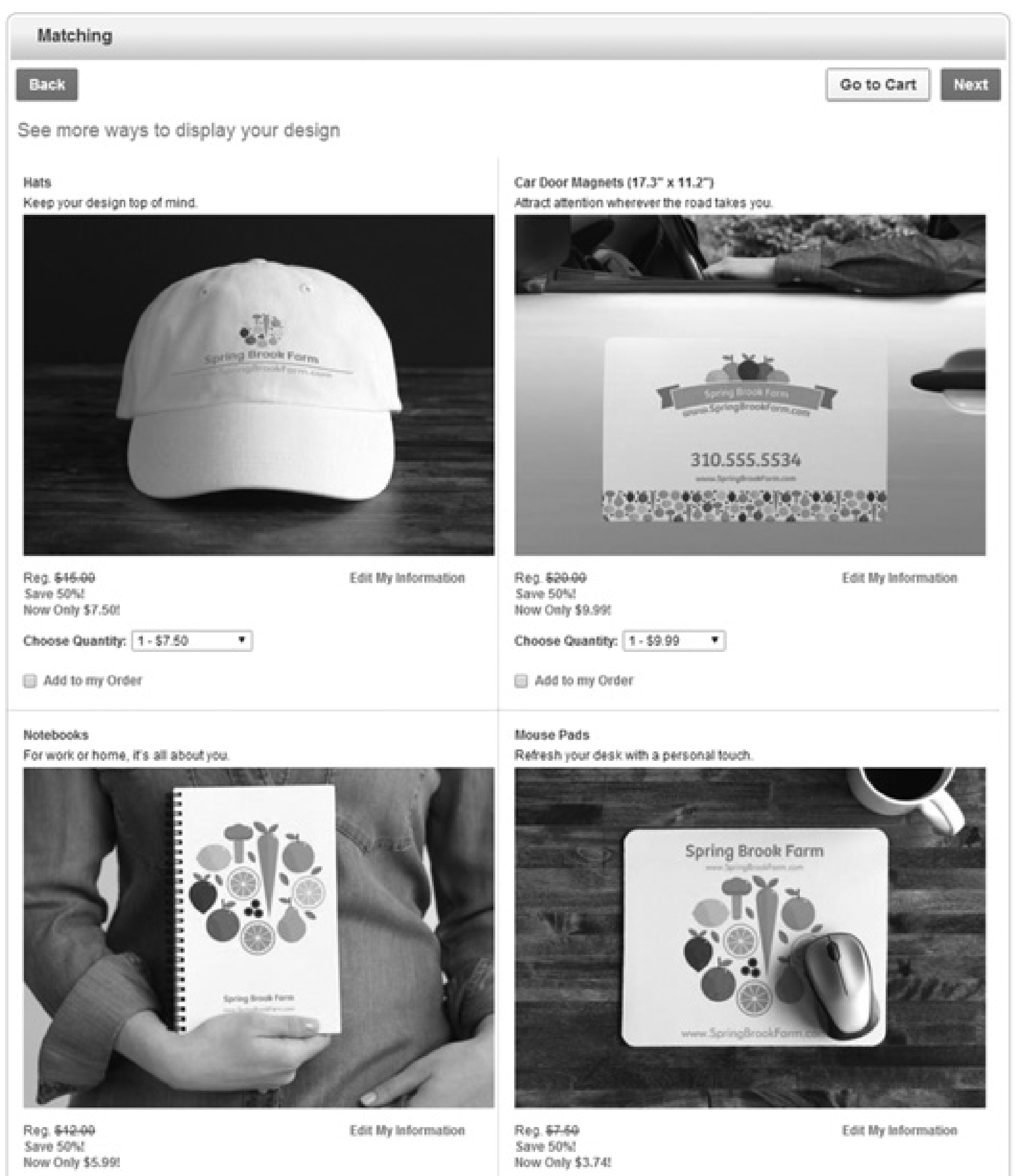
- Our dynamic image preview technology allows customers to see their designs in on-screen simulations of real-world settings in real time in order to gain an appreciation for what the finished product will look like. The above image shows such a dynamically generated business card that, although it has not yet been produced, appears as if it is part of a photograph or video in which it is being held by a human hand.
- Our auto-matching design software algorithmically generates customized product designs in real time based on key-word searches, enabling professional-looking graphic layouts to be easily and quickly created by customers without the need for graphic arts training.

Pre-Press and Print Production Technologies

Across our multiple brands, our pre-production and production technologies efficiently process and aggregate customer orders, prepare orders for high-quality production and manage production, addressing and shipment of these orders. These technologies allow us to efficiently store, process and aggregate tens of thousands of Internet orders every day. Automated workflows help lower production cost but still ensure on-time delivery to our customers.

Cross-selling and Content Management Technologies

On our Vistaprint branded websites, we combine the above-discussed proprietary document creation technologies with proprietary cross-selling technologies to automatically generate and display additional products incorporating the customer's initial design, facilitating the cross-sale of related products and services. In addition, through a global content management system, we ensure that changes and updates to our site experience are reflected across our network of localized Vistaprint websites in multiple languages and currencies. Our Vistaprint software automatically generates and displays one or more additional customized product designs based upon a customer's existing design.



Technology Development

We intend to continue developing and enhancing our proprietary and licensed software programs and our manufacturing processes. We have designed our website technologies and infrastructure to scale to accommodate future geographic expansion and growth in the number of customer visits, orders, and product and service offerings. This Internet-based 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 an engineering and research and development center in Winterthur, Switzerland that is constantly seeking to strengthen our manufacturing and supply chain capabilities through engineering disciplines such as automation, manufacturing, facilities and new product design, materials science, process control and color control. We have software engineering teams located in multiple sites including Massachusetts and Maryland in the United States, the Netherlands, Switzerland and Italy. Our technology and development expenses were approximately $176 million (14% of total revenues), $165 million (14% of total revenues) and $129 million (13% of total revenues) in the years ended June 30, 2014, 2013, and 2012, respectively.

Intellectual Property

We seek to protect our proprietary rights through a combination of patents, copyrights, trade secrets, and trademarks and contractual restrictions, such as confidentiality agreements and proprietary rights agreements. We

enter into confidentiality and proprietary rights agreements with our employees, consultants and business partners, and control access to, and distribution of, our proprietary information.

We currently hold 210 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 April 2032. We hold trademark registrations for the Vistaprint trademark in 38 jurisdictions, including registrations in our major markets in North America, Europe, and Asia Pacific. We also hold trademarks for other brands through which we do business in jurisdictions worldwide.

Our Competitive Advantage: Mass Customization

We define "mass customization" as 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.

Our high-volume, standardized, scalable mass customization processes are driven by sophisticated proprietary software. Our 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 time period, the more efficiently aggregations, or gangs, of similar jobs can be assembled and moved to the printing system, thereby maximizing the efficient use of the production capacity and increasing overall system throughput. We believe that our strategy of seeking to automate and systematize our service and production systems enables us to reach and serve small-scale customers more effectively than our competitors.

With the improvements we have made in automating the design and production process and with the global scale of our production facilities, located in Canada, the Netherlands, Australia, Italy, and India, we can produce and ship an order the same day we receive it, which results in minimal inventory levels and reduced working capital requirements. In most of our manufacturing facilities, technology facilitates the production of complementary customized products in a highly synchronized manner, allowing us to produce and deliver multi-part orders quickly and efficiently.

As orders are received, we automatically route production jobs to the type and location of the production system that is most appropriate and cost efficient for the type of product ordered. Our proprietary software and sophisticated automation solutions combined with software from our suppliers allow us to integrate and automate the manufacturing process from pre-production through fulfillment. Requiring as little as 13 seconds of pre-press, printing, cutting and boxing labor for a typical order of 250 business cards, versus an hour or more for traditional printers, our manufacturing processes enable us to print high quality customized orders using a fraction of the labor of typical traditional printers. Our quality assurance systems are designed to ensure that we consistently deliver quality products on time through a variety of principles of world-class manufacturing, such as Lean and Kaizen™.

Supply Chain Management

We are focused on achieving the lowest total cost in our strategic sourcing efforts by concentrating on quality, logistics, technology and cost. 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. 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 and improve efficiency and reduce costs.

Our Competitive Advantage: Direct Marketing Expertise

We have developed expertise in direct marketing to target new customers across various channels and to drive more traffic to our websites, as well as to retain existing customers. Our marketing employees execute focused marketing strategies to each region but leverage our global organization in terms of expertise, knowledge sharing, and marketing best practices.

To acquire new customers, we employ sophisticated direct marketing approaches leveraging digital media and technologies as well as traditional media such as press releases, direct mail, broadcast, trade shows and trade magazines, offline advertising, and word of mouth by our customers. We have developed tools and techniques for

measuring the efficiency of each marketing partner and product or service placement. In addition, our testing engines allow us to run product, service, merchandising or site experience tests on our websites, reducing the time to take an idea from concept to full deployment and allowing us to quickly identify and roll out the most promising and profitable ideas and promotions to maximize our long-term customer value proposition.

Competition

The markets for micro, small and medium business customized marketing products and services, and home and family customized products, including the printing and graphic design market, 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; design content, tools, and assistance; customer service; ease of use; and production and delivery speed. It is our intention to offer high-quality design, production and marketing services at low price points and in doing so, offer our customers an attractive value proposition. Our current competition includes one or a combination of the following:

- traditional offline printers and graphic design providers;
- office superstores, drug store chains, food retailers and other major retailers targeting small business and consumer markets;
- wholesale printers;
- online printing and graphic design companies, many of which provide printed products and services similar to ours;
- self-service desktop design and publishing using personal computer software with a laser or inkjet printer and specialty paper;
- 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; and
- 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 competitors with a multi-national presence as well as experienced local vendors. Product offerings such as signage, websites, email marketing, apparel, promotional products and photo products have resulted in new competition as a result of us entering those markets. We encounter competition from large retailers offering a wide breadth of products and highly focused companies concentrated on a subset of our customers or product offerings. Given the state of maturity of the online mass customization market, we believe our biggest competition is still offline providers.

Business Segment and Geographic Information

As of June 30, 2014, our reportable operating segments consisted of North America, Europe and Most of World. For more segment and geographic information about our revenues, operating income and long-lived assets, see Item 8 of Part II, “Financial Statements and Supplementary Data — Note 17 — 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 business is 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. Revenue during the second fiscal quarter represented 30%, 30%, and 29% of annual revenue in the years ended June 30, 2014, 2013, and 2012, respectively, and operating income during the second fiscal quarter represented 61%, 72%, and 59% of annual operating income in the years ended June 30, 2014, 2013, and 2012, respectively.

Government Regulation

We are currently subject to the regulations that are applicable to businesses generally and to online commerce specifically. The adoption or modification of laws or regulations relating to the Internet, consumer protection, or other areas of our business could limit or otherwise adversely affect the manner in which we currently conduct our business.

Employees

As of June 30, 2014, we had approximately 5,000 full-time and approximately 200 temporary employees worldwide. None of our employees are represented by a labor union, but our employees in the Netherlands are represented by a works council. We are required to provide certain employees in the Netherlands with compensation and benefits equal to or greater than those provided in a collective bargaining agreement covering employees in the Dutch printing trade. Additionally, compensation and benefits for employees in our Barcelona office are equal to or greater than those of the Catalonian collective bargaining agreement for office businesses. We have not experienced any work stoppages and believe that relations with our employees are favorable.

Corporate Information

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 Vistaprint 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 Vistaprint 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.vistaprint.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*

We caution that 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. Many factors mentioned in the discussion below will be important in determining future results. Consequently, no forward-looking statement can be guaranteed. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Risks Related to Our Business

If our long-term growth strategy is not successful or if our financial projections relating to the effects of our strategy turn out to be incorrect, our business and financial results could be harmed.

We may not achieve the objectives of our long-term investment and financial strategy, our financial projections relating to the growth and development of our business may turn out to be incorrect, and our investments in our business may fail to positively impact our results and growth as anticipated. Some of the factors that could cause our investment strategy and our overall business strategy to fail to achieve our objectives include, among others:

- our failure to adequately execute our operational strategy or anticipate and overcome obstacles to achieving our strategic goals;
- our failure to make our intended investments because the investments are more costly than we expected or because we are unable to devote the necessary operational and financial resources;
- our inability to purchase or develop technologies and production platforms to increase our efficiency, enhance our competitive advantage and scale our operations;
- the failure of our current supply chain to provide the resources we need 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 identify and address the causes of our revenue weakness in selected markets, in particular Europe;
- our failure to sustain growth in relatively mature markets;
- our failure to promote, strengthen, and protect our brands;
- the failure of our current and new marketing channels to attract customers;
- our failure to manage the growth and complexity of our business and expand our operations;
- our failure to realize our net income goals due to lower revenue or higher than expected costs;
- our failure to acquire businesses that enhance the growth and development of our business or to effectively integrate the businesses we do acquire into our business;
- unanticipated changes in our business, current and anticipated markets, industry, or competitive landscape; and
- general economic conditions.

In addition, projections are inherently uncertain and are based on assumptions and judgments by management that may be flawed or based on information about our business and markets that may change in the future in ways that may be beyond our control. Our actual results may differ materially from our projections due to various factors, including the factors listed immediately above and in the risk factor below entitled "Our quarterly financial results will often fluctuate," which is also applicable to longer term results.

If our strategy is not successful, or if there is a market perception that our strategy is not successful, then our revenue and earnings may not grow as anticipated or may decline, we may not be profitable, our reputation and brand may be damaged, and the price of our shares may decline. In addition, we may change our financial strategy or other components of our overall business strategy if we believe our current strategy is not effective, if our business or markets change, or for other reasons, which may cause fluctuations in our financial results and volatility in our share price.

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, e-mail, direct mail, advertising banners and other online links, broadcast media, and word-of-mouth customer referrals. If we are not effective at reaching new and repeat customers, if the costs of attracting customers using our current methods significantly increase, or if we are unable to develop new cost-effective means to obtain customers, then traffic to our websites would be reduced, and our business and results of operations would be harmed.

In addition, our internal research shows that an increasing number of current and potential customers access our websites using smart phones or tablet computing devices and that our website visits using traditional desktop 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. Beyond these generic difficulties with a mobile device, our technology is not currently optimized for mobile devices, and the development of mobile-oriented user interfaces and other technologies is complex. Although we are investing to update our technology to be more effective on mobile devices and have made some mobile functionality available to our customers, we cannot predict the success of those investments. We also rely heavily on email to contact and market to our customers, and we believe we may be losing potential sales to customers who use mobile devices to skim and then delete emails without opening them. If we fail to make changes to our websites, technologies, and marketing methods to facilitate the design and purchase of our products with mobile devices, or if the market shift to mobile devices accelerates faster than we are able to make the necessary changes, then we could find it increasingly difficult to attract new and repeat visitors to our websites and convert these visitors to customers, and our revenue could decline.

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

The online market for micro business marketing products and services is less developed than the online market for other business and home and family products, and 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 graphic design services and marketing products without face-to-face interaction with sales personnel;
- the inability to physically handle and examine product samples;
- delivery time associated with Internet orders;
- concerns about the security of online transactions and the privacy of personal information;
- delayed shipments or shipments of incorrect or damaged products;
- limited access to the Internet; and
- the inconvenience associated with returning or exchanging purchased items.

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 to our websites, 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. Providing a high-quality customer experience requires us to invest substantial amounts of resources in our website development, design and technology, graphic design operations, production operations, and customer service

operations. Our ability to provide a high-quality customer experience is also dependent on external factors over which we may have little or no control, including the reliability and performance of our suppliers, third-party carriers, and communication infrastructure providers. If we are unable to 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.

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

Our revenues and operating results often vary significantly from quarter to quarter due to a number of factors, some of which are inherent in our business strategies but many of which are outside of our control. We target annual, rather than quarterly, financial objectives which can lead to fluctuations in our quarterly results. Other factors that could cause our quarterly revenue and operating results to fluctuate include among others:

- seasonality-driven or other variations in the demand for our products and services, in particular during our second fiscal quarter;
- currency and interest rate fluctuations, which affect our revenues and/or costs;
- hedge activity that does not qualify for, or for which we do not elect, hedge accounting;
- 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 product mix toward less profitable products;
- 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;
- investments in our business to generate or support revenues and operations in future periods, such as incurring marketing, engineering, or consulting expenses in a current period for revenue growth or support in future periods;
- expenses and charges related to our compensation agreements with our executives and employees;
- costs and charges resulting from litigation;
- significant increases in credits, beyond our estimated allowances, for customers who are not satisfied with our products;
- changes in our income tax rate;
- costs to acquire businesses or integrate our acquired businesses;
- 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 adjust operating expenses quickly enough to offset any revenue shortfall. Accordingly, any shortfall in revenue may cause significant variation in operating results in any quarter. Based on the above factors, among others, we believe that quarter-to-quarter comparisons of our operating results may not be a good indication of our future performance. 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.

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

We currently operate production facilities or offices in 17 countries and have many localized websites across our fourteen customer-facing brands to serve various geographic markets. We expect to establish operations 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 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 and expansion, including, among others:

- difficulty managing operations in, and communications among, multiple locations and time zones;
- difficulty complying with multiple tax laws, treaties, and regulations and limiting our exposure to onerous or unanticipated taxes, duties, and other costs;
- 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 in some regions, such as Japan and China;
- our failure to properly understand and develop graphic design content and product formats appropriate for local tastes;
- disruptions caused by political and social instability that may occur in some countries;
- corrupt business practices, such as bribery, that may be common in some countries;
- difficulty expatriating our earnings from some countries;
- 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.

To manage our operations and anticipated growth, we must continue to refine our operational, financial, and management controls, human resource policies, reporting systems, and procedures in the locations in which we operate. If we are unable to implement improvements to these systems and controls in an efficient or timely manner or if we discover deficiencies in our existing systems and controls, then our ability to provide a high-quality customer experience could be harmed, which would damage our reputation and brands and substantially harm our business and results of operations.

Acquisitions and strategic investments may be disruptive to our business.

A component of our strategy is to selectively pursue acquisitions of businesses, technologies, or services and invest 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.

In addition, integrating newly acquired businesses, technologies, and services and monitoring and managing our investments and joint ventures are complex, expensive, time consuming and subject to many risks, including the following:

- 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.

- In some cases, our acquisitions and investments are dilutive for a period of time, leading to reduced earnings. For example, the Albumprinter and Webs acquisitions have resulted in additional intangible asset amortization and share-based compensation expense.

- An acquisition or investment may fail to achieve our goals and expectations because we fail to integrate the acquired business, technologies, or services effectively, the integration is more expensive or takes more time than we anticipated, the management of our investment is more expensive or takes more resources than we expected, or the business we acquired or invested in does not perform as well as we expected.

- Acquisitions and investments can result in large write-offs including impairments of goodwill and intangible assets if financial goals are not achieved, assumptions of contingent or unanticipated liabilities, or increased tax costs.

We often pay a portion of the purchase price for our acquisitions in the form of an earn-out. For example, in addition to the initial purchase consideration we paid for People & Print Group, we agreed to a sliding scale earn-out that is based on People & Print Group's revenue and EBITDA targets for calendar year 2015. 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.

As a component of the purchase price of People & Print Group, we included an estimated acquisition date fair value and recorded a liability of $9.8 million (€7.2 million) for the earn-out payment as of June 30, 2014. The earn-out amount is theoretically unlimited and could be significant in relation to the base purchase price.

In addition to our contingent earn-out liability relating to People & Print Group, we had contingent earn-out liability related to the Pixartprinting acquisition of $6.3 million (€4.6million) as of June 30, 2014. The earn-out amount is limited to a maximum payment of $13.2 million (€9.6 million).

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. Such additional amounts could be significant and adversely impact our liquidity, financial condition and results of operations.

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

Our business is 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. Revenue during the second fiscal quarter represented 30%, 30%, and 29% of annual revenue in the years ended June 30, 2014, 2013, and 2012, respectively, and operating income during the second fiscal quarter represented 61%, 72%, and 59% of annual operating income in the years ended June 30, 2014, 2013, and 2012, respectively. 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 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, 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.

A significant portion of our revenues and expenses are transacted in currencies other than the U.S. dollar, our reporting currency. We therefore have currency exchange risk, despite our efforts to mitigate such risk through our currency hedging program.

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. For example, when currency exchange movements are unfavorable to our business, the U.S. dollar equivalent values of our revenue and operating results and net assets recorded in other currencies is diminished, particularly in certain currencies where we have disproportionate revenues or expenses. While we engage in hedging activities to try to partially mitigate the impact of currency exchange rate fluctuations, our results of operations and financial condition may differ materially from expectations as a result of such fluctuations. As we expand our operations throughout the world, our exposure to additional currencies and exchange rate fluctuations is increasing. Additionally, our income tax rate may be impacted by fluctuations in currency exchange rates in jurisdictions where our tax returns are prepared in a currency other than the functional currency.

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

We have entered into interest rate swap and currency forward contracts to manage differences in the amount of our known or expected cash payments or receipts related to our long-term debt and operating cash flows. Our objective in using these derivatives is to manage our exposure to interest rate and currency movements. If we do not accurately forecast our future long-term debt, revenue or expenditure levels, execute contracts that do not effectively mitigate our economic exposure to variable interest 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.

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 in all cases to carry on these operations in the event of an interruption. Some of the events that could cause interruptions in our operations or systems are, among others:

- fire, flood, earthquake, hurricane, or other natural disaster or extreme weather;
- labor strike, work stoppage, or other issue 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; and
- human error, including poor managerial judgment or oversight.

In particular, both Bermuda, where substantially all of the computer hardware necessary to operate our websites is located in a single facility, and Jamaica, our largest customer service, sales, and design support operation, are subject to a high degree of hurricane risk and extreme weather conditions.

We have not identified alternatives to all of our facilities, systems, supply chains, production operations, and infrastructure to serve us in the event of an interruption, and if we were to find alternatives, they may not be able to meet our requirements on commercially acceptable terms or at all. 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.

Any interruptions to our systems or operations could result in lost revenue, increased costs, negative publicity, damage to our reputation and brand, 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. The increased use of the Internet for commerce and other technological advances have allowed traditional providers of these products and services to improve the quality of their offerings, produce and deliver those products and services more efficiently, and reach a broader purchasing public. 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 results of operations. Current and potential competitors include:

- traditional offline printers and graphic design providers;
- online printing and graphic design companies, many of which provide printed 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 with a laser or inkjet printer and specialty paper;
- 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; and
- 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. Competitors may also develop new or enhanced products, technologies or capabilities that could render many of the products, services and content we offer obsolete or less competitive, which could harm our business and results of operations.

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

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

Demand for our products and services, in particular in the Price Primary Market Segment where we generate most of our business, is sensitive to price, and changes in our pricing strategies have a significant impact on our revenues and results of operations. For example, recent changes to our pricing and marketing strategies have adversely affected our revenue growth in some regions. 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. We offer some free or discounted products and services as a means of attracting customers and encouraging repeat purchases, but these free offers and discounts reduce our profit margins and may not result in repeat business to increase our revenues. As we continue our strategy of reducing the frequency of free and deep discount promotions as a customer acquisition and retention tool, we have seen resulting declines in both the number of new customers that purchase from us and short-term repeat orders, despite a consistent trend of higher average order value. There can be no assurance that this trend can be reversed or that the higher average order value that we recently experienced will continue. If we fail to meet our customers' price expectations, our business and results of operations will suffer.

Failure to protect our networks and the confidential information of our customers, employees, and business partners against security breaches could damage our reputation and brands and substantially harm our business and results of operations.

We may need to expend significant resources to protect against security breaches or to address problems caused by breaches. Any compromise or breach of our network or the technology that we use to protect our network, our employee personal data, and our customer transaction data, including credit and debit card information, could damage our reputation and brand; expose us to losses, litigation, and possible liability; result in a failure to comply with legal and industry privacy regulations and standards; lead to the misappropriation of our and our customers' proprietary information; or cause interruptions in our operations. In addition, some of our partners also collect information from transactions with our customers, and we may be liable or our reputation may be harmed if our partners fail to protect our customers' information or use it in a manner that is inconsistent with legal and industry privacy regulations or our practices.

If we fail to address risks associated with payment fraud, our reputation and brands could be damaged, and our business and results of operations could be harmed.

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

Many customers access our websites by clicking through on search results displayed by search engines such as Google, Bing, and Yahoo!. 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 fewer customers click through to our websites, we could be required to resort to other more costly resources to replace this traffic, which could adversely affect our revenues and operating and net income and could harm our business.

In addition, some of our competitors purchase the term “Vistaprint” and other terms incorporating our proprietary trademarks from Google and other search engines as part of their search listing advertising. Courts do not always side with the trademark owners in cases involving search engines, and Google has refused to prevent companies from purchasing search results that use the trademark “Vistaprint.” As a result, we may not be able to prevent our competitors from advertising to, and directly competing for, customers who search for the term “Vistaprint” on search engines.

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. The blacklisting sometimes interferes with our ability to send operational or advertising emails to our current and potential customers and to send and receive emails to and from our corporate email accounts, 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. In addition, as a result of being blacklisted, we have had disputes with, or concerns raised by, various service providers who perform services for us, including co-location and hosting services, Internet service providers and electronic mail distribution services.

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 we believe we comply with all applicable laws relating to email solicitations and our contracts with our partners require that they do the same, we do not always have control over the third-party email marketers that our partners engage. If such a 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 (“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.

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

Many of the images, illustrations, and fonts incorporated in the design products and services we offer are the copyrighted property of other parties that we use under license agreements. If one or more of our licenses covering a significant amount of content were terminated, the amount and variety of content available on our websites would be significantly reduced, and we may not be able to find, license, and introduce substitute content in a timely manner, on acceptable terms, or at all.

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

We are highly dependent upon the continued service and performance of our senior management team and key technical, marketing, and production personnel, 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 could have an adverse effect on our ability to implement our business plan.

Our credit facility contains financial and operating restrictions and covenants that may limit our ability to take certain actions and our access to additional credit and could negatively impact our liquidity.

Our credit facility imposes limitations on our ability to, among other things:

- incur additional indebtedness and liens outside of the credit facility;
- make certain investments, payments, or changes in our corporate structure; and
- make capital expenditures or purchase our ordinary shares in excess of certain limits.

In addition, we are required to meet certain financial and other covenants that are customary for this type of credit facility, and our inability to comply with these covenants could result in a default under the credit facility, which could cause us to be unable to borrow under the credit facility and may result in the acceleration of the maturity of our outstanding indebtedness under the facility. If we were unable to borrow further under the facility, we may not be able to make investments in our business to support our strategy. If the maturities were accelerated, we may not have sufficient funds available for repayment, and we could end up in bankruptcy proceedings or other similar processes or may have to refinance at unfavorable terms. In addition, our shareholders would be detrimentally impacted as shareholder value could decrease to a point of limited return. Each scenario would result in significant negative implications to our business, liquidity, and results of operations.

The United States government may further increase border controls and impose duties or restrictions on cross-border commerce that may substantially harm our business by impeding our shipments into the United States from our Canadian manufacturing facility.

For the fiscal years ended June 30, 2014 and June 30, 2013 we derived 51% and 52% of our revenue, respectively, from sales to customers in the United States. We produce substantially all physical products for our United States customers at our facility in Ontario, Canada, and the United States imposes restrictions on shipping goods into the United States from Canada, 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. We have from time to time experienced delays in shipping our manufactured products into the United States as a result of these restrictions.

In the future, the United States could impose further border controls, tariffs and restrictions, interpret or apply regulations in a manner unfavorable to the importation of products from outside the United States, or take other actions that have the effect of restricting the flow of goods from Canada and other countries into the United States, up to and including shutting down the United States-Canada border for an extended period of time. If we experience greater difficulty or delays shipping products into the United States or are foreclosed from doing so, or if our costs and expenses materially increased, our business and results of operations could be harmed.

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 results of operations.

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 results of operations.

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 results of operations.

Due to our dependence on the Internet for 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. It is not always clear how existing laws governing these and other issues apply to the Internet and e-commerce, as the vast majority of applicable laws were adopted before the advent of the Internet and do not contemplate or address the unique issues raised by the Internet or e-commerce. Those laws that do reference the Internet, such as the Bermuda Electronic Transactions Act 1999, the U.S. Digital Millennium Copyright Act, and the U.S. CAN SPAM Act of 2003, are only beginning to be interpreted by the courts, and their applicability and reach are therefore uncertain. Those current and future laws and regulations or unfavorable resolution of these issues may substantially harm our business and results of operations.

We face judicial and regulatory challenges to our practice of offering free products and services, which, if successful, could hinder our ability to attract customers and generate revenue.

At times we offer free products and services as an inducement for customers to try our products and services. Although we believe that we conspicuously and clearly communicate all details and conditions of these offers, such as the shipping and processing charges associated with these offers, from time to time we face claims, complaints, and inquiries from our customers, competitors, governmental regulators, standards bodies, and others that our free offers are misleading or do not comply with applicable legislation or regulation. If we are compelled or determine to curtail or eliminate our use of free offers as the result of any such actions, our business prospects and results of operations could be materially harmed.

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.

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

Some of the products we sell may expose us to product liability claims relating to personal injury, death, or property damage, and may require product recalls or other actions. Any claims, litigation, or recalls relating to product liability could be costly to us and damage our brands and reputation.

Our inability to acquire 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.

From time to time we have difficulty obtaining a domain name using Vistaprint or our other trademarks in a particular country or region, and we may not be able to prevent third parties from acquiring domain names that infringe or otherwise decrease the value of our trademarks and other proprietary rights. If we are unable to use a domain name in a particular country, 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.

Our results of operations may be negatively affected if we are required to charge sales, value added, or other taxes on Internet sales in additional jurisdictions.

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 Vistaprint is a complex and evolving issue. Many of the fundamental statutes and regulations that impose these taxes were established before the growth of the Internet and e-commerce, and in many cases, it is not clear how existing 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. The imposition by national, state or local governments, whether within or outside the United States, of additional taxes upon Internet commerce could discourage customers from purchasing products from us, decrease our ability to compete with traditional retailers, or otherwise negatively impact our results of operations. Additionally, a successful assertion by one or more governments in jurisdictions where we are not currently collecting sales or value added taxes that we should be, or should have been, collecting indirect taxes on the sale of our products could result in 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 Vistaprint 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 14 “Income Taxes” in the accompanying notes to the consolidated financial statements included in Item 8 of Part II of this Report.

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. We continue to assess the impact of various international tax proposals and modifications to existing tax treaties between the Netherlands and other countries 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 intercompany service and related agreements, which we also refer to as transfer pricing agreements, among Vistaprint N.V. and its subsidiaries. These agreements establish transfer prices for production, marketing, management, technology development and other services performed by these subsidiaries for other group companies. Transfer prices are prices that one company in a group of related companies charges to another member of the group for goods, services or the use of property. If two or more affiliated companies are located in different countries, the tax laws or regulations of each country generally will require that transfer prices be 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 Vistaprint*, may make it difficult to replace or remove management, may inhibit or delay a change of control or may dilute your 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 Vistaprint*, or the Foundation, exists to safeguard the interests of Vistaprint N.V. and its stakeholders, which include but are not limited to our shareholders, and to assist in maintaining Vistaprint's continuity and independence. To this end, we have granted the Foundation a call option pursuant to which the Foundation may acquire a number of preferred shares equal to the same number of ordinary shares then outstanding, which is designed to provide a protective measure against unsolicited

take-over bids for Vistaprint and other hostile threats. If the Foundation were to exercise the call option, it may prevent a change of control or delay or prevent a takeover attempt, including a takeover attempt that might result in a premium over the market price for our ordinary shares. Exercise of the preferred share option would also effectively dilute the voting power of our outstanding ordinary shares by one half.

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

Dutch law requires shareholder approval for the issuance of shares and grants preemptive rights to existing shareholders to subscribe for new issuances of shares. In November 2011, our shareholders granted our supervisory board and management board the authority to issue ordinary shares as the boards determine appropriate, without obtaining specific shareholder approval for each issuance, and to limit or exclude shareholders' preemptive rights. However, this authorization expires in November 2016. Although we plan to seek re-approval from our shareholders from time to time in the future, we may not succeed in obtaining future re-approvals. In addition, subject to specified exceptions, Dutch law requires shareholder approval for many corporate actions, such as the approval of dividends, authorization to 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 Vistaprint 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 challenge the use of the shares for these purposes, such a purchase of shares for the purposes of capital reduction may be treated as a partial liquidation subject to the 15% Dutch withholding tax to be levied on the difference between our recognized paid in capital per share for Dutch tax purposes and the redemption price per share. Our recognized paid in capital

per share for Dutch tax purposes is €28.99 per share translated as of the date of our reincorporation to the Netherlands on August 28, 2009.

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, 2014 and we expect that we will not become a PFIC in the foreseeable future. However, whether we are treated as a PFIC depends on questions of fact as to our assets and revenues that can only be determined at the end of each tax year. Accordingly, we cannot be certain that we will not be treated as a PFIC for our current tax year or for any subsequent year.

If a United States shareholder acquires 10% or more of our ordinary shares, it may be subject to increased United States taxation under the "controlled foreign corporation" rules. 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, each U.S. person who owns (or is deemed to own) at least 10% of the voting power of a non-U.S. corporation, "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 a 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 for our current tax year or any subsequent tax year.

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.

Our tax rate may increase during periods when our profitability declines. Additionally, we will pay taxes even if we are not profitable on a consolidated basis, which would harm our results of operations.

The intercompany service and related agreements among Vistaprint N.V. and our direct and indirect subsidiaries ensure that most of the subsidiaries realize profits based on their operating expenses. As a result, if the Vistaprint group is less profitable, or even not profitable on a consolidated basis, the majority of our subsidiaries will be profitable and incur income taxes in their respective jurisdictions. In periods of declining operating profitability or losses on a consolidated basis this structure will increase our effective tax rate or our consolidated losses and further harm our results of operations.

Form 10-K

Item 1B. *Unresolved Staff Comments*

None.

Item 2. *Properties*

We own real property associated with three manufacturing facilities we have constructed for the production of our products, as well as one of our customer support centers. Our 582,000 square foot facility located near Windsor, Ontario, Canada primarily services our North American market, our 362,000 square foot facility located in Venlo, the Netherlands primarily services our European market, and our 124,000 square foot facility located in Deer Park, Australia primarily services our Asia-Pacific markets. We own a 92,000 square foot building in Montego Bay, Jamaica that is used as a customer service, sales and design support center. Our web servers are located in a data center space at a LinkBermuda (formerly known as Cable and Wireless) co-location and hosting facility in Devonshire, Bermuda.

We currently lease a 202,000 square foot facility in Lexington, Massachusetts, which contains technology development, marketing and administrative employees and is included in the North America business segment below. In July 2013, we executed an eleven-year lease to move our Lexington operations to a new 302,000 square foot facility in Waltham, Massachusetts, commencing in the second half of calendar year 2015. As of June 30, 2014, a summary of our currently occupied leased spaces is as follows:

Business Segment	Square Feet	Type	Lease Expirations
North America	217,095	Technology development, marketing, customer service and administrative	February 2016 - April 2017
Europe	446,476	Technology development, marketing, customer service, manufacturing and administrative	June 2015 - June 2024
Most of World	140,778	Marketing, customer service, manufacturing and administrative	October 2014 - April 2024
Other (1)	77,720	Corporate strategy, technology development and prototyping laboratory	January 2018 - June 2023

(1) 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 18 — 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 Vistaprint N.V. are traded on the NASDAQ Global Select Market (the "NASDAQ") under the symbol "VPRT." As of July 31, 2014, 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 2013:		
First Quarter	$ 42.59	$ 30.58
Second Quarter	$ 36.43	$ 28.61
Third Quarter	$ 40.18	$ 32.69
Fourth Quarter	$ 49.37	$ 36.75
Fiscal 2014:		
First Quarter	$ 56.78	$ 48.37
Second Quarter	$ 57.66	$ 51.92
Third Quarter	$ 55.20	$ 46.95
Fourth Quarter	$ 53.42	$ 38.58

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 only pay dividends out of profits shown in our adopted annual accounts prepared in accordance with Dutch generally accepted accounting principles. We will only be able to declare and pay dividends 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.

Issuer Purchases of Equity Securities

The following table outlines the purchases of our ordinary shares during the three months ended June 30, 2014:

	Total Number of Shares Purchased (1)	Average Price Paid Per Share (2)	Total Number of Shares Purchased as Part of a Publicly Announced Program	Approximate Number of Shares that May Yet be Purchased Under the Program
April 1, 2014 through April 30, 2014	—	$ —	—	6,152,275
May 1, 2014 through May 31, 2014	1,044,136	40.24	1,044,136	5,532,126
June 1, 2014 through June 30, 2014	—	—	—	5,532,126
Total	1,044,136	$ 40.24	1,044,136	5,532,126

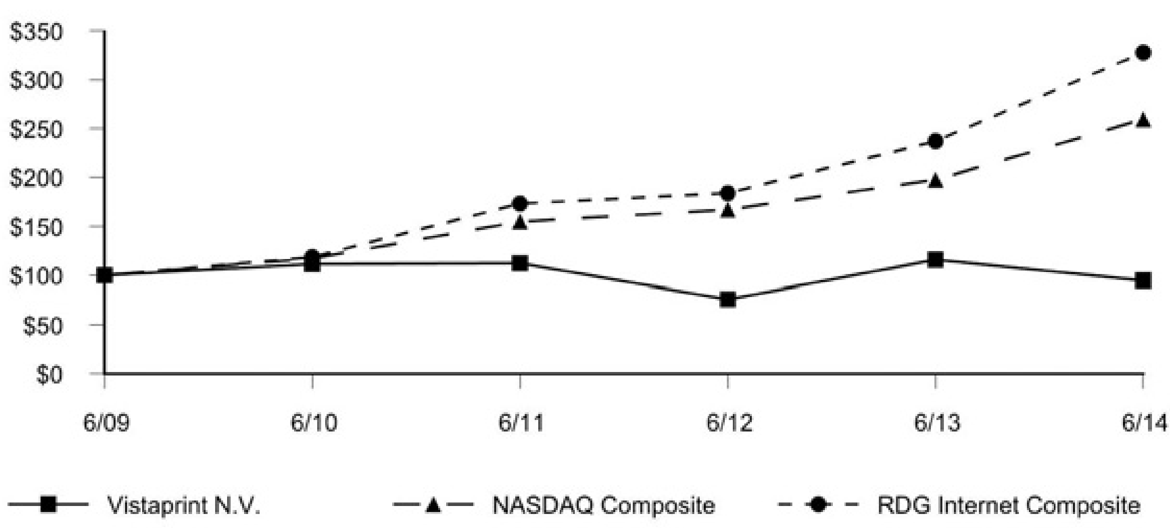
(1) On May 5, 2014, in order to provide us with flexibility to repurchase our ordinary shares at times when our management believes it may be beneficial for our business, our Supervisory Board authorized the repurchase of up to 6,500,000 of our issued and outstanding ordinary shares on the open market (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 7, 2015, and we may suspend or discontinue the repurchase program at any time. Our Supervisory Board approved this new repurchase program pursuant to the authorization we received from our shareholders in November 2013, and this new program replaces the previous repurchase program approved by our Supervisory Board, which expired on May 8, 2014. Of the 1,044,136 shares purchased during the three months ended June 30, 2014, 76,262 shares were purchased as part of the previous Supervisory Board-approved program prior to its expiration on May 8, 2014.

(2) Average price paid per share includes commissions paid in connection with our publicly announced share purchase program.

Performance Graph

The following graph compares the cumulative total return to shareholders of Vistaprint N.V. ordinary shares relative to the cumulative total returns of the NASDAQ Composite index and the 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, 2009 and its relative performance is tracked through June 30, 2014.

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



	Year Ended June 30,					
	2009	2010	2011	2012	2013	2014
Vistaprint N.V.	$ 100.00	$ 111.35	$ 112.19	$ 75.73	$ 115.76	$ 94.87
NASDAQ Composite	100.00	117.06	154.79	167.05	197.48	259.41
RDG Internet Composite	100.00	118.47	173.30	183.91	237.07	327.61

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,				
	2014 (a)(b)(c)	2013 (b)(c)	2012 (c)	2011	2010
	(In thousands, except share and per share data)				
Consolidated Statements of Operations Data:					
Revenue	$ 1,270,236	$ 1,167,478	$ 1,020,269	$ 817,009	$ 670,035
Net income attributable to Vistaprint N.V.	43,696	29,435	43,994	82,109	67,741
Net income per share attributable to Vistaprint N.V.:					
Basic	$ 1.33	$ 0.89	$ 1.16	$ 1.89	$ 1.56
Diluted	$ 1.28	$ 0.85	$ 1.13	$ 1.83	$ 1.49
Shares used in computing net income per share attributable to Vistaprint N.V.:					
Basic	32,873,234	33,209,172	37,813,504	43,431,326	43,365,872
Diluted	34,239,909	34,472,004	38,953,179	44,951,199	45,336,561

	Year Ended June 30,				
	2014 (a)(b)(c)	2013 (b)(c)	2012 (c)	2011	2010
	(In thousands)				
Consolidated Statements of Cash Flows Data:					
Net cash provided by operating activities	$ 148,580	$ 140,012	$ 140,641	$ 162,633	$ 153,701
Purchases of property, plant and equipment	(72,122)	(78,999)	(46,420)	(37,405)	(101,326)
Purchases of ordinary shares	(42,016)	(64,351)	(309,701)	(56,935)	—
Business acquisitions, net of cash acquired	(216,384)	—	(180,675)	—	(6,496)
Net proceeds (payments) of debt	207,946	8,051	227,181	(5,222)	(13,848)

	As of June 30,				
	2014 (a)(b)(c)	2013 (b)(c)	2012 (c)	2011	2010
	(In thousands)				
Consolidated Balance Sheet Data:					
Cash, cash equivalents and marketable securities (d)	$ 76,365	$ 50,065	$ 62,203	$ 237,081	$ 172,331
Working capital (d)	(83,560)	(54,795)	(26,381)	178,485	111,369
Total assets	988,985	601,567	592,429	555,900	477,889
Total long-term debt, excluding current portion	410,484	230,000	229,000	—	—
Total shareholders' equity	232,457	189,561	189,287	450,093	376,114

(a) Includes the impact of the acquisitions of People & Print Group 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. See Notes 8 and 16 in our accompanying financial statements in this Report for a discussion of these transactions.

(b) Includes the impact of our July 10, 2012 equity investment in Namex Limited ("Namex"). During the fourth quarter of fiscal 2014 we disposed of this investment and recognized a loss on the sale of $12.7 million. See Note 15 in our accompanying financial statements in this Report for a discussion of this investment.

(c) Includes the impact of the acquisitions of Albumprinter Holding B.V. on October 31, 2011 and Webs, Inc. on December 28, 2011. See Note 8 in our accompanying financial statements in this Report for a discussion of these acquisitions.

(d) We define working capital as current assets less current liabilities. Our working capital profile has evolved since fiscal 2011 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.

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

The following discussion and analysis of the financial condition and results of our operations should be read in conjunction with the consolidated financial statements and the notes to those statements included elsewhere in this Report. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to and those discussed in the section of this Report titled "Risk Factors".

Executive Overview

Through the use of our propriety software and principles of world-class manufacturing, we produce large volumes of individually small, customized orders for a broad spectrum of print, signage, apparel and similar products. We market to customers under the Vistaprint brand, as well as several brands through our Albumprinter, Webs, People & Print Group and Pixartprinting businesses. These brands serve the needs of various market segments including resellers, small and medium businesses with differentiated service needs, and consumers purchasing products for personal use.

For the fiscal year ended June 30, 2014, we reported revenue of $1,270.2 million representing 9% reported revenue growth over the prior year and 8% growth in constant-currency terms. During the fourth quarter of fiscal 2014 we acquired People & Print Group and Pixartprinting, two companies that help us reach differentiated customers through distinct brands, and that we believe will give us access to a broader product offering over time. Excluding these acquisitions, our reported revenue growth was 5% and our constant-currency revenue growth was 4% compared to the fiscal year ended June 30, 2013.

We believe our current revenue growth rate remains below our historical levels because we are in the midst of a major transformation of our customer value proposition in our largest business, the Vistaprint brand. This multi-year transformation began in 2011 and is intended to improve customer loyalty and long-term returns through improvements to pricing consistency and transparency, site experience, customer communications, product selection, product quality, merchandising, marketing messaging and customer service. Some of these efforts in 2014 created near-term revenue headwinds as we have moved toward industry-standard marketing and merchandising approaches, reduced our use of free and deep discount promotions as tools for customer acquisition and retention, and reduced our advertising spend as a percentage of revenue and in absolute dollars. In addition, we have driven consistent pricing and discount levels across our advertising channels in three of our largest revenue-generating markets, compared to our prior practice of offering different pricing and discount levels by channel, which had the effect of changing the return profile of certain advertising channels. The combination of these initiatives impacted new and repeat order volumes during the year, although they also contributed to an increase in our average order value. We remain confident that these efforts will drive long-term value, as evidenced by increases in our customer Net Promoter Score™[1] around the world, and improvements in gross profit per customer and repeat order rates in the test market in which we made similar changes over two years ago.

Diluted earnings per share for the year ended June 30, 2014 increased 51% to $1.28 as compared to the prior year. This increase was driven by efforts to improve the per customer economics in our Vistaprint brand, resulting in advertising leverage, as well as continued efforts to drive efficiency and effectiveness in manufacturing and administrative areas of our business. These areas of leverage were partially offset by investments in product quality and selection and software development. We have been successful in improving profitability and expanding our margins despite the $12.7 million loss on the sale of our investment in Namex and its related companies and approximately $5.9 million in transaction costs relating to our portfolio of investments during fiscal 2014. We believe our investments over the past three years, as well as our recently acquired businesses, will collectively enable us to scale and strengthen our competitive position and enhance long-term shareholder value.

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

1 - Net Promoter Score is based on a direct question: How likely is it that you would recommend Vistaprint to a friend or colleague? The scoring for this answer is based on a 0 to 10 scale.

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. For promotions through discount voucher websites, we recognize revenue on a gross basis, as we are the primary obligor, when redeemed items are shipped. The revenue for a significant portion of our unredeemed vouchers remains deferred as of June 30, 2014, as we establish sufficient historical redemption information with our customer base.

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.

Advertising Expense. We rely heavily on our advertising and marketing efforts in order to promote our products and services to generate revenue growth. Advertising costs, including production related items, are expensed when the costs are incurred. At each balance sheet date, we make estimates of advertising spend that has not yet been invoiced. The accuracy of those estimates depends on sufficient data from our global marketing partners and generally involves a high volume of transactions. We perform extensive analysis on our historical estimates relative to actual performance; however, based on the volume and significance of our marketing spend in any period, these estimates require judgment to recognize the appropriate expense during the period. As of June 30, 2014, we had $19.3 million recorded as an accrued liability for advertising costs.

Share-Based Compensation. We measure share-based compensation costs at fair value, including estimated forfeitures, 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 use the Black-Scholes option pricing model to measure the fair value of most of our share options and use a lattice model to measure the fair value of share options with a market condition, as well as the subsidiary share option liability award granted in conjunction with the Pixartprinting acquisition. The Black-Scholes model requires significant estimates related to the award's expected life and future share price volatility of the underlying equity security. The lattice model considers market condition attributes in its valuation assessment where relevant and simulates various sources of uncertainty in order to determine an average value based on the range of resultant outcomes. The lattice model requires estimation of inputs such as future share price volatility, future operating performance, and a forfeiture rate assessment. The fair value of restricted share units and restricted share awards is determined based on the number of shares granted and the quoted price of our ordinary shares on the date of the grant. In determining the amount of expense to be recorded, we also estimate forfeiture rates for all awards based on historical experience to reflect the probability that employees will complete the required service period. Employee retention patterns could vary in the future and result in a change to our estimated forfeiture rate which would directly impact share-based compensation expense. As a measure of sensitivity, a 100 basis point change in our forfeiture rate estimate would have resulted in an immaterial impact on our consolidated statement of operations for all periods.

For awards with a performance condition vesting feature, when achievement of the performance condition is deemed probable, we recognize compensation cost on a graded-vesting basis over the awards' expected vesting

periods. Management continually monitors the probability of vesting that is impacted by the achievement of certain business targets and milestones. Independent factors such as market acceptance, technological feasibility or economic market volatility could impact the achievement of such awards and contribute to variability in management's estimate and the recognition of the underlying share-based compensation expense. As the recognition of the compensation expense is reliant upon management's estimate of the likelihood of achievement of the award, if the probability increases during any given period, the compensation cost associated with that award would be accelerated in order to match the estimated outcome. These changes in estimate could result in expense volatility.

Income Taxes. As part of the process of preparing our consolidated financial statements, we estimate 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 we revised in fiscal 2013 from two years to three years. This change in estimated useful life increased our pre-tax income for fiscal year ended June 30, 2013 by approximately $2.7 million when compared to the historical estimated useful life. 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. 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 our valuations for the acquisition of People & Print Group and Pixartprinting during fiscal 2014 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. For our annual impairment test as of January 1, 2014, we considered the timing of the most recent fair value assessment (January 1, 2013), the operating results of the reporting units as compared to the cash flow forecast used in the fiscal 2013 quantitative analysis, an assessment of our overall market capitalization as compared to our consolidated net assets, and the consideration of market or economic events that could be indicative of impairment. Our qualitative assessment for fiscal 2014 determined that there was no indication that the carrying value of any of our reporting units exceeded its fair value. In addition, there have been no indications of impairment that would require an updated analysis as of June 30, 2014. 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. The discounted cash flows are based on our strategic plans and best estimates of revenue growth and operating profit by each reporting unit. Our annual analysis requires significant judgment, including the identification and aggregation of reporting units, discount rate and perpetual growth rate assumptions, and the amount and timing of expected future cash flows. While we believe our assumptions are reasonable, actual results could differ from our projections.

We are required to re-evaluate the estimated useful lives on an ongoing basis and evaluate the recoverability of definite lived long-lived assets, which include, among other items, customer relationships, developed technology, property, and equipment, 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."

Results of Operations

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

	Year Ended June 30,		
	2014	2013	2012
As a percentage of revenue:			
Revenue	100.0 %	100.0 %	100.0 %
Cost of revenue	35.5 %	34.3 %	34.8 %
Technology and development expense	13.9 %	14.1 %	12.7 %
Marketing and selling expense	34.6 %	38.2 %	36.8 %
General and administrative expense	9.2 %	9.4 %	10.3 %
Income from operations	6.8 %	4.0 %	5.4 %
Other income (expense), net	(1.7)%	— %	0.2 %
Interest income (expense), net	(0.6)%	(0.5)%	(0.1)%
Income before income taxes and loss in equity interests	4.5 %	3.5 %	5.5 %
Income tax provision	0.8 %	0.8 %	1.2 %
Loss in equity interests	0.2 %	0.2 %	— %
Net income	3.4 %	2.5 %	4.3 %
Add: Net loss attributable to noncontrolling interests	— %	— %	— %
Net income attributable to Vistaprint N.V.	3.4 %	2.5 %	4.3 %

In thousands

	Year Ended June 30,				
	2014	2013	2012	2014 vs. 2013	2013 vs. 2012
Revenue	$ 1,270,236	$ 1,167,478	$ 1,020,269	9%	14%

Revenue

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

We seek to increase our revenue by increasing the number of customers who purchase from us ("unique active customers"), as well as the amount our customers spend on our offerings ("average bookings per unique active customer"). We use the combination of unique active customers and average bookings per unique active customer to describe our revenue performance as this approach is aligned with the way we manage our business and our efforts to increase our revenue. Although these metrics currently exclude our People & Print Group and Pixartprinting acquisitions, we continue to believe that metrics relating to our unique active customers and average bookings per unique active customer offer shareholders a useful means of assessing our execution against our strategy. Because changes in one of these metrics may be offset by changes in the other metric, no single factor is determinative of our revenue and profitability trends, and we assess them together to understand their overall impact on revenue and profitability. A number of factors influence our ability to drive increases in these metrics:

- *Unique active customers.* The consolidated unique active customer count is the number of individual customers who purchased from us in a given period, with no regard to the frequency of purchase. For example, if a single customer makes two distinct purchases within a twelve-month period or is a distinct customer purchasing from Vistaprint and Albumprinter, that customer is tallied only once in the unique active customer count. We determine the uniqueness of a customer by looking at certain customer data, specifically a customer's unique email address. Unique active customers are driven by both the number of new customers we acquire, as well as our ability to retain customers after their first purchase. During our early growth phase, we focused more resources on the acquisition of new customers through the value of our offering and our broad-based marketing efforts targeted at the mass market for micro business customers. As we have grown larger, our acquisition focus has been supplemented with expanded retention efforts, such as email offers, customer service, and expanding our product offering. Our unique active

customer count has grown significantly over the years, and we expect it will continue to grow as we see additional opportunity to drive both new customer acquisitions as well as increased retention rates. A retained customer is any unique customer in a specific period who has also purchased in any prior period.

- *Average bookings per unique active customer.* Average bookings per unique active customer are total bookings, which represents the value of total customer orders received on our websites, for a given period of time divided by the total number of unique active customers, regardless of brand, who purchased during that same period of time. We seek to increase average bookings per unique active customer as a means of increasing revenue. Average bookings per unique active customer are influenced by the frequency that a customer purchases from us, the number of products and feature upgrades a customer purchases in a given period, as well as the mix of tenured customers versus new customers within the unique active customer count, as tenured customers tend to purchase more than new customers. Average bookings per unique active customer have grown over a multi-year period, though they do sometimes fluctuate from one quarter to the next depending upon the type of products we promote during a period and promotional discounts we offer. For example, among other things, seasonal product offerings, such as holiday cards, can cause changes in bookings per customer in our second fiscal quarter ended December 31.

Revenue for the fiscal year ended June 30, 2014 increased 9% to $1,270.2 million compared to the fiscal year ended June 30, 2013 due to increases in sales across our product and service offerings, as well as revenue from the People & Print Group and Pixartprinting businesses that we acquired in the fourth quarter of fiscal 2014 included as part of our European business. Excluding the People & Print Group and Pixartprinting businesses, we had 16.7 million unique active customers and our average order value for the period increased by 7%, contributing positively to our 9% reported revenue growth and 4% annual constant-currency revenue growth in fiscal 2014 excluding the impact of the 2014 acquisitions. During the third quarter, we rolled out significant pricing changes in two of our top markets: the U.S. and Germany. These changes are designed to help us improve customer lifetime value and loyalty over time, but created near-term revenue headwinds in North America and Europe for the second half of fiscal 2014, particularly in our third fiscal quarter. The North American business delivered annual reported and constant-currency revenue growth of 9% during the fiscal year ended June 30, 2014, as successful programs to drive customer value that we started two years ago helped to offset the negative impact of the pricing changes. The reported revenue of our European business increased 11% but declined 3% on a constant-currency basis excluding the impact of the 2014 acquisitions as we implemented changes to our customer value proposition and reduced certain advertising expenditures with lower returns to make more focused investments in the region. Most of World reported revenue declined 4% but grew 6% on a constant-currency basis in fiscal 2014 excluding the 2014 acquisitions, as compared to fiscal 2013.

Revenue for the fiscal year ended June 30, 2013 increased 14% to $1,167.5 million compared to the fiscal year ended June 30, 2012 due to increases in sales across our product and service offerings in our business, including the revenue from the Albumprinter and Webs businesses that were included for only a portion of our fiscal 2012 results. The number of unique active customers, inclusive of our Albumprinter and Webs customer activity, increased by 13% to 17.0 million during fiscal 2013, contributing positively to our total reported revenue growth. The North American business continued to deliver a solid performance with 18% reported revenue growth and 17% constant-currency revenue growth excluding the impact of our acquisition of Albumprinter and Webs in fiscal 2012 (the "2012 acquisitions"), leveraging successful programs to drive customer value that we started two years ago. Our European business delivered 9% reported revenue growth but disappointing constant-currency revenue growth excluding the impact of the 2012 acquisitions of just 5% during the fiscal year ended June 30, 2013. Most of World reported revenue growth declined to 16% from 44% for the prior comparative period, and to 17% from 38%, on a constant-currency basis, as we reached relative maturity in certain markets which comprise a majority of the region's revenue activity.

We monitor unique active customers and average bookings per unique active customer on a trailing twelve-month, or TTM, basis. We have historically reported these metrics for our Vistaprint-branded business only; however, in fiscal 2014 we began including the Albumprinter and Webs activity since their respective acquisition dates. We have revised the June 30, 2013 and 2012 information to include Albumprinter and Webs and presented it on a consolidated basis for comparative purposes. The consolidated unique active customer count is the number of individual customers who purchased from us in a given period, with no regards to the frequency of purchase. For the purposes of this consolidated presentation, a customer that has purchased from more than one of our brands is only counted once. New customers include those who purchased from any one of our brands for the first time in a given time period. Any existing Albumprinter or Webs customers prior to the 2012 acquisitions who placed an order

with us following their respective acquisition dates are counted as retained customers. The following table summarizes our operational revenue metrics for the years ended June 30, 2014, 2013 and 2012 (including the 2012 acquisitions since their respective acquisition dates, but excluding the 2014 acquisitions of People & Print Group and Pixartprinting):

	Year Ended June 30,		
	2014	**2013**	**% Increase/ (Decrease)**
Unique active customers	16.7 million	17.0 million	(2)%
New customers	*9.7 million*	*10.5 million*	*(8)%*
Retained customers	*7.0 million*	*6.5 million*	*8 %*
Average bookings per unique active customer	$ 74	$ 69	7 %
New customers	*$ 54*	*$ 51*	*6 %*
Retained customers	*$ 102*	*$ 97*	*5 %*

	Year Ended June 30,		
	2013	**2012**	**% Increase/ (Decrease)**
Unique active customers	17.0 million	15.0 million	13 %
New customers	*10.5 million*	*9.6 million*	*9 %*
Retained customers	*6.5 million*	*5.4 million*	*20 %*
Average bookings per unique active customer	$ 69	$ 68	1 %
New customers	*$ 51*	*$ 51*	*— %*
Retained customers	*$ 97*	*$ 98*	*(1)%*

Total revenue by geographic segment for the fiscal years ended June 30, 2014, 2013 and 2012 are shown in the following table. Fiscal 2014 includes the impact of People & Print Group and Pixartprinting from their respective acquisition dates in our Europe segment:

In thousands

	Year Ended June 30,			Currency Impact:	Constant-Currency	Impact of Acquisitions:	Constant-Currency revenue growth
	2014	**2013**	**% Change**	**(Favorable)/ Unfavorable**	**Revenue Growth (1)**	**(Favorable)/ Unfavorable**	**Excluding acquisitions (1)**
North America	$ 700,197	$ 644,326	9%	—%	9%	— %	9 %
Europe	502,090	452,202	11%	(4)%	7%	(10)%	(3)%
Most of World	67,949	70,950	(4)%	10%	6%	— %	6 %
Total revenue	$1,270,236	$1,167,478	9%	(1)%	8%	(4)%	4 %

	Year Ended June 30,			Currency Impact:	Constant-Currency	Impact of Acquisitions:	Constant-Currency revenue growth
	2013	**2012**	**% Change**	**(Favorable)/ Unfavorable**	**Revenue Growth (1)**	**(Favorable)/ Unfavorable**	**Excluding acquisitions (2)**
North America	$ 644,326	$ 543,860	18%	—%	18%	(1)%	17%
Europe	452,202	415,213	9%	2%	11%	(6)%	5%
Most of World	70,950	61,196	16%	1%	17%	—%	17%
Total revenue	$1,167,478	$1,020,269	14%	2%	16%	(4)%	12%

(1) Constant-currency revenue growth, a non-GAAP financial measure, represents the change in total revenue between current and prior year periods at constant-currency exchange rates by translating all non-U.S. dollar denominated revenue generated in the current period using the prior year period's average exchange rate for each currency to the U.S. dollar and excludes the impact of gains or losses on effective currency hedges recognized in revenue. 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. Constant-currency revenue growth excluding acquisitions excludes revenue results for our Q4 2014 acquisitions of People & Print Group and Pixartprinting.

(2) Constant-currency revenue growth excluding acquisitions excludes revenue results of the fiscal 2012 acquisitions of Albumprinter Holding B.V. on October 31, 2011 and Webs, Inc. on December 28, 2011.

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

In thousands

	Year Ended June 30,				
	2014	2013	2012	2014 vs. 2013	2013 vs. 2012
Cost of revenue	$ 451,093	$ 400,293	$ 355,205	13 %	13%
% of revenue	*35.5%*	*34.3%*	*34.8%*		
Technology and development expense	$ 176,344	$ 164,859	$ 129,162	7 %	28%
% of revenue	*13.9%*	*14.1%*	*12.7%*		
Marketing and selling expense	$ 440,311	$ 446,116	$ 375,538	(1)%	19%
% of revenue	*34.6%*	*38.2%*	*36.8%*		
General and administrative expense	$ 116,574	$ 110,086	$ 105,190	6 %	5%
% of revenue	*9.2%*	*9.4%*	*10.3%*		

Cost of revenue

Cost of revenue includes materials used to manufacture our products, payroll and related expenses for production 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 fiscal 2014 as the People & Print Group and Pixartprinting operations we acquired in fiscal 2014 have a lower gross margin profile than our traditional business; however, these companies have lower marketing and selling costs.

The increase in cost of revenue of $50.8 million for the year ended June 30, 2014, as compared to the prior period, was primarily due to additional manufacturing costs of $29.7 million associated with the acquired People & Print Group and Pixartprinting operations. Excluding those costs, cost of revenue generally increased as we produced more revenue volume in fiscal 2014 as compared to fiscal 2013. We incurred incremental shipping and overhead related costs in fiscal 2014 of $3.6 million and $9.7 million, respectively. These expense increases were offset by a decline in materials related costs of $1.1 million and other productivity and efficiency gains. In addition, the fiscal 2013 period included a benefit from a non-cash gain related to a free piece of equipment of $1.4 million in our European operations that did not occur in fiscal 2014.

The $45.1 million increase in cost of revenue from fiscal 2012 to fiscal 2013 was primarily due to additional manufacturing costs for increased product sales. Specifically, we incurred additional expense of $26.5 million for material and overhead related costs, as well as $7.2 million of shipping cost during the year ending June 30, 2013 as compared to the prior period. Cost of revenue also increased by $9.9 million in fiscal 2013 as Albumprinter and Webs were only included for a portion of our fiscal 2012 results. These fiscal 2013 expense increases were offset by a $1.4 million benefit from a non-cash gain related to a free piece of equipment.

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, content development, amortization of capitalized software, website development costs and certain acquired intangible assets, including developed technology, 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 $11.5 million for fiscal 2014 was primarily due to increased payroll and facility-related costs of $9.5 million as a result of an increase in headcount in our technology development and information technology support organizations. At June 30, 2014, we employed 887 employees in these organizations compared to 786 employees at June 30, 2013. Other technology and development expenses increased $4.0 million in fiscal 2014 as compared to the prior comparative period primarily due to restructuring charges of $1.3 million as well as increased recruitment, hosting services and other costs related to continued investment in our infrastructure. In addition, amortization expense increased by $1.1 million as a result of the People & Print Group and Pixartprinting acquisitions. These expense increases were partially offset

during fiscal 2014 by a decline in share-based compensation expense of $2.1 million as the restricted share awards granted as part of our fiscal 2012 Webs acquisition were fully vested as of December 31, 2013. Also during fiscal 2014, we had higher net capitalization of software costs of $1.0 million due to an increase in current costs that qualified for capitalization during the fiscal year.

The growth in our technology and development expenses of $35.7 million for fiscal 2013 as compared to fiscal 2012, was primarily due to increased payroll and facility-related costs of $30.0 million as a result of a planned increase in headcount in our technology development and information technology support organizations. At June 30, 2013, we employed 786 employees in these organizations compared to 657 employees at June 30, 2012. Share-based compensation expense attributable to technology and development personnel in fiscal 2013 increased by $4.0 million as compared to fiscal 2012 partially due to a full period of expense associated with restricted shares granted as part of the Webs acquisition. In addition, other technology and development expenses increased $6.1 million as compared to the prior comparative period due to increased employee travel and training costs, recruitment costs, and increased depreciation, hosting services, and other costs related to continued investment in our website infrastructure. These expense increases were partially offset by decreased expense related to capitalized software costs of $5.7 million, due in part to our change in the estimated useful life of our capitalized software and website development costs from 2 to 3 years of $2.7 million as discussed in Note 2 of the accompanying consolidated financial statements, as well as an increase in net capitalization of qualifying costs during the fiscal year. Fiscal 2013 included $1.3 million of additional amortization of acquired developed technology assets from the acquisitions of Albumprinter and Webs as compared to fiscal 2012.

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; amortization of certain acquired intangible assets, including customer relationships and trade names; and third-party payment processing fees.

The decrease in our marketing and selling expenses of $5.8 million for fiscal 2014 as compared to fiscal 2013 was primarily due to decreased advertising costs of $19.5 million as we executed more strategically focused marketing spend during the year, particularly in Europe. Additionally, share-based compensation expense decreased during fiscal 2014 by $1.3 million as the restricted share awards granted as part of our fiscal 2012 Webs acquisition were fully vested at December 31, 2013. This reduction in expense was partially offset by increased payroll and facility-related costs of $6.9 million as we continued to expand our marketing organization and our customer service, sales and design support centers. At June 30, 2014, we employed 2,038 employees in these organizations compared to 1,672 employees at June 30, 2013. In addition, other marketing and selling expenses increased by $6.1 million, inclusive of $1.3 million of restructuring related expenses, as well as increased outside service costs, payment processing fees, and other marketing costs. Fiscal 2014 also includes $2.0 million of additional amortization expense for the customer and trademark related intangible assets acquired with the People & Print Group and Pixartprinting businesses.

The growth in our marketing and selling expenses of $70.6 million for fiscal 2013 as compared to fiscal 2012 was driven primarily by increases of $34.4 million in advertising costs and commissions related to new customer acquisition and promotions targeted at our existing customer base, an integral component of our long-term growth strategy in fiscal 2013. We continued to expand our marketing organization and our customer service, sales and design support centers, and at June 30, 2013, we employed 1,672 employees in these organizations compared to 1,515 employees at June 30, 2012, resulting in increased payroll and facility-related costs in fiscal 2013, when compared to fiscal 2012, of $24.8 million. For fiscal 2013, share-based compensation costs attributable to marketing and selling personnel increased $3.7 million as compared to fiscal 2012 due primarily to a change in the functional classification of a portion of the share-based compensation expense to selling and marketing expense in fiscal 2013 as a result of a change in role by certain employees, as well as a full period of expense associated with restricted shares granted as part of the Webs acquisition. Other marketing and selling expenses also increased by $4.4 million due to increased depreciation costs, payment processing fees, and professional fees. Furthermore, fiscal 2013 includes increased amortization expense of $3.3 million as compared to fiscal 2012 from acquired customer and brand name intangible assets related to the acquisitions of Albumprinter and Webs partly due to an acceleration of $1.4 million associated with a change in the expected usage of an asset, in addition to a full annual period of expense in fiscal 2013 related to the Albumprinter and Webs acquisitions.

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, and human resources.

During fiscal 2014 our general and administrative expenses increased as compared to fiscal 2013 by $6.5 million, primarily due to an increase of $5.9 million in professional fees for costs incurred related to our recent acquisitions and strategic investments, as well as $3.2 million of employee and facility related restructuring costs. In addition, we recognized $2.2 million of expense for the increase in the fair value of the earn-out liability for both People & Print Group and Pixartprinting since the date of acquisition. These increases were partially offset by a net decrease of $4.8 million primarily related to reduced share-based compensation, recruiting costs, and other corporate charges. At June 30, 2014 we employed 416 employees in these organizations compared to 400 employees at June 30, 2013.

During fiscal 2013, our general and administrative expenses increased as compared to fiscal 2012 by $4.9 million, primarily due to increased payroll and facility-related costs of $6.1 million resulting from the continued investment in our executive management, finance, legal and human resource organizations to support our expansion and growth. At June 30, 2013, we employed 400 employees in these organizations compared to 369 employees at June 30, 2012. These additional payroll related costs were offset by a $1.2 million decrease in professional fees, as the fiscal 2012 comparable period included transaction costs associated with our Albumprinter and Webs acquisitions. Additionally, fiscal 2012 included expenses associated with a patent infringement trial, which did not recur in fiscal 2013, as well as certain one-time termination benefits.

Other income (expense), net

Other income (expense), 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 our derivative instruments. In addition, in fiscal 2014 we recognized a loss of $12.7 million on the sale of our equity investment in Namex.

In addition to the Namex loss noted above, we incurred $8.9 million of currency related expense for fiscal 2014, as compared to $0.1 million of expense for fiscal 2013. The increased expense is primarily due to the net loss of $7.5 million recognized on our currency forward contracts for which we did not seek hedge accounting and that did not occur in fiscal 2013. This expense was substantially offset by favorable currency impacts within operating income. In evaluating our currency hedging program and ability to achieve hedge accounting in light of certain changes in 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 currency forward contracts that do not qualify for hedge accounting. As a result, during fiscal 2014, we experienced increased volatility within other (expense), net in our consolidated statements of operations from unrealized gains and losses on the mark-to-market of outstanding currency forward contracts. We expect this volatility to continue in future periods for contracts for which we do not apply hedge accounting.

In addition, changes in our corporate entity operating structure, effective on October 1, 2013, required us to alter our intercompany transactional and financing activities. We have significant non-functional currency intercompany financing relationships that result in increased currency exchange rate losses of $1.5 million, both realized and unrealized, during fiscal 2014. We may continue to experience increased volatility in exchange rate gains and losses in future periods as a result of these changes.

Other income (expense) for fiscal 2012 was $2.4 million of income, primarily related to a gain in the period from Euro currency transactions related to the funding of the Albumprinter acquisition.

Interest income (expense), net

Interest income (expense), net, primarily consists of interest paid to financial institutions on outstanding balances on our credit facility and amortization of debt issuance costs of $7.7 million, $5.3 million, $1.7 million for fiscal 2014, 2013 and 2012, respectively. The increase in interest income (expense), net in each fiscal period as compared to the prior fiscal period is a result of increased borrowing levels under our credit facility throughout the respective years.

Income tax provision

	Year Ended June 30,		
	2014	2013	2012
Income tax provision	$ 10,590	$ 9,387	$ 11,851
Effective tax rate	18.7%	23.0%	21.2%

Income tax expense for fiscal 2013 included a one-time currency exchange related tax benefit of $1.9 million recognized by one of our Canadian subsidiaries. Excluding this one-time benefit, income tax expense would have been lower in fiscal 2014 as compared to fiscal 2013 primarily attributable to tax benefits resulting from changes to our corporate entity operating structure that became effective on October 1, 2013, as further described below.

On an annual basis, our income tax expense for the majority of our subsidiaries is a function of our operating expenses and cost-based transfer pricing methodologies and not a function of consolidated pre-tax income. As a result, our consolidated annual effective tax rate will typically vary inversely to changes in our consolidated pre-tax income. For fiscal 2014, we had a lower consolidated annual effective tax rate as compared to fiscal 2013, primarily as a result of higher consolidated pre-tax earnings in fiscal 2014 as compared to fiscal 2013 plus tax benefits resulting from changes to our corporate entity operating structure in fiscal 2014, described below.

On October 1, 2013, 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 Vistaprint group that are based in different tax jurisdictions. The impact of the transfer is recognized for income tax purposes only and not in our consolidated financial statements. 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. However, the recipient entity will receive a tax benefit associated with the future amortization of the fair market value of the intellectual property received, which for tax purposes will occur over a period of five years in accordance with the applicable tax laws.

We are currently under income tax audits in various jurisdictions. We believe that our income tax reserves associated with these matters are adequate as the positions reported on our tax returns will be sustained on their technical merits. However, final resolution is uncertain and there is a possibility that it could have a material impact on our financial condition, results of operations or cash flows. See Note 14 in our accompanying consolidated financial statements for additional discussion.

Loss in Equity Interest

In July 2012, we made an investment in Namex, which included a Chinese printing business, for a minority ownership position. Our share of Namex's loss for the fiscal years ended June 30, 2014 and 2013 was $2.7 million and $1.9 million, respectively. We disposed of our investment in April 2014 and recognized a loss of $12.7 million in other income (expense), net. See Note 15 in our accompanying consolidated financial statements for additional discussion.

Liquidity and Capital Resources

Consolidated Statements of Cash Flows Data:
In thousands

	Year Ended June 30,		
	2014	2013	2012
Net cash provided by operating activities	$ 148,580	$ 140,012	$ 140,641
Net cash used in investing activities	(306,984)	(98,931)	(232,268)
Net cash provided by (used in) financing activities	169,608	(53,255)	(79,167)

At June 30, 2014, we had $62.5 million of cash and cash equivalents and $448.1 million of outstanding debt. Cash and cash equivalents increased by $12.4 million during fiscal 2014. The cash flows during the year ended June 30, 2014 related primarily to the following items:

Cash inflows:

- Net income of $43.3 million;
- Positive adjustments to accrual based net income for non-cash items of $102.2 million primarily related to depreciation and amortization of $72.3 million and share-based compensation costs of $27.8 million;
- Proceeds from borrowing of debt of $482.8 million; and
- Changes in working capital balances of $3.1 million.

Cash outflows:

- Capital expenditures of $72.1 million of which $35.3 million were related to the purchase of manufacturing and automation equipment for our production facilities, $15.4 million were related to the purchase of computer equipment, and $21.4 million were related to purchases of other capital assets, including facility improvements and office equipment;
- Repayments of debt and debt issuance costs of $274.9 million;
- Payments for business acquisitions, net of cash acquired, of $216.4 million;
- Purchases of our ordinary shares of $42.0 million;
- Internal costs for software and website development that we have capitalized of $9.7 million; and
- Increased equity investment in Namex of $5.0 million.

Additional Liquidity and Capital Resources Information. During fiscal 2014, we financed our operations, ordinary share purchases and strategic investments through internally generated cash flows from operations and our debt financing. We currently plan to invest approximately $80 million to $100 million in total capital expenditures in fiscal 2015. The majority of planned fiscal 2015 capital investments are designed to support the planned long-term growth of the business. In fiscal 2015, we expect to spend approximately $20 million to build a new manufacturing facility in Japan as part of our joint venture. We also are investing approximately $20 million to $25 million in the expansion of our product selection and other new manufacturing capabilities. Due to our investments in recent years, our current liabilities continue to exceed our current assets; however, we believe that our available cash, cash flows generated from operations, and our debt financing capacity will be sufficient to satisfy our working capital and planned investments to support our long-term growth strategy, including investments and capital expenditure requirements, for the foreseeable future.

As of June 30, 2014, approximately $62.0 million 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 $112.5 million. However, we do not intend to repatriate such funds as the cash and cash equivalent balances are generally used and available, without legal restrictions, to fund ordinary business operations and investments of the respective subsidiaries. If there is a change in the future, the repatriation of undistributed earnings from certain subsidiaries, in the form of dividends or otherwise, could have tax consequences that could result in material cash outflows.

Debt. On January 17, 2014, we entered into an amendment to our credit agreement resulting in an increase to aggregate loan commitments under the credit agreement by $303.8 million, to a total of $800.0 million, by adding new lenders and increasing the commitments of several existing lenders. The new loan commitments consist of revolving loans of $640.0 million and term loans of $160.0 million. The amendment did not result in any material changes to our debt covenants.

In the next twelve months we will continue to use, as needed, our revolving credit facility or additional sources of borrowings in order to fund our ongoing operations, support our long-term growth through strategic investments, or purchase our ordinary shares. We have other financial obligations that constitute additional indebtedness based on the definitions within the credit facility. As of June 30, 2014, the amount available for borrowing under our credit facility was as follows:

In thousands

	June 30, 2014
Maximum aggregate available for borrowing	$ 793,859
Outstanding borrowings of credit facilities	(426,859)
Remaining amount	367,000
Limitations to borrowing due to debt covenants and other obligations (1)	(194,932)
Amount available for borrowing as of June 30, 2014 (2)	$ 172,068

(1) Our borrowing ability can be limited by our debt covenants each quarter. These covenants may limit our borrowing capacity depending on our leverage, other indebtedness, such as uncommitted lines of credit, installment obligations, capital leases, deferred purchase prices, and letters of credit, and other factors that are outlined in the credit agreement.
(2) The use of available borrowings for share purchases, dividend payments, or corporate acquisitions and dispositions is subject to more restrictive covenants that 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 consolidated leverage ratio, which is the ratio of our consolidated indebtedness (*) to our TTM consolidated EBITDA (*), will not exceed 3.25 during the period from March 31, 2014 through December 31, 2014; and (iii) 3.0 after March 31, 2015; and
- our interest coverage ratio, which is the ratio of our consolidated EBITDA to our consolidated interest expense, will be at least 3.0.

(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 revolving credit facility.

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

(*) The definitions of EBITDA and consolidated indebtedness are contained in the credit agreement included as an exhibit to our Form 8-K filed on February 13, 2013, as amended by amendment no. 1 to the credit agreement included as an exhibit to our Form 8-K filed on January 22, 2014.

As of the date of this filing, we were in compliance with all financial and other covenants under the credit agreement.

In addition, on March 28, 2014 we entered into an agreement for an uncommitted line of credit with Santander Bank, N.A. Under the terms of the agreement we may borrow up to $50 million at any time, with a maturity date of up to 90 days from the loan origination date. Under the terms of our uncommitted line of credit, borrowings bear interest at a variable rate of interest based on LIBOR plus 1.10%. The LIBOR rate is determined on the date of borrowing and is based on the length of the specific loan. This facility does not provide borrowing capacity incremental to the amount available for borrowing as of June 30, 2014 disclosed above.

Contractual Obligations

Contractual obligations at June 30, 2014 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	$ 50,469	$ 14,067	$ 13,801	$ 8,887	$ 13,714
Build-to-suit lease	119,593	—	19,777	21,576	78,240
Purchase commitments	30,860	30,860	—	—	—
Debt and interest payments	481,082	47,718	79,781	353,583	—
Capital leases	9,197	4,572	4,148	477	—
Other	32,628	9,507	16,374	6,747	—
Total (1)	$ 723,829	$ 106,724	$ 133,881	$ 391,270	$ 91,954

(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 $6.7 million as of June 30, 2014 have been excluded from the contractual obligations table above. For further information on uncertain tax positions, see Note 14 to the accompanying consolidated financial statements.

Operating Leases. We rent office space under operating leases expiring on various dates through 2024. Future minimum rental payments required under our leases are an aggregate of approximately $50.5 million. The terms of certain lease agreements require security deposits in the form of bank guarantees and a letter of credit in the amount of $0.1 million and $1.4 million, respectively.

Build-to-suit lease. In July 2013, we executed a lease for an eleven-year term to move our Lexington, Massachusetts operations to a new facility in Waltham, Massachusetts, that is expected to commence in the second half of calendar 2015. Please refer to Note 6 in the accompanying consolidated financial statements for additional details.

Purchase Commitments. At June 30, 2014, we had unrecorded commitments under contract of $30.9 million, which were composed of inventory purchase commitments of approximately $12.0 million, production and computer equipment purchases of approximately $9.6 million, and other unrecorded purchase commitments of $9.3 million.

Debt. The term loans outstanding under our credit agreement have repayments due on various dates through February 8, 2018, with the revolving loans due on February 8, 2018. Interest payable included in this table is based on the interest rate as of June 30, 2014 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.

Capital leases. We lease certain machinery and plant equipment under capital lease agreements that expire at various dates through 2017. 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, 2014, is $12.6 million, net of accumulated depreciation of $1.0 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, 2014 amounts to $8.9 million.

Other Obligations. Other obligations include an installment obligation of $16.6 million related to the fiscal 2012 intra-entity transfer of Webs' intellectual property, 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, 2014. Other obligations also include the fair value of the contingent earn-out payments related to our fiscal 2014 acquisitions of People & Print Group and Pixartprinting of $16.1 million. The Pixartprinting liability is based on calendar 2014 revenue and EBITDA targets and is payable in the third quarter of fiscal 2015. The People & Print Group liability is payable during the third quarter of fiscal 2016 and is contingent upon the achievement of an initial 2014 EBITDA margin threshold but ultimately payable based on achieving certain revenue and EBITDA results for calendar year 2015. Please refer to Note 8 in the accompanying consolidated financial statements for additional details.

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, 2014, our cash and cash equivalents consisted of standard depository accounts which are held for working capital purposes. Due to the nature of our cash and cash equivalents, we do not believe we have a material exposure to interest rate fluctuations.

As of June 30, 2014, we had $448.1 million of total U.S. dollar denominated variable rate debt and $16.6 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, 2014, a hypothetical 100 basis point increase in rates, inclusive of our outstanding interest rate swaps, would result in an increase of interest expense of approximately $2.2 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. Our international revenues, as well as costs and expenses denominated in currencies other than the U.S. dollar, expose us to the risk of fluctuations in exchange rates of such currencies versus the U.S. dollar. Our most significant net currency exposures are the British pound, Canadian dollar and Swiss Franc, although our exposures to these and other currencies fluctuate, particularly in our fiscal second quarter. A summary of our currency risk is as follows:

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

  We use currency forward contracts to protect or mitigate our forecasted U.S. dollar-equivalent cash flows from adverse changes in currency exchange rates. These hedging contracts reduce, but do not entirely eliminate, the impact of adverse currency exchange rate movements. We have executed currency forward 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 (expense), net on the mark-to-market of outstanding contracts and (ii) realized gains and losses recognized in other income (expense), net, whereas the offsetting gains and losses are reported in the line item of the underlying cash flow, for example, revenue. For example, in fiscal 2014 we had realized and unrealized losses from currency forward contracts of $7.5 million, which were largely offset within operating income.

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

- *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 (expense), net on the consolidated statements of operations. Our subsidiaries have intercompany accounts that are eliminated in consolidation and cash and cash equivalents denominated in various currencies that expose us to fluctuations in currency exchange rates. A hypothetical 10% change in currency exchange rates was applied to total net monetary assets denominated in currencies other than the 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. A hypothetical decrease in exchange rates of 10% against the functional currency of our subsidiaries would have resulted in an increase of $10.1 million, $2.5 million and $2.1 million on our income before taxes for the fiscal years 2014, 2013 and 2012, respectively. Changes in our corporate entity operating structure, effective on October 1, 2013, resulted in changes in our intercompany transactional and financing activities that may cause increased volatility in exchange rate gains and losses in future periods. Additionally, some of our subsidiaries prepare tax returns in currencies other than their functional currency.

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

VISTAPRINT N.V.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Supervisory Board and Shareholders of
Vistaprint N.V.

We have audited the accompanying consolidated balance sheets of Vistaprint N.V. as of June 30, 2014 and 2013, and the related consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended June 30, 2014. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Vistaprint N.V. at June 30, 2014 and 2013, and the consolidated results of its operations and its cash flows for each of the three years in the period ended June 30, 2014, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Vistaprint N.V.'s internal control over financial reporting as of June 30, 2014, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework), and our report dated August 15, 2014 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Boston, Massachusetts
August 15, 2014

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

	June 30, 2014	June 30, 2013
Assets		
Current assets:		
Cash and cash equivalents	$ 62,508	$ 50,065
Marketable securities	13,857	—
Accounts receivable, net of allowances of $212 and $104, respectively	23,515	22,026
Inventory	12,138	7,620
Prepaid expenses and other current assets	45,923	20,520
Total current assets	157,941	100,231
Property, plant and equipment, net	352,221	280,022
Software and web site development costs, net	14,016	9,071
Deferred tax assets	8,762	581
Goodwill	317,187	140,893
Intangible assets, net	110,214	30,337
Other assets	28,644	29,184
Investment in equity interests	—	11,248
Total assets	$ 988,985	$ 601,567
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	$ 52,770	$ 22,597
Accrued expenses	121,177	103,338
Deferred revenue	26,913	18,668
Deferred tax liabilities	2,178	1,466
Short-term debt	37,575	8,750
Other current liabilities	888	207
Total current liabilities	241,501	155,026
Deferred tax liabilities	30,846	12,246
Other liabilities	44,420	14,734
Lease financing obligation	18,117	—
Long-term debt	410,484	230,000
Total liabilities	745,368	412,006
Commitments and contingencies (Note 18)		
Noncontrolling interests (Note 16)	11,160	—
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 32,329,244 and 32,791,338 shares outstanding, respectively	615	615
Treasury shares, at cost, 11,751,383 and 11,289,289 shares, respectively	(423,101)	(398,301)
Additional paid-in capital	309,990	299,659
Retained earnings	342,840	299,144
Accumulated other comprehensive income (loss)	2,113	(11,556)
Total shareholders' equity	232,457	189,561
Total liabilities, noncontrolling interests and shareholders' equity	$ 988,985	$ 601,567

See accompanying notes.

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

	Year Ended June 30,		
	2014	2013	2012
Revenue	$ 1,270,236	$ 1,167,478	$ 1,020,269
Cost of revenue (1)	451,093	400,293	355,205
Technology and development expense (1)	176,344	164,859	129,162
Marketing and selling expense (1)	440,311	446,116	375,538
General and administrative expense (1)	116,574	110,086	105,190
Income from operations	85,914	46,124	55,174
Other income (expense), net	(21,630)	(63)	2,350
Interest income (expense), net	(7,674)	(5,329)	(1,679)
Income before income taxes and loss in equity interests	56,610	40,732	55,845
Income tax provision	10,590	9,387	11,851
Loss in equity interests	2,704	1,910	—
Net income	43,316	29,435	43,994
Add: Net loss attributable to noncontrolling interests	380	—	—
Net income attributable to Vistaprint N.V.	$ 43,696	$ 29,435	$ 43,994
Basic net income per share attributable to Vistaprint N.V.	$ 1.33	$ 0.89	$ 1.16
Diluted net income per share attributable to Vistaprint N.V.	$ 1.28	$ 0.85	$ 1.13
Weighted average shares outstanding — basic	32,873,234	33,209,172	37,813,504
Weighted average shares outstanding — diluted	34,239,909	34,472,004	38,953,179

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

	Year Ended June 30,		
	2014	2013	2012
Cost of revenue	$ 251	$ 398	$ 329
Technology and development expense	7,041	9,209	5,171
Marketing and selling expense	5,082	6,354	2,692
General and administrative expense	15,412	16,967	17,221

See accompanying notes.

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

	Year Ended June 30,		
	2014	2013	2012
Net income	$ 43,316	$ 29,435	$ 43,994
Other comprehensive income:			
Foreign currency translation	8,019	(910)	(23,609)
Net unrealized (loss) gain on derivative instruments designated and qualifying as cash flow hedges	(1,285)	483	—
Amounts reclassified from accumulated other comprehensive income to net income on derivative instruments	396	(397)	—
Unrealized gain on available-for-sale-securities	9,246	—	—
Unrealized loss on pension benefit obligation, net of tax	(2,724)	—	—
Comprehensive income	56,968	28,611	20,385
Add: Comprehensive loss attributable to noncontrolling interests	397	—	—
Total comprehensive income attributable to Vistaprint N.V.	$ 57,365	$ 28,611	$ 20,385

See accompanying notes.

VISTAPRINT 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, 2011	49,950	$ 699	(6,806)	$ (85,377)	$ 273,260	$ 248,634	$ 12,877	$ 450,093
Issuance of ordinary shares due to share option exercises			92	1,938	(544)			1,394
Restricted share units vested, net of shares withheld for taxes			278	3,445	(7,594)			(4,149)
Grant of restricted share awards			506	10,754	(10,754)			—
Excess tax benefits from share-based compensation					6,108			6,108
Share-based compensation expense					25,157			25,157
Purchase of ordinary shares			(9,901)	(309,701)				(309,701)
Net income						43,994		43,994
Foreign currency translation							(23,609)	(23,609)
Balance at June 30, 2012	49,950	$ 699	(15,831)	$(378,941)	$ 285,633	$ 292,628	$ (10,732)	$ 189,287
Issuance of ordinary shares due to share option exercises			281	8,715	(3,910)			4,805
Cancellation of treasury shares	(5,870)	(84)	5,870	30,262	(7,259)	(22,919)		—
Restricted share units vested, net of shares withheld for taxes			242	6,014	(9,570)			(3,556)
Excess tax benefits from share-based compensation					1,796			1,796
Share-based compensation expense					32,969			32,969
Purchase of ordinary shares			(1,851)	(64,351)				(64,351)
Net income						29,435		29,435
Net unrealized gain on derivative instruments designated and qualifying as cash flow hedges							86	86
Foreign currency translation							(910)	(910)
Balance at June 30, 2013	44,080	$ 615	(11,289)	$(398,301)	$ 299,659	$ 299,144	$ (11,556)	$ 189,561
Issuance of ordinary shares due to share option exercises, net of shares withheld for taxes			297	9,011	(8,001)			1,010
Restricted share units vested, net of shares withheld for taxes			285	8,205	(14,220)			(6,015)
Excess tax benefits from share-based compensation					5,159			5,159
Share-based compensation expense					27,449			27,449
Purchase of ordinary shares			(1,044)	(42,016)				(42,016)
Net income attributable to Vistaprint N.V.						43,696		43,696
Net unrealized loss on derivative instruments designated and qualifying as cash flow hedges							(889)	(889)
Adjustment to contributed capital of noncontrolling interest					(56)			(56)
Unrealized gain on marketable securities							9,246	9,246
Foreign currency translation							8,036	8,036
Unrealized loss on pension benefit obligation, net of tax							(2,724)	(2,724)
Balance at June 30, 2014	44,080	$ 615	(11,751)	$(423,101)	$ 309,990	$ 342,840	$ 2,113	$ 232,457

See accompanying notes.

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

	Year Ended June 30,		
	2014	**2013**	**2012**
Operating activities			
Net income	$ 43,316	$ 29,435	$ 43,994
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	72,282	64,325	59,427
Share-based compensation expense	27,786	32,928	25,413
Excess tax benefits derived from share-based compensation awards	(5,159)	(1,796)	(6,108)
Deferred taxes	(12,807)	(8,626)	(1,810)
Loss on sale of equity method investment	12,681	—	—
Loss in equity interests	2,704	1,910	—
Non-cash gain on equipment	—	(1,414)	—
Abandonment of long-lived assets	7	1,529	—
Unrealized loss on derivative instruments included in net income	425	—	—
Change in fair value of contingent consideration	2,192	(588)	—
Effect of exchange rate changes on monetary assets and liabilities denominated in non-functional currency	748	29	—
Other non-cash items	1,328	1,329	361
Changes in operating assets and liabilities excluding the effect of business acquisitions:			
Accounts receivable	4,008	(1,532)	(1,405)
Inventory	(1,055)	(525)	1,150
Prepaid expenses and other assets	(15,336)	10,791	(5,768)
Accounts payable	14,945	557	5,667
Accrued expenses and other liabilities	515	11,660	19,720
Net cash provided by operating activities	148,580	140,012	140,641
Investing activities			
Purchases of property, plant and equipment	(72,122)	(78,999)	(46,420)
Business acquisitions, net of cash acquired	(216,384)	—	(180,675)
Proceeds from sale of intangible assets	137	1,750	—
Purchases of intangible assets	(253)	(750)	(239)
Purchase of available-for-sale securities	(4,629)	—	—
Capitalization of software and website development costs	(9,749)	(7,667)	(5,463)
Maturities and redemptions of marketable securities	—	—	529
Investment in equity interests	(4,994)	(12,753)	—
Proceeds from sale of equity interests	449	—	—
Proceeds from (issuance of) loans	561	(512)	—
Net cash used in investing activities	(306,984)	(98,931)	(232,268)
Financing activities			
Proceeds from borrowings of debt	482,800	113,712	408,500
Payments of debt and debt issuance costs	(274,854)	(105,661)	(181,319)
Payments of withholding taxes in connection with share awards	(9,430)	(3,556)	(4,149)
Purchases of ordinary shares	(42,016)	(64,351)	(309,701)
Payment of capital lease obligations	(1,297)	—	—
Excess tax benefits derived from share-based compensation awards	5,159	1,796	6,108
Proceeds from issuance of ordinary shares	4,425	4,805	1,394
Capital contribution from noncontrolling interest	4,821	—	—
Net cash provided by (used in) financing activities	169,608	(53,255)	(79,167)
Effect of exchange rate changes on cash	1,239	36	(3,555)
Net increase (decrease) in cash and cash equivalents	12,443	(12,138)	(174,349)
Cash and cash equivalents at beginning of period	50,065	62,203	236,552
Cash and cash equivalents at end of period	$ 62,508	$ 50,065	$ 62,203

See accompanying notes.

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

	Year Ended June 30,		
	2014	2013	2012
Supplemental disclosures of cash flow information:			
Cash paid during the period for:			
Interest	$ 6,446	$ 4,762	$ 1,487
Income taxes	18,485	13,656	7,104
Supplemental schedule of non-cash investing and financing activities:			
Capitalization of construction costs related to financing lease obligation	$ 18,117	$ —	$ —
Amounts due for acquisitions of businesses	21,582	—	570

See accompanying notes.

1. Description of the Business

We are a technology and manufacturing-driven company that aggregates, via the Internet, large volumes of individually small, customized orders for a broad spectrum of print, signage, apparel and similar products. We produce those orders in highly automated, capital and technology intensive production facilities in a manner that we believe makes our production techniques significantly more competitive than those of traditional suppliers. We bring our products to market via various brands that deliver marketing products and services to the small business and home and family markets. These brands include Vistaprint, our leading global brand for micro business marketing products and services, as well as several brands we have acquired that serve the needs of various market segments including resellers, small and medium businesses with differentiated service needs, and consumers purchasing products for personal use.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements include the accounts of Vistaprint 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.

Certain reclassifications have been made in the prior period consolidated financial statements to conform to the current presentation.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("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, advertising expense and related accruals, 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 $823 and $1,510 as of June 30, 2014 and 2013, 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 income (loss). We review our investments for other-than-temporary impairment whenever the fair value of the investment is less than the amortized cost and evidence indicates that the investment's carrying amount is not recoverable within a reasonable period of time. Any decline in value that is determined to be other than temporary is recognized as expense in our consolidated statement of operations in the period the impairment is identified.

Accounts Receivable

Accounts receivable includes amounts due from customers and partners. 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 considered remote.

Inventories

Inventories consist primarily of raw materials and are recorded at the lower of cost or market value using a 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 2014 or 2013 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. As of July 1, 2012, we revised the estimated useful life of our capitalized software and website developments costs from 2 to 3 years based on an evaluation of historical trends, the period of benefit of past projects, and our current project portfolio. This change in estimated useful life increased our pre-tax income for fiscal year ended June 30, 2013 by approximately $2,718 when compared to the historical estimated useful life and could have a material impact in the future. Our basic and diluted earnings per share for fiscal 2013 increased by $0.08 due to this change in estimate. 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, 2014, 2013 and 2012 was $4,985, $3,118 and $6,325, respectively, resulting in accumulated amortization of $13,538 and $10,315 at June 30, 2014 and 2013, 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 further information on our outstanding capital lease assets and obligations please refer to Note 18 Commitments and Contingencies.

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. At June 30, 2014, $18,117 is

included in property, plant and equipment, net and lease financing obligation. 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.

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 definite 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.

For long-lived assets used in operations, impairment losses are only recorded if the asset's carrying amount is not recoverable through its undiscounted, probability-weighted future cash flows. We measure the impairment loss based on the difference between the carrying amount and estimated fair value. Long-lived assets are considered held for sale when certain criteria are met, including when management has committed to a plan to sell the asset, the asset is available for sale in its immediate condition, and the sale is probable within one year of the reporting date. Assets held for sale are reported at the lower of cost or fair value less costs to sell. We did not have any assets held for sale at June 30, 2014 or 2013.

No impairment charges were recorded for the fiscal years ended June 30, 2014, 2013 or 2012.

Business Combinations

We recognize the assets 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 for a market participant. Assets recorded from the perspective of a market participant that are determined to not have economic use for us are expensed immediately. 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. 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 during the fiscal third quarter 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 would record an impairment loss equal to the difference.

In fiscal 2014, we performed the qualitative assessment as of January 1, 2014 and determined that there is no indication that the carrying value of any of our reporting units exceeds its fair value. There have been no indications of impairment that would require an updated analysis as of June 30, 2014.

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, 2014 and 2013, we capitalized debt issuance costs related to our credit facility arrangements of $1,319 and $1,887, respectively. Amortization of these costs is included in interest income (expense), net in the consolidated statements of operations and amounted to $765, $556 and $206, for the years ended June 30, 2014, 2013 and 2012, respectively. Unamortized debt issuance costs were $2,334 and $2,963 as of June 30, 2014 and 2013, respectively. When we make changes to our credit facility, 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.

Investments in Equity Interests

We record our share of the results of investments in equity interests and any related amortization, within loss in equity interests on the consolidated statements of operations. We review our investments for other-than-temporary impairment whenever events or changes in business circumstances indicate that the carrying value of the investment may not be fully recoverable. Investments identified as having an indication of impairment are subject to further analysis to determine if the impairment is other-than-temporary and this analysis requires estimating the fair value of the investment, which involves considering factors such as comparable valuations of public companies similar to the entity in which we have an equity investment, current economic and market conditions, the operating performance of the entities including current earnings trends and forecasted cash flows, and other entity and industry specific information.

Derivative Financial Instruments

We record all derivatives on the consolidated balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether we have elected to designate a derivative as being a hedging relationship, and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability or firm commitment attributable to a particular risk are considered fair value hedges. 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. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk in a fair value hedge or the earnings effect of the hedged forecasted transaction in a cash flow hedge. 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. The changes in the fair value of derivatives not designated as being in hedging relationships are recorded directly in earnings as a component of other income (expense), 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.

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 an 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 included as a component of each related operating expense within our consolidated statement of operations.

Shareholders' Equity

Comprehensive Income

Comprehensive 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 income (loss) is composed of net 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. Effective January 28, 2013, 5,869,662 of our ordinary shares issued and held in our treasury account were canceled and have become authorized but unissued ordinary shares, as authorized by our shareholders on November 8, 2012. These canceled shares represent the remaining balance as of November 8, 2012 of the ordinary shares that were held in treasury at the date of the redomiciliation of our publicly traded parent company from Bermuda to the Netherlands in August 2009. The cancellation of the treasury shares resulted in a reduction of additional paid in capital and retained earnings for the year ended June 30, 2013.

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 it is realized or realizable and earned. We consider revenue realized or realizable and earned when it has 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. Revenues 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 fair value of the 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 any arrangement fee to each of the elements based on their relative 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.

We sell vouchers through discount voucher websites which do not have an expiration date. Upon issuance of the voucher, a liability is established for its cash value. We relieve the liability and recognize revenue on a gross basis, as we are the primary obligor, when redeemed items are shipped. Over time, some portion of these vouchers is not redeemed and if there is not a legal obligation to remit the unredeemed voucher to the relevant jurisdiction, an estimated redemption factor may be applied. We are in the process of evaluating historical data in order to determine the portion of discount vouchers that will not be redeemed based on our customer redemption patterns. However, we currently have not established sufficient history and the unredeemed coupons remain in deferred revenue.

A reserve for sales returns or replacements and allowances is recorded based on historical experience or specific identification of an event necessitating a reserve.

Advertising Expense

Advertising costs are expensed as incurred and included in marketing and selling expense. Advertising expense for the years ended June 30, 2014, 2013 and 2012 was $267,655, $287,167 and $252,812, 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, 2014, 2013 and 2012 was $26,423, $24,690 and $19,707, 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 estimate our income taxes in each of the jurisdictions in which we operate. This process involves estimating our current tax expense and 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 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 on 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 income (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 (expense), net in our statement of operations. The following table summarizes the components of other income (expense), net:

	Year Ended June 30,		
	2014	2013	2012
(Losses) gains on derivative instruments	$ (7,473)	$ 29	$ —
Currency related (losses) and gains, net	(1,476)	(92)	2,350
Loss on disposal of Namex	(12,681)	—	—
Total other income (expense), net	$ (21,630)	$ (63)	$ 2,350

Net Income Per Share Attributable to Vistaprint N.V.

Basic net income per share attributable to Vistaprint N.V. is computed by dividing net income attributable to Vistaprint N.V. by the weighted-average number of ordinary shares outstanding for the respective period. Diluted net income per share attributable to Vistaprint N.V. gives effect to all potentially dilutive securities, including share options, restricted share units ("RSUs") and restricted share awards ("RSAs"), 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,		
	2014	2013	2012
Weighted average shares outstanding, basic	32,873,234	33,209,172	37,813,504
Weighted average shares issuable upon exercise/vesting of outstanding share options/RSUs/RSAs	1,366,675	1,262,832	1,139,675
Shares used in computing diluted net income per share attributable to Vistaprint N.V.	34,239,909	34,472,004	38,953,179
Weighted average anti-dilutive shares excluded from diluted net income per share attributable to Vistaprint N.V.	953,100	1,740,542	1,495,858

Compensation Expense

Share-Based Compensation

Compensation expense for all share-based awards expected to vest is measured at fair value on the date of grant and recognized over the requisite service period. 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, and the fair value of RSUs and RSAs is determined based on the number of shares granted and 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, net of estimated forfeitures. For awards that are ultimately settable in cash, we treat as liability awards and mark the award to market each reporting period recognizing any gain or loss in our statement of operations. The estimation of share awards that will ultimately vest requires judgment, and to the extent actual results or updated estimates differ from our current estimates, such amounts will be recorded as a cumulative adjustment in the period estimates are revised. We consider many factors when estimating expected forfeitures, including types of awards, employee class, and historical experience. For awards with a performance condition vesting feature, compensation cost is recorded if it is probable that the performance condition will be 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 had one channel partner that represented 24% and 35% of our total accounts receivable as of June 30, 2014 and 2013, respectively. We do not have any customers that accounted for greater than 10% of our revenue for the fiscal years ended June 30, 2014, 2013 or 2012.

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.

Recently Issued or Adopted Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update No. 2014-09,"Revenue from Contracts with Customers," (ASU 2014-09) which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. This guidance will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The new standard is effective for us on July 1, 2017 and early application is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. We are evaluating the effect that ASU 2014-09 will have on our consolidated financial statements.

3. Fair Value Measurements

The following table summarizes our investments in available-for-sale securities:

	June 30, 2014		
	Amortized Cost Basis	Unrealized gain	Estimated Fair Value
Available-for-sale securities			
Plaza Create Co. Ltd. common shares (1)	$ 4,611	$ 9,246	$ 13,857
Total investments in available-for-sale securities	$ 4,611	$ 9,246	$ 13,857

(1) On February 28, 2014, we purchased shares in our publicly traded Japanese joint venture partner. Refer to Note 16 for further discussion of the separate joint business arrangement.

We did not have any outstanding available-for-sale securities for the year ended June 30, 2013.

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, 2014			
	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	$ 13,857	$ 13,857	$ —	$ —
Currency forward contracts	382	—	382	—
Total assets recorded at fair value	$ 14,239	$ 13,857	$ 382	$ —
Liabilities				
Interest rate swap contracts	$ (745)	$ —	$ (745)	$ —
Currency forward contracts	(806)	—	(806)	—
Contingent consideration	(16,072)	—	—	(16,072)
Total liabilities recorded at fair value	$ (17,623)	$ —	$ (1,551)	$ (16,072)

	June 30, 2013			
	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	$ 344	$ —	$ 344	$ —
Currency forward contracts	70	—	70	—
Total assets recorded at fair value	$ 414	$ —	$ 414	$ —
Liabilities				
Interest rate swap contracts	$ (70)	$ —	$ (70)	$ —
Currency forward contracts	(203)	—	(203)	—
Total liabilities recorded at fair value	$ (273)	$ —	$ (273)	$ —

During the fiscal years ended June 30, 2014 and 2013 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 counterparty's 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, 2014, 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.

Our fourth quarter fiscal 2014 acquisitions of People & Print Group and Pixartprinting provided for earn-out payments that are payable based on the achievement of certain financial results. For People & Print Group, the payment is contingent upon the achievement of an initial 2014 EBITDA margin threshold but ultimately payable based on achieving certain revenue and EBITDA targets for calendar year 2015. The Pixartprinting payment is contingent on the achievement of revenue and EBITDA targets for calendar year 2014.

The earn-out 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. 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 the consolidated statements of operations during the period in which the change occurs.

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

	People & Print Group earn-out consideration	Pixartprinting earn-out consideration	Total earn-out consideration
Balance at June 30, 2013	$ —	$ —	$ —
Fair value at acquisition date	9,053	4,953	14,006
Fair value adjustment	832	1,360	2,192
Effect of currency translation adjustments	(89)	(37)	(126)
Balance at June 30, 2014	$ 9,796	$ 6,276	$ 16,072

As of June 30, 2014 and 2013, the carrying amounts of cash and cash equivalents, receivables, accounts payable, and other current liabilities approximated their estimated fair values. As of June 30, 2014, the carrying value of our debt was $448,059 and the fair value was $460,098. As of June 30, 2013, we performed an evaluation of the estimated fair value of our debt and determined that the fair value approximated the carrying value of the liability. Our debt is a variable rate debt instrument indexed to LIBOR that resets periodically. 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

Hedges of Interest Rate Risk

We enter into interest rate swap contracts to manage differences in the amount of our known or expected cash payments related to our debt. Our objective in using interest rate derivatives is to add stability to interest expense and to manage our exposure to interest rate movements. 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 derivative agreements without exchange of the underlying notional amount.

The effective portion of changes in the fair value of derivatives designated and qualifying as cash flow hedges is recorded in accumulated other comprehensive income (loss) and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. If a derivative is deemed to be ineffective, the ineffective portion of the change in fair value of the derivatives is recognized directly in earnings. During the years ended June 30, 2014 and 2013, we did not hold any interest rate derivative instruments that were determined to be ineffective.

Amounts reported in accumulated other comprehensive income (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. Assuming these derivative instruments continue to qualify for hedge accounting, as of June 30, 2014, we estimate that $1,031 will be reclassified from accumulated other comprehensive income (loss) to interest income during the twelve months ending June 30, 2015. As of June 30, 2014, we had ten 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 from July 2014 through January 2017. Since the start date of certain contracts has not yet commenced,

the notional amount of our outstanding contracts is in excess of the variable-rate debt being hedged as of the balance sheet date.

Interest rate swap contracts outstanding:		Notional Amounts
Contracts accruing interest as of June 30, 2014	$	240,000
Contracts with a future start date		105,000
Total	$	345,000

Hedges of Currency Risk

We execute currency forward contracts in order to mitigate our exposure to fluctuations in various currencies against our reporting currency, the U.S. dollar. We use currency derivatives, specifically currency forward contracts, to manage this exposure. During the year ended June 30, 2014, we had both currency forward contract activity for which we elected hedge accounting and activity for which we did not elect hedge accounting. In evaluating our currency hedging program and ability to achieve hedge accounting in light of certain changes in 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 not seek hedge accounting for our currency forward contracts outstanding as of June 30, 2014, but we may elect to apply hedge accounting in future scenarios. As a result, during the year ended June 30, 2014, we have experienced increased volatility within other income (expense), net in our consolidated statements of operations from unrealized gains and losses on the mark-to-market of outstanding currency forward contracts. We expect this volatility to continue in future periods for contracts for which we do not apply hedge accounting.

The effective portion of changes in the fair value of derivatives designated and qualifying as cash flow hedges is recorded in accumulated other comprehensive income (loss) and is subsequently reclassified into earnings in the period in which the hedged forecasted transaction affects earnings. The ineffective portion of the change in fair value of the derivatives is recognized directly in earnings as a component of other income (expense), net. As of June 30, 2014, we have no outstanding currency forward contracts that qualify for hedge accounting and, as such, there are no current balances to be reclassified into earnings over the next twelve months.

As of June 30, 2014, we had the following outstanding currency forward 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 Canadian Dollar, Danish Krone, The Euro, Great British Pound, Indian Rupee, New Zealand Dollar, Norwegian Krone, Swedish Krona, and Swiss Franc:

Notional Amount	Effective Date	Maturity Date	Number of Instruments	Index
$127,514	December 2013 through June 2014	Various dates through June 2015	215	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, 2014 and 2013:

	June 30, 2014							
	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**
Interest rate swaps	Other non-current assets	$ —	$ —	$ —	Other current liabilities/ other liabilities	$ (771)	$ 26	$ (745)
Total derivatives designated as hedging instruments		$ —	$ —	$ —		$ (771)	$ 26	$ (745)
Derivatives not designated as hedging instruments								
Currency forward contracts	Other current assets	$ 410	$ (28)	$ 382	Other current liabilities	$ (1,058)	$ 252	$ (806)
Total derivatives not designated as hedging instruments		$ 410	$ (28)	$ 382		$ (1,058)	$ 252	$ (806)

	June 30, 2013							
	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**
Interest rate swaps	Other non-current assets	$ 400	$ (56)	$ 344	Other current liabilities/ other liabilities	$ (81)	$ 11	$ (70)
Currency forward contracts	Other current assets	83	(13)	70	Other current liabilities	(208)	5	(203)
Total derivatives designated as hedging instruments		$ 483	$ (69)	$ 414		$ (289)	$ 16	$ (273)
Derivatives not designated as hedging instruments								
Currency forward contracts	Other current assets	$ —	$ —	$ —	Other current liabilities	$ —	$ —	$ —
Total derivatives not designated as hedging instruments		$ —	$ —	$ —		$ —	$ —	$ —

The following table presents the effect of our derivative financial instruments designated as hedging instruments and their classification within comprehensive income for the fiscal years ended June 30, 2014 and 2013:

Derivatives in Hedging Relationships	Amount of Gain (Loss) Recognized in Comprehensive Income on Derivatives (Effective Portion)	
	Year Ended June 30,	
In thousands	2014	2013
Currency contracts that hedge revenue	(107)	280
Currency contracts that hedge cost of revenue	59	(263)
Currency contracts that hedge technology and development expense	70	80
Currency contracts that hedge general and administrative expense	12	(1)
Interest rate swaps	(1,319)	387
	$ (1,285)	$ 483

The following table presents reclassifications out of accumulated other comprehensive income (loss) for the fiscal years ended June 30, 2014 and 2013:

Details about Accumulated Other Comprehensive Loss Components	Amount Reclassified from Accumulated Other Comprehensive Loss to Net Income Gain/(Loss)		Affected line item in the Statement of Operations
	Year Ended June 30,		
In thousands	2014	2013	
Currency contracts that hedge revenue	$ (120)	$ 293	Revenue
Currency contracts that hedge cost of revenue	(112)	(92)	Cost of revenue
Currency contracts that hedge technology and development expense	122	27	Technology and development expense
Currency contracts that hedge general and administrative expense	11	1	General and administrative expense
Interest rate swaps	(372)	189	Interest income (expense), net
Total before income tax	(471)	418	Income (loss) before income taxes and loss in equity interests
Income tax	75	(21)	Income tax provision (benefit)
Total	$ (396)	$ 397	

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

Derivatives not classified as hedging instruments	Amount of Gain (Loss) Recognized in Income		Location of Gain (Loss) Recognized in Income (Ineffective Portion)
	Year Ended June 30,		
In thousands	2014	2013	
Currency contracts	$ (7,473)	$ 29	Other income (expense), net

5. Accumulated Other Comprehensive Income (Loss)

The following table presents a roll forward of amounts recognized in accumulated other comprehensive income (loss) by component, net of tax of $218, for the years ended June 30, 2014 and June 30, 2013:

	Gains (Losses) on Cash Flow Hedges	Gains (losses) on available for sale securities	Losses on pension benefit obligation	Currency translation adjustments	Total
Balance as of June 30, 2012	$ —	$ —	$ —	$ (10,732)	$ (10,732)
Other comprehensive income (loss) before reclassifications	483	—	—	(910)	(427)
Amounts reclassified from accumulated other comprehensive income (loss) to net income	(397)	—	—	—	(397)
Net current period other comprehensive income (loss)	86	—	—	(910)	(824)
Balance as of June 30, 2013	86	—	—	(11,642)	(11,556)
Other comprehensive income (loss) before reclassifications	(1,285)	9,246	(2,724)	8,036	13,273
Amounts reclassified from accumulated other comprehensive income (loss) to net income	396	—	—	—	396
Net current period other comprehensive income (loss)	(889)	9,246	(2,724)	8,036	13,669
Balance as of June 30, 2014	$ (803)	$ 9,246	$ (2,724)	$ (3,606)	$ 2,113

6. Waltham and Lexington Lease Arrangements

In July 2013, we executed a lease agreement to move our Lexington, Massachusetts operations to a yet to be constructed facility in Waltham, Massachusetts. The Waltham lease will commence upon completion of the building, scheduled for the first quarter of fiscal 2016, and will extend eleven years from the commencement date. The cash expected to be paid ratably over the initial eleven-year term of the lease is approximately $119,593 starting in September 2015.

Concurrent with the Waltham lease negotiations, we amended our current Lexington lease, as both leases are held with the same landlord. The amendment to the Lexington lease contained a contingent feature to shorten the current term of the lease to coincide with the rent commencement date of the Waltham lease, and a second contingent feature to adjust the remaining annual rental amounts. Both of the arrangements were contingent upon the lessor obtaining certain building permits for the Waltham lease. If the lessor did not fulfill this obligation, we had the option to cancel the Waltham lease, without penalty, and return to the terms of our original Lexington lease. During the quarter ended March 31, 2014, the lessor obtained all of the requisite building permits for the Waltham building construction.

For accounting purposes, we are deemed to be the owner of the Waltham building during the construction period and, accordingly, as of June 30, 2014 we have recorded $18,117 of construction project costs incurred by the landlord as an asset with a corresponding financing obligation. The asset is included as construction in progress in property, plant and equipment, net. Once the construction is completed, we will evaluate the Waltham lease in order to determine whether or not the lease meets the criteria for "sale-leaseback" treatment.

Although we will not begin making cash lease payments until the lease commencement date, a portion of the lease obligation attributable to the land is treated for accounting purposes as an operating lease that commenced during the second quarter of fiscal 2014. We bifurcate our future lease payments pursuant to the 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 is being constructed, which will be recorded as rental expense during the construction period. We recognized non-cash rent expense of $875 in our consolidated statement of operations for the land operating lease during the year ended June 30, 2014.

7. Property, Plant and Equipment, Net

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

	Estimated useful lives	June 30, 2014	June 30, 2013
Land improvements	10 years	$ 2,382	$ 2,188
Building and building improvements	10 - 30 years	162,775	133,822
Machinery and production equipment	4 - 10 years	229,927	189,061
Machinery and production equipment under capital lease	4 - 10 years	13,513	—
Computer software and equipment	3 - 5 years	112,815	91,766
Furniture, fixtures and office equipment	5 - 7 years	21,780	19,832
Leasehold improvements	Shorter of lease term or expected life of the asset	28,327	15,624
Construction in progress		41,510	34,331
		613,029	486,624
Less accumulated depreciation, inclusive of assets under capital lease		(293,145)	(232,893)
		319,884	253,731
Land		32,337	26,291
Property, plant, and equipment, net		$ 352,221	$ 280,022

Depreciation expense, inclusive of assets under capital leases, totaled $54,060, $50,602 and $46,572 for the years ended June 30, 2014, 2013 and 2012, respectively.

8. Business Combinations

Acquisition of People & Print Group B.V.

On April 1, 2014, we acquired 100% of the outstanding shares of People & Print Group B.V., an online Dutch printing company focused primarily on the Dutch and Belgian markets. At the closing, we paid €20,545 ($28,300 based on the exchange rate as of the date of acquisition) in cash, subject to working capital and other adjustments, and an additional €4,000 ($5,509 based on the exchange rate as of the date of acquisition), is payable in Vistaprint shares in January 2016 subject to warranties and claims made by the seller. In addition to the initial purchase consideration, we have agreed to a sliding scale earn-out that is based on calendar year 2015 revenue and EBITDA targets. The earn-out amount is theoretically unlimited and could be significant in relation to the base purchase price. The estimated acquisition date fair value of the earn-out payment of $9,053 was included as a component of the purchase price based on an evaluation of the likelihood of achievement of the contractual conditions and weighted probability assumptions of these outcomes. We utilized proceeds from our credit facility to finance the acquisition. In connection with the acquisition, we incurred transaction costs related to investment banking, legal, financial, and other professional services of approximately $1,160 in the year ended June 30, 2014, which were recorded in general and administrative expenses.

Our consolidated financial statements include the accounts of People & Print Group and its subsidiaries from April 1, 2014, the date of acquisition. People & Print Group's revenue included in our consolidated revenues for the year ended June 30, 2014 was $16,381. People & Print Group's net income included in our consolidated net income attributable to Vistaprint N.V. for the year ended June 30, 2014 was $833, inclusive of amortization of identifiable intangible assets.

The table below details the consideration transferred to acquire People & Print Group:

Cash paid	$ 28,300
Deferred consideration payable in Vistaprint N.V. shares	5,509
Fair value of contingent consideration	9,053
Total consideration	$ 42,862

The excess of the purchase price paid over the fair value of People & Print Group's net assets was recorded as goodwill, which is primarily attributable to cost synergies expected from manufacturing efficiency opportunities and the value of the workforce of People & Print Group. Goodwill is not expected to be deductible for tax purposes, and has been attributed to our Europe operating 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	$ 1,126	n/a
Other current assets	4,103	n/a
Non-current assets	5,382	n/a
Accounts payable and other current liabilities	(5,325)	n/a
Deferred tax liability	(6,436)	n/a
Other long-term liabilities	(561)	n/a
Identifiable intangible assets:		
Customer relationships	14,050	8
Trade name	6,061	8
Developed technology	3,857	3
Goodwill	20,605	n/a
Total purchase price	$ 42,862	

Acquisition of Pixartprinting S.p.A.

On April 3, 2014, we acquired 97% of the outstanding corporate capital of Pixartprinting S.p.A., a joint stock corporation incorporated under the laws of Italy, as follows;

- We acquired all of the Pixartprinting corporate capital held by Alcedo III, a close-ended investment fund, representing 72.75% of Pixartprinting's outstanding corporate capital.
- We acquired a portion of the Pixartprinting corporate capital held by Cap2 S.r.l., a company controlled by Pixartprinting's founder, representing 21.25% of Pixartprinting's outstanding corporate capital, and Cap2 retained 3% of Pixartprinting's outstanding corporate capital (the "Cap2 Retained Equity").
- We acquired all of the Pixartprinting corporate capital held by Alessandro Tenderini, Pixartprinting's Chief Executive Officer, at closing representing 3% of Pixartprinting's outstanding corporate capital. Mr. Tenderini has the right to purchase 1% of the corporate capital of Pixartprinting from Vistaprint (the "CEO Retained Equity") for an aggregate purchase price of €10 during the 10 business days after April 3, 2015, so long as Mr. Tenderini remains a Vistaprint Italy employee on that date, with possible accelerated vesting or forfeiture under certain circumstances.

Vistaprint agreed to pay an aggregate base purchase price of €127,850 ($175,896 based on the exchange rate as of the date of acquisition) in cash, subject to working capital and other adjustments, and a sliding-scale earn-out of up to €9,600 ($13,208 based on the exchange rate as of the date of acquisition) in cash on or after December 31, 2014 based upon the acquired business achieving certain revenue and EBITDA targets for calendar year 2014. The estimated fair value of the earn-out payment of $4,953 was included as a component of the purchase price based on an evaluation of the likelihood of achievement of the contractual conditions and weighted probability assumptions of these outcomes. We utilized proceeds from our credit facility to finance the acquisition. In connection with the acquisition, we incurred transaction costs related to investment banking, legal, financial, and other professional services of approximately $3,370 in the year ended June 30, 2014, which were recorded in general and administrative expenses.

Our consolidated financial statements include the accounts of Pixartprinting from April 3, 2014, the date of acquisition. Pixartprinting's revenue included in our consolidated revenues for the year ended June 30, 2014 was $27,208. Pixartprinting's net income included in our consolidated net income attributable to Vistaprint N.V. for the year ended June 30, 2014 was $2,687, inclusive of amortization of identifiable intangible assets.

Noncontrolling Interest

We entered into a Put and Call Option Agreement with Cap2, with respect to the Cap2 Retained Equity. Pursuant to the Put and Call Option Agreement, Cap2 has the right to sell to us all (but not less than all) of the Cap2 Retained Equity at the end of Pixartprinting’s fiscal years ending June 30, 2015, 2016 and 2017 for a purchase price based on Pixartprinting’s EBITDA and net financial position (as reflected in its annual financial statements) for the fiscal year as to which the put option is exercised. We have the right to buy from Cap2 all (but not less than all) of the Cap2 Retained Equity at the end of Pixartprinting’s fiscal years ending June 30, 2017 and 2018 for a purchase price based on Pixartprinting’s EBITDA and net financial position (as reflected in its annual financial statements) for the fiscal year as to which the call option is exercised. The parties’ put and call rights are also triggered by certain other events and are exercisable during 30-day periods following the determination of the option purchase price for the relevant fiscal year. Due to the presence of the put arrangement, the noncontrolling interest is presented as temporary equity in our consolidated balance sheet. Upon acquisition, we recognized the noncontrolling interest at fair value of $5,728 and will adjust the balance for the pro rata impact of the Pixartprinting earnings or loss, as well as adjustments to increase the balance to the redemption value, if necessary.

CEO Retained Equity

We entered into a Put and Call Option Agreement with Mr. Tenderini with respect to the CEO Retained Equity which will take effect if Mr. Tenderini exercises the purchase right described above. Because this purchase right is contingent upon Mr. Tenderini's post-acquisition employment, it is not included as part of the consideration but will be recognized as share-based compensation over the vesting period. The award is considered a liability award and will be marked to fair value each reporting period. In order to estimate the fair value of the award as of June 30, 2014, we utilized a lattice model with a Monte Carlo simulation. The total fair value of the award is $1,825 and we have recognized $439 in general and administrative expense as of June 30, 2014. Assuming Mr. Tenderini exercises this purchase right, then pursuant to the Put and Call Option Agreement, Mr. Tenderini has the right to sell to us all (but not less than all) of the CEO Retained Equity at the end of Pixartprinting’s fiscal years ending June 30, 2015, 2016 and 2017 for a purchase price based on Pixartprinting’s EBITDA and net financial position (as reflected in its annual financial statements) for the fiscal year as to which the put option is exercised. We have the right to buy from Mr. Tenderini all (but not less than all) of the CEO Retained Equity at the end of Pixartprinting’s fiscal years ending June 30, 2017 and 2018 for a purchase price based on Pixartprinting’s EBITDA and net financial position (as reflected in its annual financial statements) for the fiscal year as to which the call option is exercised. The parties’ put and call rights are also triggered by certain other events and are exercisable during 30-day periods following the determination of the option purchase price for the relevant fiscal year.

The table below details the consideration transferred to acquire Pixartprinting:

Cash paid	$	175,896
Shareholder loans assumed		20,227
Fair value of contingent consideration		4,953
Total consideration	$	201,076

The excess of the purchase price paid over the fair value of Pixartprinting's net assets was recorded as goodwill, which is primarily attributable to expected synergies and the value of the workforce of Pixartprinting. Goodwill is not expected to be deductible for tax purposes, and has been attributed to our Europe operating 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	$ 6,913	n/a
Other current assets	5,601	n/a
Non-current assets	20,582	n/a
Accounts payable and other current liabilities	(17,681)	n/a
Deferred tax liability	(20,640)	n/a
Other long-term liabilities	(9,943)	n/a
Identifiable intangible assets:		
Customer relationships	42,375	6
Trade name	16,372	10
Developed technology	8,943	3
Noncontrolling interest	(5,728)	
Goodwill	154,282	n/a
Total purchase price	$ 201,076	

Pixartprinting Pro Forma Financial Information

Pixartprinting 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 Pixartprinting acquisition had occurred on July 1, 2012. These amounts have been calculated after applying our accounting policies and adjusting the results of Pixartprinting for US GAAP and fair value adjustments. 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:

	For the Year Ended	
	June 30, 2014	June 30, 2013
Pro forma revenue	$ 1,383,921	$ 1,231,160
Pro forma income from operations	$ 96,615	$ 45,715

Acquisition of Albumprinter Holding B.V.

On October 31, 2011, we acquired 100% of the outstanding shares of Albumprinter Holding B.V., a provider of photo books and other photo products to consumers in Europe. At closing, we paid €60,000 ($85,019 based on the exchange rate as of the date of acquisition) in cash for Albumprinter's shares, which we funded using cash on hand and borrowings under our credit facility, and we agreed to pay up to an additional €5,000 ($7,085 based on the exchange rate as of the date of acquisition) in cash on or after December 31, 2012 based upon the acquired business achieving revenue and earnings targets for calendar year 2012. The estimated fair value of the earn-out payment of $583 was included as a component of the purchase price based on an evaluation of the likelihood of achievement of the contractual conditions and weighted probability assumptions of these outcomes. The contractual conditions of the earn-out payment were ultimately not achieved, so we did not pay any earn-out amount. As such, the change in estimate was recorded as a benefit in our consolidated statement of operations during the year ended June 30, 2013.

The excess of the purchase price paid over the fair value of Albumprinter's net assets was recorded as goodwill, which is primarily attributable to revenue synergies expected from cross-selling opportunities and the value of the workforce of Albumprinter. Of the total purchase price, $47,391 was allocated to goodwill, $41,801 to identifiable intangible assets and $8,075 to net assumed liabilities, inclusive of $7,423 of deferred tax liabilities. Goodwill is not deductible for tax purposes, and has been attributed to our Europe operating segment.

Acquisition of Webs, Inc.

On December 28, 2011, we acquired 100% of the outstanding shares of Webs, Inc., a provider of do-it-yourself websites, Facebook pages and mobile presence solutions for small businesses. At closing we paid $101,258 in cash and issued 506,343 of our ordinary shares pursuant to RSAs that were contingent upon continued employment of the founding shareholders. The purchase price was funded using cash on hand and borrowings under our credit facility.

The RSAs were granted to the founding shareholders of Webs and vested 50% on December 28, 2012 and 50% on December 28, 2013, subject to continued employment on each vesting date with possible accelerated vesting or forfeiture under certain circumstances. The fair value of the RSAs of $15,843 was determined based on our share price on the date of acquisition and was recognized as share-based compensation expense, net of estimated forfeitures, over the two year vesting period. The RSAs were not included as part of the consideration transferred for purposes of the purchase price allocation.

The excess of the purchase price paid over the fair value of Webs' net assets was recorded as goodwill, which is primarily attributable to revenue synergies expected from cross-selling opportunities and the value of the workforce of Webs. Of the total purchase price, $93,498 was allocated to goodwill, $9,075 to identifiable intangible assets and $1,315 to net liabilities assumed. Goodwill is not deductible for tax purposes, and has been attributed to our North America operating segment.

Identifiable Intangible Assets

We used the income approach to value the trade names, customer relationships and customer network and a replacement cost approach to value developed technology. The income approach calculates fair value by discounting the forecasted after-tax cash flows back to a present value using an appropriate discount rate. The baseline data for this analysis was the cash flow estimates used to price the transaction.

In estimating the useful life of the acquired assets, we reviewed the expected use of the assets acquired, factors that may limit the useful life of an acquired asset or may enable the extension of the useful life of an acquired asset without substantial cost, the effects of obsolescence, demand, competition and other economic factors, and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. We amortize acquired intangible assets over their economic useful lives using either a method that is based on estimated future cash flows or a straight-line basis over the periods benefited.

9. Goodwill and Acquired Intangible Assets

Goodwill

The carrying amount of goodwill by segment as of June 30, 2013 and June 30, 2014 is as follows:

	North America	Europe	Most of World	Total
Balance as of June 30, 2012	$ 96,469	$ 43,752	$ 208	$ 140,429
Adjustments	(679)	—	—	(679)
Effect of currency translation adjustments (1)	—	1,143	—	1,143
Balance as of June 30, 2013	95,790	44,895	208	140,893
Acquisitions	—	174,887	—	174,887
Effect of currency translation adjustments (1)	765	642	—	1,407
Balance as of June 30, 2014	$ 96,555	$ 220,424	$ 208	$ 317,187

(1) Relates to goodwill attributable to the Albumprinter, People & Print Group and Pixartprinting acquisitions as amounts are denominated in Euro.

Acquired Intangible Assets

	June 30, 2014			June 30, 2013		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trade Name	$ 32,092	$ (4,495)	$ 27,597	$ 9,407	$ (2,393)	$ 7,014
Developed Technology	27,205	(13,404)	13,801	14,103	(8,267)	5,836
Customer Relationships	77,774	(12,164)	65,610	20,816	(6,938)	13,878
Customer Network	4,876	(1,670)	3,206	4,600	(991)	3,609
Total Intangible Assets	$ 141,947	$ (31,733)	$ 110,214	$ 48,926	$ (18,589)	$ 30,337

Acquired intangible assets amortization expense for the years ended June 30, 2014, 2013 and 2012 was $12,723, $10,778, and $6,172, respectively. Estimated intangible assets amortization expense for each of the five succeeding fiscal years is as follows:

2015	$ 20,342
2016	18,089
2017	16,219
2018	13,046
2019	9,216
	$ 76,912

10. Accrued Expenses

Accrued expenses included the following:

	June 30, 2014	June 30, 2013
Compensation costs	$ 46,375	$ 43,879
Income and indirect taxes (1)	23,190	12,463
Advertising costs	19,299	24,824
Shipping costs	4,104	4,632
Purchases of property, plant and equipment	3,687	1,582
Professional costs	2,224	2,470
Other (2)	22,298	13,488
Total accrued expenses	$ 121,177	$ 103,338

(1) The increase in income and indirect taxes is due to a lag in the timing of certain VAT payments.

(2) The increase is primarily due to the Pixartprinting earn-out liability of $6,276 as of June 30, 2014.

11. Debt

	June 30, 2014	June 30, 2013
Current portion of long-term debt	$ 16,375	$ 8,750
Short-term uncommitted credit facility	21,200	—
Total short-term debt	37,575	8,750
Long-term debt	410,484	230,000
Total debt outstanding	$ 448,059	$ 238,750

JP Morgan Credit Facility

On January 17, 2014, we entered into an amendment to our credit agreement resulting in an increase to aggregate loan commitments under the credit agreement to a total of $800,000 by adding new lenders and increasing the commitments of several existing lenders. The new loan commitments include revolving loans of $640,000 and term loans of $160,000. The amendment did not result in any material changes to our debt covenants. As of June 30, 2014, we have a committed credit facility $793,859 as follows:

- Revolving loans of $640,000 with a maturity date of February 8, 2018;
- Term loan of $153,859 amortizing over the loan period, with a final maturity date of February 8, 2018.

Under the terms of our credit agreement, borrowings bear interest at a variable rate of interest based on LIBOR plus 1.50% to 2.00% depending on our leverage ratio, which is the ratio of our consolidated total indebtedness to our consolidated earnings before interest, taxes, depreciation and amortization (EBITDA), as defined by the credit agreement. As of June 30, 2014, the weighted-average interest rate on outstanding borrowings was 2.06%, inclusive of interest rate swap rates. We must also pay a commitment fee on unused balances of 0.225% to 0.350% 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, 2014.

Our credit agreement contains financial and other covenants, including but not limited to limitations on (1) our incurrence of additional indebtedness and liens, (2) the consummation of certain fundamental organizational changes or intercompany activities, for example acquisitions, (3) investments and restricted payments including the amount of purchases of our ordinary shares or payments of dividends, and (4) the amount of consolidated capital expenditures that we may make in each of our fiscal years through June 30, 2018. The credit agreement also contains financial covenants calculated on a trailing twelve month, or TTM, basis that:

- our consolidated leverage ratio, which is the ratio of our consolidated indebtedness (*) to our TTM consolidated EBITDA (*), will not exceed 3.25 during the period from March 31, 2014 through December 31, 2014; and 3.0 after March 31, 2015; and
- our interest coverage ratio, which is the ratio of our consolidated EBITDA to our consolidated interest expense, will be at least 3.0.

(*) The definitions of EBITDA and consolidated indebtedness are maintained in our credit agreement included as an exhibit to our Form 8-K filed on February 13, 2013 as amended by amendment no. 1 to the credit agreement included as an exhibit to our form 8-K filed on January 22, 2014.

Our credit agreement also contains customary representations, warranties and events of default. As of the date of this filing, we were in compliance with all financial and other covenants under the credit agreement.

Additional line of credit

On March 28, 2014 we entered into an agreement for an uncommitted line of credit with Santander Bank, N.A. Under the terms of the agreement we may borrow up to $50,000 at any time, with a maturity date of up to 90 days from the loan origination date. Under the terms of our uncommitted line of credit, borrowings bear interest at a variable rate of interest based on LIBOR plus 1.10%. The LIBOR rate is determined on the date of borrowing and is based on the length of the specific loan. As of June 30, 2014 the weighted-average interest rate on outstanding borrowings of $21,200 was 1.22%.

12. Shareholders' Equity

Share purchases

On May 5, 2014, we announced that our Supervisory Board authorized the purchase of up to 6,500,000 of our ordinary shares, of which 5,532,126 shares remain available for purchase under this program as of June 30, 2014. During the years ended June 30, 2014 and 2013, we purchased 1,044,136 and 1,850,746 of our ordinary shares for a cost of $42,016 and $64,351, respectively.

Share-based awards

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 supervisory board 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 provides for non-employee directors to receive share option grants 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 options and RSUs outstanding from which we will not grant any additional awards. An aggregate of 2,752,919 ordinary shares are available for future awards under all of our share-based award plans as of June 30, 2014. A combination of new shares and treasury shares has historically been used in fulfillment of option exercises and issuance of shares upon RSU award vesting.

Share options

We grant 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 quarterly over 3 years for non-employee directors and 25% after one year and quarterly for 12 quarters thereafter 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, net of estimated forfeitures based on historical experience. 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.

Weighted-average values used for option grants in fiscal 2014, 2013 and 2012 were as follows:

	Year Ended June 30,		
	2014	2013	2012
Risk-free interest rate	1.56%	0.81%	1.04%
Expected dividend yield	—%	—%	—%
Expected term (years)	5.75	6.00	6.00
Expected volatility	56%	58%	58%
Weighted average fair value of options granted	$ 28.14	$ 17.23	$ 17.78

A summary of our share option activity and related information for the year ended June 30, 2014 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	4,379,207	$ 36.46	5.1	
Granted	12,432	54.08		
Exercised	(368,339)	13.71		
Forfeited/cancelled	(63,947)	49.15		
Outstanding at the end of the period	3,959,353	$ 38.43	4.4	$ 29,370
Vested or expected to vest at the end of the period	3,794,867	$ 37.93	4.3	$ 29,367
Exercisable at the end of the period	2,330,773	$ 30.40	3.3	$ 29,279

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, 2014. The total intrinsic value of options exercised during the fiscal years ended June 30, 2014, 2013 and 2012 was $14,860, $6,648, and $1,900, respectively.

Restricted share units

The fair value of RSU grants is equal to the fair market value of our ordinary shares on the date of grant and is recognized as expense on a straight-line basis over the requisite service period, net of estimated forfeitures based on historical experience. RSUs generally vest quarterly for two to three years for non-employee supervisory board directors and 25% after one year and quarterly for 12 quarters thereafter 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, 2014, we had 225,000 RSUs outstanding that vest based on the achievement of various performance targets through fiscal 2022. The performance criteria for 180,000 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 awards have a maximum compensation of $7,169.

A summary of our unvested RSU activity and related information for the fiscal year ended June 30, 2014 is as follows:

	RSUs	Weighted-Average Grant Date Fair Value	Aggregate Intrinsic Value
Unvested at the beginning of the period	1,107,495	$ 39.49	
Granted	286,006	48.06	
Vested and distributed	(401,363)	40.19	
Forfeited	(155,007)	39.41	
Unvested at the end of the period	837,131	$ 42.10	$ 33,870

The weighted average fair value of RSUs granted during the fiscal years ended June 30, 2014, 2013 and 2012 was $48.06, $39.72 and $36.53, respectively. The total intrinsic value of RSUs vested during the fiscal years ended June 30, 2014, 2013 and 2012 was $20,629, $12,397 and $14,047, respectively.

Restricted share awards

In conjunction with the December 2011 acquisition of Webs, we granted RSAs to the founding shareholders of Webs that vested 50% on December 28, 2012 and 50% on December 28, 2013, subject to continued employment on each vesting date with possible accelerated vesting or forfeiture under certain circumstances. The fair value of the RSAs of $15,843 was determined based on our share price on the date of acquisition and was recognized as share-based compensation expense over the two year vesting period.

A summary of our RSA activity and related information for the fiscal year ended June 30, 2014 is as follows:

	RSAs	Weighted-Average Grant Date Fair Value	Aggregate Intrinsic Value
Unvested at the beginning of the period	253,171	$ 31.29	
Granted	—	—	
Vested and distributed	(253,171)	31.29	
Forfeited	—	—	
Unvested at the end of the period	—	$ —	$ —

Share-based compensation

Total share-based compensation costs were $27,786, $32,928 and $25,413 for the years ended June 30, 2014, 2013 and 2012, respectively. See footnote 8 for information related to a liability based award issued in conjunction with our acquisition of Pixartprinting. Share-based compensation costs capitalized as part of software and website development costs were $254, $130 and $101 for the years ended June 30, 2014, 2013 and 2012, respectively.

As of June 30, 2014, there was $40,443 of total unrecognized compensation cost related to non-vested, share-based compensation arrangements, net of estimated forfeitures. This cost is expected to be recognized over a weighted average period of 2.7 years.

13. 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 $8,178, $7,158 and $5,301 for our government mandated and defined contribution plans in the years ended June 30, 2014, 2013 and 2012, respectively. Our expenses from these plans have increased during the year ended June 30, 2014 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 one 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, 2014, the plan had an unfunded net pension obligation of approximately $3,338 and plan assets which totaled approximately $11,602. For the years ended June 30, 2014, 2013 and 2012 we recognized expense totaling $1,921, $1,417, and $1,030, respectively, related to our Swiss plan.

14. Income Taxes

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

	Year Ended June 30,		
	2014	2013	2012
U.S.	$ 14,382	$ 8,730	$ 10,851
Non-U.S.	42,228	32,002	44,994
Total	$ 56,610	$ 40,732	$ 55,845

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

	Year Ended June 30,		
	2014	2013	2012
Current:			
U.S. Federal	$ 10,742	$ 7,120	$ 9,053
U.S. State	3,576	1,458	2,525
Non-U.S.	8,273	3,477	4,559
Total current	22,591	12,055	16,137
Deferred:			
U.S. Federal	(3,754)	(274)	(2,151)
U.S. State	(897)	(163)	(625)
Non-U.S.	(7,350)	(2,231)	(1,510)
Total deferred	(12,001)	(2,668)	(4,286)
Total	$ 10,590	$ 9,387	$ 11,851

The following is a reconciliation of the standard U.S. statutory tax rate and our effective tax rate:

	Year Ended June 30,		
	2014	2013	2012
U.S. federal statutory income tax rate	35.0%	35.0%	35.0%
State taxes, net of federal effect	3.1	2.1	2.2
Tax rate differential on non-U.S. earnings	(19.3)	(23.8)	(21.3)
Compensation related items	4.3	6.5	6.1
Increase in valuation allowance	4.8	5.0	1.6
Tax benefit from Canadian tax currency election	—	(4.7)	—
Net tax (benefit) expense on IP transfer	(16.1)	3.7	1.6
Nondeductible loss on investment in Namex	3.8	—	—
Other	3.1	(0.8)	(4.0)
Effective income tax rate	18.7%	23.0%	21.2%

Significant components of our deferred income tax assets and liabilities consist of the following at June 30, 2014 and 2013:

	Year Ended June 30,	
	2014	2013
Deferred tax assets:		
Net operating loss carryforwards	$ 15,066	$ 6,905
Depreciation and amortization	373	485
Accrued expenses	5,112	2,587
Share-based compensation	14,712	11,897
Credit and other carryforwards	146	638
Other	1,369	—
Subtotal	36,778	22,512
Valuation allowance	(6,890)	(4,032)
Total deferred tax assets	29,888	18,480
Deferred tax liabilities:		
Depreciation and amortization	(35,639)	(10,965)
IP installment obligation	(16,557)	(19,750)
Other	(1,237)	(248)
Total deferred tax liabilities	(53,433)	(30,963)
Net deferred tax liabilities	$ (23,545)	$ (12,483)

The current portion of the net deferred taxes at June 30, 2014 and 2013 consisted of an asset of $717 and $648, respectively, included in prepaid expenses and other current assets and a liability of $2,178 and $1,466, respectively, which is included in current liabilities in the accompanying consolidated balance sheet.

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. No valuation allowance has been recorded against the $14,712 deferred tax asset associated with share-based compensation charges at June 30, 2014. However, in the future, if the underlying awards expire, are released or 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. The increase in the valuation allowance from the prior year relates to losses incurred in certain jurisdictions for which management has determined that it is more likely than not that these losses will not be utilized in the foreseeable future. Based on the weight of available evidence at June 30, 2014, 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.

The deferred tax liabilities increased significantly in 2014 as a result of intangible assets from the recently acquired companies, Pixartprinting and People & Print Group. The deferred tax liabilities increased by $20,640 and $6,436 from Pixartprinting and People & Print Group, respectively.

As of June 30, 2014, we had gross U.S. federal and state net operating losses of approximately $1,010 that expire on various dates up to and through the year 2034. We had gross non-U.S. net operating loss and other carryforwards of approximately $94,492*,* a significant amount of which expire in 2021, with the remaining amounts expiring on various dates up to and through 2031. The benefits of these carryforwards are dependent upon the generation of taxable income in the jurisdictions where they arose.

On October 1, 2013, 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 Vistaprint group that are based in different tax jurisdictions. The impact of the transfer is recognized for income tax purposes only and not in our consolidated financial statements. 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. However, the recipient entity will

receive a tax benefit associated with the future amortization of the fair market value of the intellectual property received, which for tax purposes will occur over a period of five years in accordance with the applicable tax laws.

On January 2, 2012, one of our subsidiaries purchased Webs' global sales and distribution rights, customer lists, marketing intangibles, web-based technologies, software tools, and related technical data and know-how (collectively "Webs Intellectual Property") in order to align the Webs business with our global operations. The transfer of assets occurred between two wholly owned legal entities within the Vistaprint group that are based in different tax jurisdictions, creating a taxable gain reportable in the transferor entity's jurisdiction. The gain is recognized for income tax purposes only and not in our consolidated financial statements. As the gain was the result of an intra-entity transaction in accordance with U.S. GAAP, any gain or loss and immediate tax impact is eliminated and not recognized in the consolidated financial statements. We recognize tax expense specifically associated with an intra-entity transfer of intangible property over a period equal to the expected economic lives of the underlying assets transferred. In the transfer of Webs' Intellectual Property, the weighted average amortization period of 13 years was determined based on the estimated economic lives of the intellectual property transferred.

We elected to fund the transfer of Webs Intellectual Property using an installment obligation payable over a 7.5 year period. The decision to structure the transaction with an installment obligation was driven by financing and cash flow considerations, and the terms of the installment obligation were determined on an appropriate arm's-length basis. In compliance with local tax laws in the applicable jurisdictions, the tax liability associated with this transfer qualified for installment treatment and, thus, the cash tax liability will be payable over the term of the underlying installment obligation. Accordingly, the Company 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 underlying assets as described above.

As of June 30, 2014, undistributed earnings of our subsidiaries of $112,542 are considered to be indefinitely reinvested. If, in the future, we decide to repatriate undistributed earnings from certain of these subsidiaries in the form of dividends or otherwise, we could be subject to withholding taxes payable at that time. Determination of the amount of withholding taxes that would be payable is not practicable due to the complexities associated with this hypothetical calculation.

A reconciliation of the gross beginning and ending amount of unrecognized tax benefits is as follows:

Balance at June 30, 2012	$ 6,320
Additions based on tax positions related to the current tax year	250
Reductions based on tax positions related to prior tax years	(234)
Reductions due to audit settlements	(654)
Balance at June 30, 2013	$ 5,682
Additions based on tax positions related to the current tax year	152
Additions based on tax positions related to prior tax years	1,244
Reductions due to lapse of statute of limitations	(334)
Balance at June 30, 2014	$ 6,744

For the years ended June 30, 2014 and 2013, the amount of unrecognized tax benefits (exclusive of interest) that, if recognized, would impact the effective tax rate is $3,061 and $2,157, 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, 2014 and 2013 were $298 and $241, respectively.

It is reasonably possible that a further change in unrecognized tax benefits may occur within the next twelve months related to the settlement of one or more audits or the lapse of applicable statutes of limitations. However, an estimated range of the impact on the unrecognized tax benefits cannot be quantified at this time. 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 2007 through 2013 remain open for examination by the United States Internal Revenue Service ("IRS") and the years 2006 through 2013 remain open for examination in the various states and non-US tax jurisdictions in which we file tax returns.

One of our subsidiaries, Vistaprint Limited (domiciled in Bermuda), is currently under income tax audit by the IRS. In August 2012, we received a Revenue Agent's Report (“RAR”) from the IRS proposing tax assessments for the 2007 to 2009 tax years. The issue in dispute is the imposition of U.S. federal income tax based on the IRS' assertion that Vistaprint Limited had income effectively connected with a U.S. Trade or Business. In September 2012, we filed a protest stating our formal disagreement with the facts and technical conclusions presented in the RAR and requesting the case be heard by the IRS Office of Appeals. We are currently in discussions with the Office of Appeals and we anticipate resolution of this matter could happen sometime in fiscal year 2015.

One of our subsidiaries, Vistaprint USA, Incorporated, has received Notices of Assessment from the Massachusetts Department of Revenue ("DOR") related to the tax years 2006-2008 and 2010-2011. The Notices contain adjustments to taxable income for these years. The issue in dispute is whether the DOR has the right to impute royalty income to Vistaprint USA in the years at issue associated with the use of certain intangible property by Vistaprint Limited, even though that intangible property was transferred for a lump-sum payment to Vistaprint Limited in an earlier year that is closed to adjustment by virtue of the governing statute of limitations. The 2006-2008 years were recently under review by the DOR Office of Appeals. In July, we received a Letter of Determination from the Office of Appeals rejecting our Application for Abatement and upholding the DOR’s original assessments. We are currently in the process of preparing a petition to have our case heard by the Massachusetts Appellate Tax Board. The 2010-2011 years are currently still in Appeals. However, we expect these years to follow a similar path to the 2006-2008 years. We continue to believe that the DOR’s position has no merit, and we intend to contest these assessments to the fullest extent possible.

In October 2013, Vistaprint USA, Incorporated and the IRS signed an RAR which effectively concluded the audit for the tax year 2011. We have included the impact of all RAR adjustments in our financial statements, accordingly, which did not have a material impact to our net income. The audit of the income tax return for the tax year 2012 continues to progress in the field examination stage.

One of our Canadian subsidiaries, Vistaprint North American Services Corp., was previously under income tax examination by the Canada Revenue Agency ("CRA") for the 2006 tax year. In October 2013, the Company had a formal hearing before the Appeals Division of the CRA. We were subsequently notified that the case has been concluded and the audit assessments have been overturned resulting in no additional tax owed. There are no adjustments to our income tax reserves required as a result of this finding.

We believe that our income tax reserves associated with these matters are adequate as the positions reported on our tax returns will be sustained on their technical merits. However, final resolution is uncertain and there is a possibility that the final resolution could have a material impact on our financial condition, results of operations or cash flows.

15. Investment in Equity Interests

In the fourth quarter of fiscal 2014, we disposed of our investment in Namex Limited and its related companies, as discussions with management identified different visions in the execution of the long-term strategic direction of the business. We sold all of our Namex shares to Namex's majority shareholder and recognized a loss of $12,681, in other income (expense), net in our consolidated statement of operations.

Prior to the sale, we had a 45% investment that was accounted for using the equity method, as the investment was considered a variable interest entity and we were not the primary beneficiary. We recorded in net income a proportionate share of the earnings or losses of Namex, as well as related amortization, with a corresponding increase or decrease in the carrying value of the investment. For the years ended June 30, 2014 and 2013, in addition to the loss recognized on our sale, we recorded losses of $2,704 and 1,910, respectively, attributable to Namex in our consolidated statement of operations.

16. Noncontrolling Interest

We have certain investments in which we enter into strategic business arrangements with third parties and we have controlling interest. The balance sheet and operating activity of these entities are included in our consolidated financial statements for the period ended June 30, 2014. We adjust the net income in our consolidated statement of operations to exclude the noncontrolling interests proportionate share of results. We present the proportionate share of equity attributable to the noncontrolling interests as temporary equity within our consolidated balance sheet.

On April 3, 2014 we acquired 97% of the outstanding corporate capital of Pixartprinting S.p.A. The remaining 3% is considered redeemable noncontrolling equity interest. It is presented as temporary equity in our consolidated balance sheet for the period ended June 30, 2014, as it is redeemable for cash based on future financial results and not solely within our control. The noncontrolling interest 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 fair value. As of June 30, 2014, the redemption value is less than carrying value and therefore no adjustment has been made. For additional details please refer to Note 8 Business Combinations.

We own 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 twelve months ended June 30, 2014, we contributed $4,891 in cash and $1,100 in assets, and Plaza Create made an initial capital contribution of $4,818 in cash and assets valued at $955. The 49% noncontrolling equity interest in the business is presented as temporary equity in our consolidated balance sheet for the period ended June 30, 2014, due to certain default provisions contained in the agreement.

The following table presents the changes in our redeemable noncontrolling interests for the twelve months ended June 30, 2014:

	Noncontrolling Interests
Balance as of June 30, 2013	$ —
Capital contribution from noncontrolling interest	5,773
Adjustment to noncontrolling interest	56
Acquisition of noncontrolling interest	5,728
Net loss attributable to noncontrolling interest	(380)
Foreign currency translation	(17)
Balance as of June 30, 2014	$ 11,160

17. Segment Information

Operating segments are based upon our internal organization structure, the manner in which our operations are managed and the availability of separate financial information reported internally to the Chief Executive Officer, who constitutes our Chief Operating Decision Maker ("CODM") for purposes of making decision about how to allocate resources and assess performance. We have three geographically based operating segments: North America, Europe, and Most of World, which includes our historical Asia Pacific business and global emerging markets. The results of our fourth quarter fiscal 2014 acquisitions of People & Print Group and Pixartprinting are included in our Europe segment results. The CODM measures and evaluates the performance of our operating segments based on revenue and income (loss) from operations.

Consistent with our historical reporting, the cost of our North America and Europe legal, human resource, and facilities management functions are not allocated to the reporting segments and instead reported and disclosed under the caption "Corporate and global functions," which includes expenses related to corporate support functions, software and manufacturing engineering, and the global component of our IT operations and customer sales and design support. Effective March 1, 2014 we revised our Most of World ("MOW") internal reporting structure to align to this model and, as such, have recast our historical segment income (loss) from operations to reflect those MOW specific costs as part of the Corporate and global function operating loss.

We do not allocate non-operating income to our segment results. There are no internal revenue transactions between our reporting segments and all intersegment transfers are recorded at cost for presentation to the CODM, for example, products manufactured by our Venlo, the Netherlands facility for the MOW segment; therefore, there is no intercompany profit or loss recognized on these transactions. At this time, we do not allocate support costs across operating segments or corporate and global functions, which may limit the comparability of income from operations by segment. 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 and geography is based on the country-specific website through which the customer's order was transacted. The following tables set forth revenue and income from operations by operating segment.

	Year Ended June 30,		
	2014	2013	2012
Revenue:			
North America	$ 700,197	$ 644,326	$ 543,860
Europe	502,090	452,202	415,213
Most of World	67,949	70,950	61,196
Total revenue	$ 1,270,236	$ 1,167,478	$ 1,020,269

	Year Ended June 30,		
	2014	2013	2012
Income (loss) from operations:			
North America	$ 236,274	$ 204,632	$ 165,803
Europe	129,784	102,196	99,059
Most of World	(4,111)	(2,808)	5,145
Corporate and global functions	(276,033)	(257,896)	(214,833)
Total income from operations	$ 85,914	$ 46,124	$ 55,174

Enterprise Wide Disclosures:

The following tables set forth revenues by geographic area and groups of similar products and services:

	Year Ended June 30,		
	2014	2013	2012
United States	$ 653,216	$ 606,246	$ 515,584
Non-United States (1)	617,020	561,232	504,685
Total revenue	$ 1,270,236	$ 1,167,478	$ 1,020,269

	Year Ended June 30,		
	2014	2013	2012
Physical printed products and other (2)	$ 1,189,905	$ 1,084,698	$ 951,097
Digital products/services	80,331	82,780	69,172
Total revenue	$ 1,270,236	$ 1,167,478	$ 1,020,269

(1) Our non-United States revenue includes the Netherlands, our country of domicile. Revenue earned in any other individual country other than the United States was not greater than 10% of consolidated revenue for the years presented.

(2) 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, 2014	June 30, 2013
Long-lived assets (3):		
Netherlands	$ 106,918	$ 99,521
Canada	100,369	90,807
United States	49,037	35,943
Australia	35,367	36,774
Switzerland	31,201	4,522
Jamaica	25,431	26,730
Italy	20,356	—
Bermuda	7,570	14,667
India	6,958	4,429
Other	11,674	4,884
Total	$ 394,881	$ 318,277

(3) Excludes goodwill of $317,187 and $140,893, intangible assets, net of $110,214 and $30,337, deferred tax assets of $8,762 and $581 and the investment in equity interests of $0 and $11,248 as of June 30, 2014 and 2013, respectively.

18. Commitments and Contingencies

Lease Commitments

We are committed under operating leases for our facilities that expire on various dates through 2024. Total lease expense for the years ended June 30, 2014, 2013 and 2012 was $14,151, $11,720 and $10,083, respectively.

We lease certain machinery and plant equipment under both capital and operating lease agreements that expire at various dates through 2017. 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, 2014, is $12,554, net of accumulated depreciation of $959; 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, 2014 amounts to $8,875.

Future minimum payments required for our lease obligations for the next five fiscal years and thereafter are as follows at June 30, 2014:

	Operating lease obligations	Build-to-suit lease obligations (1)	Capital lease obligations
2015	$ 14,067	$ —	$ 4,572
2016	7,200	8,989	2,985
2017	6,601	10,788	1,163
2018	4,816	10,788	477
2019	4,071	10,788	—
Thereafter	13,714	78,240	—
Total	$ 50,469	$ 119,593	$ 9,197

(1) Minimum payments relate to our Waltham lease obligation, please refer to Note 6 for additional details.

The terms of certain lease agreements require security deposits in the form of bank guarantees and a letter of credit in the amount of $1,427 and $145, respectively. In addition, we provided a customary indemnification to the lessor for certain claims that may arise under the lease for which we have not recorded a liability as we have determined that the associated fair value is not material. We carry insurance policies that we believe would provide, in most cases, some, if not total, recourse to any claims arising from this lease indemnification provision.

Purchase Obligations

At June 30, 2014, we had unrecorded commitments under contract of $30,860, which were principally composed of inventory purchase commitments of approximately $11,956, production and computer equipment purchases of approximately $9,567, and other unrecorded purchase commitments of $9,337.

Debt

The required principal payments due during the next five years and thereafter under our outstanding long-term debt obligations (excluding our short-term uncommitted credit facility) at June 30, 2014 are as follows:

2015	$ 16,375
2016	18,422
2017	42,984
2018	349,078
2019	—
Thereafter	—
Total	$ 426,859

Other Obligations

We have an outstanding installment obligation of $16,556 related to the fiscal 2012 intra-entity transfer of Webs' Intellectual Property, 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, 2014.

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.

19. Restructuring

During the second quarter of fiscal 2014 we closed our Singapore location, which provided strategic and administrative support services as part of our Most of World Segment and recognized expense associated with employee and facility termination costs. In the fourth quarter we executed a focused workforce reduction that impacted our North America, Europe and Corporate and global function segments. The following table summarizes the total restructuring costs incurred during the year ended June 30, 2014. There were no such charges during the year ended June 30, 2013.

	Year ended June 30, 2014
Employee termination benefits	$ 5,238
Facility termination costs (1)	742
Total restructuring expense	$ 5,980

(1) The year ended June 30, 2014 includes $472 of accelerated depreciation related to property, plant and equipment.

The following table summarizes the restructuring activity for the year ended June 30, 2014:

	Employee Termination Benefits	Facility Termination Costs
Accrued restructuring balance as of June 30, 2013	$ —	$ —
Restructuring additions	5,238	270
Cash payments	(2,706)	(270)
Accrued restructuring balance as of June 30, 2014	$ 2,532	$ —

During the year ended June 30, 2014 we recognized restructuring expense of $3,164 in general and administrative, $1,274 in technology and development expense, $1,317 in marketing and selling expense and $225 in cost of goods sold. We do not expect to incur any additional costs related to these activities in future periods, however estimates may change which could result in additional expense.

20. Quarterly Financial Data (unaudited)

Year Ended June 30, 2014	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	$ 275,089	$ 370,807	$ 286,185	$ 338,156
Cost of revenue	95,790	120,789	100,903	133,611
Net income attributable to Vistaprint N.V.	412	40,875	1,375	1,034
Net income per share attributable to Vistaprint N.V.:				
Basic	$ 0.01	$ 1.24	$ 0.04	$ 0.03
Diluted	$ 0.01	$ 1.18	$ 0.04	$ 0.03

Year Ended June 30, 2013	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	$ 251,416	$ 348,312	$ 287,684	$ 280,066
Cost of revenue	88,027	114,150	99,107	99,009
Net income (loss) attributable to Vistaprint N.V.	(1,696)	22,960	5,866	2,305
Net income (loss) per share attributable to Vistaprint N.V.:				
Basic	$ (0.05)	$ 0.69	$ 0.18	$ 0.07
Diluted	$ (0.05)	$ 0.66	$ 0.17	$ 0.07

Basic and diluted net income (loss) per share attributable to Vistaprint 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.

21. Subsequent Events

On July 1, 2014 we acquired 100% of the outstanding shares of Fotoknudsen AS, a Norwegian consumer photo product company. At closing we paid €14,045 in cash ($19,224 based on the exchange rate as of the date of acquisition), subject to working capital and other adjustments. We utilized proceeds from our credit facility to finance the acquisition.

On August 7, 2014 we made a capital investment in Printi LLC, which operates in Brazil through a subsidiary. We paid $8,210 in cash, resulting in a 41.6% equity interest with options to increase our ownership incrementally over 9 years. This investment provides us access to a new market and an opportunity to drive longer-term growth in Brazil.

Item 9. *Changes in and Disagreements 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, 2014. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of June 30, 2014, 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

During the year ended June 30, 2014, we completed the acquisitions of People & Print Group and Pixartprinting, which has expanded our internal control environment. The process of integrating policies, processes, people, technology and operations for the combined companies may result in additions or changes to our internal control over financial reporting in the future. Management will continue to evaluate our internal control over financial reporting as we execute our integration activities.

There were no other 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 fiscal year ended June 30, 2014 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 Rule 13a-15(f) or 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, the company's principal executive and principal financial officers 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.

In accordance with SEC guidelines regarding the evaluation of internal control of entities subject to a business combination, we have excluded People & Print Group B.V. and its subsidiaries and Pixartprinting S.p.A and its subsidiaries from our assessment of internal control over financial reporting as of June 30, 2014. As previously announced, we acquired these entities on April 1, 2014 and April 3, 2014, respectively. The results of these acquisitions are included in our 2014 consolidated financial statements and represent approximately $43.3 million and $2.9 million of total and net assets, respectively, as of June 30, 2014 and $43.6 million and $3.5 million of revenues and net income attributable to Vistaprint, respectively, for the year then ended.

Our management assessed the effectiveness of our internal control over financial reporting as of June 30, 2014. In making this assessment, our management used the criteria set forth in the Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 Framework) (the COSO criteria).

Based on our assessment, management concluded that, as of June 30, 2014, our internal control over financial reporting is effective based on those criteria.

Our independent auditors have issued an audit report on internal control over financial reporting. This report appears on the following page.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Supervisory Board and Shareholders of
Vistaprint N.V.

We have audited Vistaprint N.V.'s internal control over financial reporting as of June 30, 2014, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework) (the COSO criteria). Vistaprint N.V.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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.

In our opinion, Vistaprint N.V. maintained, in all material respects, effective internal control over financial reporting as of June 30, 2014, based on the COSO criteria.

As indicated in the accompanying Management's Report on Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of People & Print Group B.V. and its subsidiaries and Pixartprinting S.p.A and its subsidiaries, which are included in the consolidated financial statements of Vistaprint N.V as of June 30, 2014 and constituted approximately $43.3 million of total assets and $ 2.9 million of net assets as of June 30, 2014 and approximately $ 43.6 million of revenues and $3.5 million of net income for the year then ended. Our audit of internal control over financial reporting of Vistaprint N.V. also did not include an evaluation of the internal control over financial reporting of People & Print Group B.V. and its subsidiaries and Pixartprinting S.p.A and its subsidiaries.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Vistaprint N.V. as of June 30, 2014 and 2013 and the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended June 30, 2014 of Vistaprint N.V. and our report dated August 15, 2014 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Boston, Massachusetts
August 15, 2014

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 Directors and Executive Officers," "Corporate Governance" and "Section 16(a) Beneficial Ownership Reporting Compliance" contained in our definitive proxy statement for our 2014 Annual General Meeting of Shareholders, which we refer to as our 2014 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.vistaprint.com. We did not waive any provisions of this code during the fiscal year ended June 30, 2014. 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.vistaprint.com.

Item 11. *Executive Compensation*

The information required by this item is incorporated by reference to the information contained in the sections of our 2014 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 2014 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 2014 Proxy Statement captioned "Certain Relationships and Related Party 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 2014 Proxy Statement captioned "Independent Registered Public Accounting Firm Fees and Other Matters."

PART IV

Item 15. ***Exhibits, 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 46 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 15, 2014 Vistaprint 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 15, 2014
/s/ Ernst J. Teunissen **Ernst J. Teunissen**	Executive Vice President and Chief Financial Officer (Principal financial officer)	August 15, 2014
/s/ Michael C. Greiner **Michael C. Greiner**	Senior Vice President and Chief Accounting Officer (Principal accounting officer)	August 15, 2014
Paolo De Cesare	Member, Supervisory Board	
/s/ John J. Gavin Jr. **John J. Gavin Jr.**	Member, Supervisory Board	August 15, 2014
/s/ Peter Gyenes **Peter Gyenes**	Member, Supervisory Board	August 15, 2014
/s/ Eric C. Olsen **Eric C. Olsen**	Member, Supervisory Board	August 15, 2014
/s/ George Overholser **George Overholser**	Member, Supervisory Board	August 15, 2014
/s/ Richard T. Riley **Richard T. Riley**	Chairman, Supervisory Board	August 15, 2014
/s/ Mark T. Thomas **Mark T. Thomas**	Member, Supervisory Board	August 15, 2014

EXHIBIT INDEX

Exhibit No.	Description
2.1	Sale and Purchase Agreement dated April 1, 2014 among Vistaprint N.V., Vistaprint Italy S.r.l., Alcedo SGR S.p.A (on behalf of the close-ended investment fund "Alcedo III"), Cap2 S.r.l., and Alessandro Tenderini is incorporated by reference to our Current Report on Form 8-K filed with the SEC on April 4, 2014
2.2	Put and Call Option Agreement dated April 3, 2014 among Vistaprint N.V., Vistaprint Italy S.r.l., Cap2 S.r.l., and Matteo Rigamonti is incorporated by reference to our Current Report on Form 8-K filed with the SEC on April 4, 2014
2.3	Put and Call Option Agreement dated April 3, 2014 among Vistaprint N.V., Vistaprint Italy S.r.l., and Alessandro Tenderini is incorporated by reference to our Current Report on Form 8-K filed with the SEC on April 4, 2014
3.1	Articles of Association of Vistaprint N.V., as amended, is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2012
10.1*	Amended and Restated 2000-2002 Share Incentive Plan, as amended, is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2010
10.2*	Form of Nonqualified Share Option Agreement under our 2000-2002 Share Incentive Plan is incorporated by reference to our Registration Statement on Form S-1, as amended (File No. 333-125470)
10.3*	2005 Non-Employee Directors' Share Option Plan, as amended, is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2010
10.4*	Form of Nonqualified Share Option Agreement under our 2005 Non-Employee Directors' Share Option Plan is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2009
10.5*	Amended and Restated 2005 Equity Incentive Plan, as amended, is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2010
10.6*	Form of Nonqualified Share Option Agreement under our Amended and Restated 2005 Equity Incentive Plan is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2009
10.7*	Form of Incentive Share Option Agreement under our Amended and Restated 2005 Equity Incentive Plan is incorporated by reference to our Registration Statement on Form S-1, as amended (File No. 333-125470)
10.8*	2011 Equity Incentive Plan is incorporated by reference to Appendix A to our Definitive Proxy Statement on Schedule 14A dated and filed with the SEC on June 8, 2011
10.9*	Form of Nonqualified Share Option Agreement under our 2011 Equity Incentive Plan is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2011
10.10*	Form of Restricted Share Unit Agreement for employees and executives under our 2011 Equity Incentive Plan is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2011
10.11*	Form of Restricted Share Unit Agreement for Supervisory Board members under our 2011 Equity Incentive Plan is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2013
10.12*	2011 Inducement Share Plan is incorporated by reference to our Current Report on Form 8-K filed with the SEC on December 29, 2011
10.13*	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
10.14*	Form of Annual Award Agreement for fiscal year 2014 under our Performance Incentive Plan for Covered Employees is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2013
10.15*	Form of Four-Year Award Agreement for fiscal years 2011-2014 under our Performance Incentive Plan for Covered Employees is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2010
10.16*	Form of Four-Year Award Agreement for fiscal years 2012-2015 under our Performance Incentive Plan for Covered Employees is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2011
10.17*	Form of Indemnification Agreement between Vistaprint N.V. and each of our executive officers and members of our Supervisory Board and Management Board is incorporated by reference to our Current Report on Form 8-K filed with the SEC on August 31, 2009
10.18*	Amended and Restated Executive Retention Agreement between Vistaprint N.V. and Robert S. Keane dated as of October 23, 2009 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2009
10.19*	Executive Retention Agreement between Vistaprint N.V. and Ernst Teunissen dated as of March 1, 2011 is incorporated by reference to our Annual Report on Form 10-K for the fiscal year ended June 30, 2011
10.20*	Form of Executive Retention Agreement between Vistaprint N.V. and each of Katryn Blake and Donald Nelson is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2009

10.21*	Employment Agreement between Vistaprint USA, Incorporated and Robert S. Keane effective September 1, 2009 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2010
10.22*	Amendment No. 1 to Employment Agreement between Vistaprint USA, Incorporated and Robert S. Keane dated June 14, 2010 is incorporated by reference to our Annual Report on Form 10-K for the fiscal year ended June 30, 2010
10.23*	Amendment No. 2 to Employment Agreement between Vistaprint USA, Incorporated and Robert S. Keane dated September 28, 2011 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2011
10.24*	Amendment No. 3 to Employment Agreement between Vistaprint USA, Incorporated and Robert S. Keane dated July 25, 2012 is incorporated by reference to our Annual Report on Form 10-K for the fiscal year ended June 30, 2012
10.25*	Amendment No. 4 to Employment Agreement between Vistaprint USA, Incorporated and Robert S. Keane dated September 1, 2013 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2013
10.26*	Memorandum clarifying relative precedence of agreements between Vistaprint N.V. and Robert S. Keane dated May 6, 2010 is incorporated by reference to our Annual Report on Form 10-K for the fiscal year ended June 30, 2010
10.27*	Employment Agreement between Vistaprint USA, Incorporated and Ernst Teunissen effective July 1, 2011 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30. 2011
10.28*	Amendment No. 1 to Employment Agreement between Vistaprint USA, Incorporated and Ernst Teunissen dated July 24, 2012 is incorporated by reference to our Annual Report on Form 10-K for the fiscal year ended June 30, 2012
10.29*	Amendment No. 2 to Employment Agreement between Vistaprint USA, Incorporated and Ernst Teunissen dated September 1, 2013 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2013
10.30*	Contrat de travail (Employment Agreement) between Vistaprint SARL and Ernst Teunissen dated December 7, 2009 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2011
10.31*	Avenant au Contrat de travail (Amendment to Employment Agreement) between Vistaprint SARL and Ernst Teunissen dated October 14, 2011 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2011
10.32*	Lettre avenant au Contrat de travail (Letter Amending Employment Agreement) between Vistaprint SARL and Ernst Teunissen dated July 24, 2012 is incorporated by reference to our Annual Report on Form 10-K for the fiscal year ended June 30, 2012
10.33*	Lettre avenant au Contrat de travail (Letter Amending Employment Agreement) between Vistaprint SARL and Ernst Teunissen dated September 1, 2013 is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2013
10.34*	Separation Agreement dated June 30, 2014 between Vistaprint N.V. and Vistaprint Schweiz GmbH, on one hand, and Hauke Hansen, on the other hand, is incorporated by reference to our Current Report on Form 8-K filed with the SEC on July 3, 2014
10.35*	Non-Competition and Non-Solicitation Agreement dated June 30, 2014 beween Vistaprint N.V. and Vistaprint Schweiz GmbH, on one hand, and Hauke Hansen, on the other hand, is incorporated by reference to our Current Report on Form 8-K filed with the SEC on July 3, 2014
10.36*	Form of Invention and Non-Disclosure Agreement between Vistaprint and each of Robert Keane, Katryn Blake, and Donald Nelson is incorporated by reference to our Registration Statement on Form S-1, as amended (File No. 333-125470)
10.37*	Form of Confidential Information and Non-Competition Agreement between Vistaprint and each of Robert S. Keane, Katryn Blake, and Donald Nelson is incorporated by reference to our Registration Statement on Form S-1, as amended (File No. 333-125470)
10.38*	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, 2013
10.39	Amendment and Restatement Agreement dated as of February 8, 2013 among Vistaprint N.V., Vistaprint Limited, Vistaprint Schweiz GmbH, Vistaprint B.V., and Vistaprint USA, Incorporated, as borrowers (the “Borrowers”); the lenders named therein as lenders (the “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, among the Borrowers, the Lenders, and the Administrative Agent is incorporated by reference to our Current Report on Form 8-K filed with the SEC on February 13, 2013
10.40	Amendment No. 1 dated as of January 17, 2014 to Credit Agreement dated as of October 21, 2011, as amended and restated as of February 8, 2013, among Vistaprint N.V., Vistaprint Limited, Vistaprint Schweiz GmbH, Vistaprint B.V., and Vistaprint USA, Incorporated, as borrowers; the lenders named therein as lenders; and JPMorgan Chase Bank N.A., as administrative agent for the lenders is incorporated by reference to our Current Report on Form 8-K filed with the SEC on January 22, 2014

10.41	Form of Pledge and Security Agreement dated as of February 8, 2013 between each of Vistaprint USA, Incorporated and Webs, Inc. and the Administrative Agent is incorporated by reference to our Current Report on Form 8-K filed with the SEC on February 13, 2013
10.42	Call Option Agreement between Vistaprint N.V. and 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
21.1	Subsidiaries of Vistaprint N.V.
23.1	Consent of Ernst & Young 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 Quarterly 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

Vistaprint

NOTICE AND PROXY STATEMENT
2014

VISTAPRINT N.V.

Hudsonweg 8
5928 LW Venlo
The Netherlands

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Vistaprint N.V. will hold its 2014 Annual General Meeting of Shareholders:

on Wednesday, November 12, 2014
at 7:00 p.m. Central European Time
at the offices of Vistaprint N.V.
Hudsonweg 8
5928 LW Venlo
The Netherlands

MATTERS TO BE ACTED UPON AT THE ANNUAL GENERAL MEETING:

(1) Reappoint Richard T. Riley to our Supervisory Board to serve for a term of four years ending on the date of our annual general meeting of shareholders in 2018;

(2) Appoint Wilhelm G.A. Jacobs to our Management Board to serve for a term of four years ending on the date of our annual general meeting of shareholders in 2018;

(3) Following a discussion on the application of the remuneration policy over the fiscal year ended June 30, 2014, 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;

(4) Adopt our statutory annual accounts, as prepared in accordance with Dutch law, for the fiscal year ended June 30, 2014;

(5) Discharge the members of our Management Board from liability with respect to the exercise of their duties during the fiscal year ended June 30, 2014;

(6) Discharge the members of our Supervisory Board from liability with respect to the exercise of their duties during the fiscal year ended June 30, 2014;

(7) Authorize our Management Board, acting with the approval of our Supervisory Board, to repurchase up to 6,400,000 of our issued and outstanding ordinary shares (which represents approximately 20% of our 32.3 million shares outstanding as of June 30, 2014) until May 12, 2016 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);

(8) Amend our articles of association to change our name to Cimpress N.V.;

(9) Appoint PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending June 30, 2015; and

(10) 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 15, 2014 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, sign, date, and promptly return the enclosed proxy card in the envelope 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 22, 2014

VISTAPRINT N.V.

Hudsonweg 8
5928 LW Venlo
The Netherlands

PROXY STATEMENT FOR ANNUAL GENERAL MEETING OF SHAREHOLDERS

to be held on November 12, 2014

This proxy statement contains information about the 2014 Annual General Meeting of Shareholders of Vistaprint N.V., which we refer to in this proxy statement as the annual meeting or the meeting. We will hold the annual meeting on Wednesday, November 12, 2014 at the offices of Vistaprint N.V. at Hudsonweg 8, 5928 LW Venlo, the Netherlands. The meeting will begin at 7:00 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 Vistaprint N.V. (which is also referred to as we, us, or Vistaprint 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, 2014 on or about October 22, 2014.

Important Notice Regarding the Availability of Proxy Materials for the 2014 Annual General Meeting of Shareholders:

This Proxy Statement and the 2014 Annual Report to Shareholders are available for viewing, printing and downloading at *http://proxy.ir.vistaprint.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 and our Management Board, are available at our offices at the address above and for viewing, printing, and downloading at *http://proxy.ir.vistaprint.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, 2014, as filed with the United States Securities and Exchange Commission, or SEC, to any shareholder who requests it in writing to Vistaprint N.V., c/o Vistaprint USA, Incorporated, Attention: Investor Relations, 95 Hayden Avenue, Lexington, MA 02421, 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 nine proposals listed in the Notice of Annual General Meeting of Shareholders that appears on the first page 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 page of this proxy statement, you must have held ordinary shares of Vistaprint at the close of business on October 15, 2014, which is the record date for the annual meeting. Shareholders of record at the close of business on October 15, 2014 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 32,460,456.

How many votes do I have?

Each ordinary share of Vistaprint 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 your shares are held in street name by a bank or brokerage firm, then you will need to follow the directions your bank or brokerage firm provides to you in order to vote your shares. 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. The Management Board and Supervisory Board recommend that you vote **FOR** Proposals 1 - 9.

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, then you must follow the instructions below under “How do I attend the meeting and vote in person?” if you wish to attend the meeting or vote in person.

Can I change my vote after I have mailed my proxy card?

Yes. If you are a holder of record and your shares are not held in street name, 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 Chief Legal Officer at the offices of our subsidiary Vistaprint USA, Incorporated, 95 Hayden Avenue, Lexington, Massachusetts 02421 USA no later than 4:00 p.m. Eastern Standard Time on the last business day before the meeting;

- delivering to our Chief Legal Officer 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.

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.

Your attendance at the meeting alone will not revoke your proxy.

Can I vote if my shares are held in "street name"?

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. If you hold your shares in street name, then you must follow the instructions below under "How do I attend the meeting and vote in person?" if you wish to attend the meeting or vote in person.

How do I attend the meeting and vote in person?

If you wish to attend our annual meeting in Venlo, the Netherlands in person, please send our Chief Legal Officer written notice at the offices of our subsidiary Vistaprint USA, Incorporated, 95 Hayden Avenue, Lexington, Massachusetts 02421 USA no later than November 7, 2014. 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 proxy card 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 and 2 (appointments of a supervisory director and a managing director):* In accordance with our articles of association, our Supervisory Board adopted unanimous resolutions to make binding nominations of the candidates for supervisory director and managing director. Our shareholders may set aside either or both 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 3 (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.

- *Proposals 4 through 9:* These proposals require the approval of a majority of votes cast at a meeting at which a quorum is present.

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 all of the proposals listed in the Notice of Annual General Meeting of Shareholders on the first page of this proxy statement.

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 supervisory director, for the 2015 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 2015 annual general meeting or if you wish to submit another kind of proposal for consideration by shareholders at our 2015 annual general meeting.

Under our Dutch 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 2015 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 supervisory director directly, but if you submit information about a potential candidate for supervisory director to our Nominating and Corporate Governance Committee, as described in the section of this proxy statement entitled "Supervisory Director 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 2015 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 2015 proxy statement, we must receive your proposal at our registered offices in Venlo, the Netherlands as set forth below no later than June 23, 2015.

Any proposals, nominations or notices under our articles of association or pursuant to Rule 14a-8 should be sent to:

Secretary, Vistaprint N.V.
Hudsonweg 8
5928 LW Venlo
The Netherlands

With a copy to:
Chief Legal Officer
Vistaprint USA, Incorporated
95 Hayden Avenue
Lexington, MA 02421
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 $8,500 plus expenses to assist us in soliciting proxies from our shareholders and to verify certain records relating to the solicitation. We and our supervisory directors, officers, and selected other employees may also solicit proxies by mail, telephone, e-mail, or other means of communication. Supervisory directors, 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 at the following address or telephone number: Investor Relations, Vistaprint, 95 Hayden Avenue, Lexington, MA 02421, USA, 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 at the above address or telephone number 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 4, 2014 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 supervisory directors 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)
Brave Warrior Advisors, LLC(4) 12 East 49th Street, 14th Floor New York, NY 10017 USA	3,352,340	10.3%
Capital World Advisors(5) 333 South Hope Street Los Angeles, CA 90071 USA	1,860,000	5.7
Janus Capital Management LLC(6) 151 Detroit Street Denver, CO 80206 USA	3,777,945	11.7
Prescott General Partners LLC(7) 2200 Butts Road, Suite 320 Boca Raton, FL 33431 USA	4,316,300	13.3
Wasatch Advisors, Inc.(8) 505 Wakara Way Salt Lake City, UT 84108 USA	2,345,943	7.2
Executive Officers, Supervisory Directors, and Nominees for Supervisory Director		
Robert S. Keane(9)(10)	3,498,281	10.2
Katryn S. Blake(10)	114,909	*
Paolo De Cesare(10)	7,741	*
John J. Gavin, Jr.(10)	60,128	*
Peter Gyenes(10)(11)	42,533	*
Donald R. Nelson(10)	117,057	*
Eric C. Olsen(10)	10,241	*
George M. Overholser(10)	94,229	*
Richard T. Riley(10)	67,092	*
Ernst J. Teunissen(10)	92,780	*
Mark T. Thomas(10)(12)	39,621	*
Hauke K.U. Hansen(10)(13)	33,020	*
All executive officers and supervisory directors as a group (12 persons) (14)	4,177,632	12.0%

* Less than 1%

(1) Unless otherwise indicated, the address of each supervisory director and executive officer listed is c/o Vistaprint, 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. The number of ordinary shares beneficially owned by each person or entity included in this table is determined under rules promulgated by the SEC. 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 4, 2014 (i.e., November 3, 2014), including through the exercise of share options or through 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 4, 2014 is calculated by dividing (1) the total number of shares beneficially owned by the shareholder by (2) 32,418,882, the number of ordinary shares outstanding on September 4, 2014, plus any shares issuable to the shareholder within 60 days after September 4, 2014 (i.e., November 3, 2014), including restricted share units that vest and share options that are exercisable on or before November 3, 2014.

(4) This information is based solely upon a Schedule 13G/A that the shareholder filed with the SEC on May 12, 2014.

(5) This information is based solely upon a Schedule 13G/A that the shareholder filed with the SEC on February 13, 2014.

(6) This information is based solely upon a Schedule 13G/A that the shareholder filed with the SEC on February 14, 2014.

(7) This information is based solely upon a Schedule 13G/A that the shareholder filed with the SEC on February 14, 2014.

(8) This information is based solely upon a Schedule 13G/A that the shareholder filed with the SEC on February 13, 2014.

(9) Includes an aggregate of (i) 1,487,930 shares held by irrevocable discretionary trusts and other entities established for the benefit of Mr. Keane or members of his immediate family, or the Trusts, and (ii) 107,181 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 and restricted share units 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, share options and restricted share units held by the Trusts and the charitable entity except to the extent of their pecuniary interest therein.

(10) 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 3, 2014:

- Mr. Keane: 1,903,170 shares, held by the Trusts
- Ms. Blake: 84,827 shares
- Mr. De Cesare: 4,201 shares
- Mr. Gavin: 36,365 shares
- Mr. Gyenes: 26,994 shares
- Dr. Hansen: 6,594 shares
- Mr. Nelson: 76,992 shares
- Mr. Olsen: 4,201 shares
- Mr. Overholser: 15,414 shares
- Mr. Riley: 24,347 shares
- Mr. Teunissen: 73,102 shares
- Mr. Thomas: 13,444 shares

(11) Includes 14,727 shares owned by a trust of which Mr. Gyenes is the sole trustee.

(12) Includes 2,500 shares owned 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.

(13) Dr. Hansen is no longer an executive officer effective in June 2014.

(14) Includes a total of 2,269,651shares that all of our current executive officers and supervisory directors have the right to acquire under share options and restricted share units that vest on or before November 3, 2014.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our supervisory directors, 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.

Due to an administrative error by Vistaprint and Robert Keane's brokerage firm, Mr. Keane failed to report two sales of Vistaprint shares in August 2013 pursuant to a Rule 10b5-1 automatic trading plan, for a total of 65,000 shares sold. These sales were subsequently reported on a Form 5 filed on August 12, 2014.

PROPOSAL 1 - REAPPOINT RICHARD T. RILEY TO OUR SUPERVISORY BOARD

The seven members of our Supervisory Board serve for rotating four-year terms:

- Richard T. Riley's term expires at this 2014 annual general meeting, and we are asking our shareholders to reappoint him.
- The terms of Peter Gyenes and Eric C. Olsen expire at our 2015 annual general meeting.
- The terms of Paolo De Cesare and Mark T. Thomas expire at our 2016 annual general meeting.
- The terms of John J. Gavin, Jr. and George M. Overholser expire at our 2017 annual general meeting.

None of the members of our Supervisory Board is an employee of Vistaprint.

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 a unanimous resolution to make a binding nomination of Richard T. Riley to serve as a supervisory director for a term of four years ending on the date of our annual general meeting of shareholders in 2018. The Supervisory Board recommends that shareholders vote for the reappointment of Mr. Riley because of his extensive experience leading companies as a chief executive officer and board member. Mr. Riley also serves on the Audit Committee and Nominating and Corporate Governance Committee of the Supervisory Board.

The persons named in the enclosed proxy card will vote to reappoint Mr. Riley as a member of our Supervisory Board, unless you withhold authority to vote for his reappointment by marking the proxy card to that effect. Mr. Riley has indicated his willingness to serve if appointed. You can find more information about Mr. Riley and the other members of our Supervisory Board in the section of this proxy statement entitled "INFORMATION ABOUT OUR SUPERVISORY DIRECTORS AND EXECUTIVE OFFICERS."

The Management Board and Supervisory Board recommend that you vote FOR the reappointment of Mr. Riley as a member of our Supervisory Board.

PROPOSAL 2 - APPOINT WILHELM G.A. JACOBS TO OUR MANAGEMENT BOARD

As a Dutch company, we have a two-tiered board structure consisting of a Supervisory Board, composed of our independent, non-employee supervisory directors, and a Management Board, composed of members of our senior management team. The principal responsibility of the members of the Management Board is to manage Vistaprint, which means, among other things, that it is responsible for implementing Vistaprint's aims and strategy, managing Vistaprint's associated risk profile, operating Vistaprint's business on a day-to-day basis, and addressing corporate social responsibility issues that are relevant to Vistaprint. The Management Board is accountable to the Supervisory Board and to our shareholders.

Our Management Board currently consists of four members who serve as managing directors for four-year terms:

- The term of Robert S. Keane, our President, Chief Executive Officer, and Chairman of the Management Board, expires at our 2017 annual general meeting.
- The term of Katryn S. Blake, our Executive Vice President and President, Vistaprint Business Unit, expires at our 2015 annual general meeting.
- The term of Donald R. Nelson, our Executive Vice President and President, Mass Customization Platform, expires at our 2015 annual general meeting.
- The term of Ernst J. Teunissen, our Executive Vice President and Chief Financial Officer, expires at our 2015 annual general meeting.

We are asking our shareholders to appoint Wilhelm G.A. Jacobs as a member of our Management Board. The Supervisory Board recommends that shareholders vote for the appointment of Mr. Jacobs because of his extensive executive experience in manufacturing, supply chain and engineering leadership roles, and because of his central role in building our common operational platform.

WILHELM ("WILL") G.A. JACOBS, ***Senior Vice President, Manufacturing & Supply Chain***

Mr. Jacobs, age 49, has served as our Senior Vice President, Manufacturing & Supply Chain since June 2014. Mr. Jacobs previously served as our Senior Vice President and General Manager of Columbus, a major engineering and product development program, from July 2013 to June 2014; as Senior Vice President, Manufacturing Supply Chain Operations from July 2012 to June 2013; and as Vice President, Plant Director from May 2011 to December 2012. Before joining Vistaprint, Mr. Jacobs served as Vice President, Operations Industrial Adhesives EMEA of Henkel from January 2008 to April 2011. Mr. Jacobs received an Executive MBA at Henly College in the UK, an MSc IT at de Montfort University in the UK, and Bachelor ICT at Hogeschool Breda in the Netherlands.

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 a unanimous resolution to make a binding nomination of Mr. Jacobs to serve as a managing director for a term of four years ending on the date of our annual general meeting of shareholders in 2018.

The persons named in the enclosed proxy card will vote to appoint Mr. Jacobs as a member of our Management Board, unless you withhold authority to vote for his appointment by marking the proxy card to that effect. Mr. Jacobs has indicated his willingness to serve if appointed.

The Management Board and Supervisory Board recommend that you vote FOR the appointment of Mr. Jacobs as a member of our Management Board.

PROPOSAL 3 - 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, including the Executive Overview. 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. Our executive compensation program has not changed significantly since fiscal 2012.

- In 2012, we reached out to our major shareholders to solicit their input on the proposed redesign of the long-term incentive compensation of our executive officers. In 2013 and 2014, we conducted a similar process of reaching out to major shareholders because we believe that our collaborations with shareholders have been successful and have helped foster a better understanding and input into our compensation program by our shareholders.

- We redesigned the long-term incentive compensation of our executive officers in fiscal 2012 to emphasize premium-priced share options with an exercise price of $50.00 per share, which was significantly higher than the fair market value of our ordinary shares on the grant dates. In addition, Robert Keane, our Chief Executive Officer, may not exercise these options unless our share price on NASDAQ is at least $75.00 on the exercise date. Because the value of these premium-priced options represents the total approximate value of all long-term incentive awards that Mr. Keane would have received over a four-year period and the total approximate value of all traditional share options that our other executive officers would have received over a four-year period, our Supervisory Board has passed resolutions that, until fiscal 2016 at the earliest, we will not grant any additional long-term incentive award in any form to Mr. Keane or any additional share options to our other current executive officers.

- For fiscal 2014, the Compensation Committee did not increase Mr. Keane's compensation over his fiscal 2013 levels in order to maintain his annual cash compensation level at the 50th percentile of our primary peer group.

- We pay our executive officers based on Vistaprint's performance. For fiscal 2014, 92% of our Chief Executive Officer's total compensation was at risk, including an annualized portion of his multi-year, premium-priced share options. In addition, the Compensation Committee exercised its negative discretion to reduce all of our executive

officers' payouts under their annual cash incentive awards for fiscal 2014 because the Committee believed that Vistaprint's 2014 performance did not support the higher payout percentage as calculated in accordance with the 2014 award agreements.

- As a result of our shareholders' feedback in our 2011 "say on pay" vote, our Compensation Committee decided that, after August 1, 2012, we will no longer include excess parachute payment tax gross-up provisions in the executive retention agreements that we enter into with our future executives.

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.vistaprint.com*, and the compensation of our named executive officers is in accordance with the Remuneration Policy. This agenda item 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, 2014. 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 executive compensation on an annual basis. Therefore, we intend to put forth at each annual general meeting of shareholders an advisory vote on the compensation of our named executive officers for the immediately preceding fiscal year.

Our Management Board and Supervisory Board recommend that you vote FOR the approval of the compensation of our named executive officers, as described in this proxy statement.

PROPOSAL 4 - 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, 2014, 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, 2014 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.vistaprint.com* or by sending a written request to:

Investor Relations
c/o Vistaprint USA, Incorporated
95 Hayden Avenue
Lexington, MA 02421
USA

Our Management Board and Supervisory Board recommend that you vote FOR the confirmation and adoption of the Annual Accounts.

PROPOSALS 5 AND 6 - 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, 2014. If our shareholders approve this discharge of liability, then our Management Board and Supervisory Board members will not be liable to Vistaprint for actions that they took on behalf of the company in the exercise of their duties during fiscal 2014. 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 7 - 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 7, 2013, we received authorization from our shareholders to repurchase up to 6,500,000 of our issued and outstanding ordinary shares on the open market, through privately negotiated transactions, or in one or more self-tender offers at prices per share between an amount equal to € 0.01 (or the U.S. dollar equivalent) and an amount equal to 120% of the market price of our ordinary shares on NASDAQ. As of June 30, 2014, we have repurchased 1,044,136 ordinary 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 repurchased, if any, and the timing and manner of any repurchases in light of prevailing market conditions, our available resources, and other factors that we cannot now predict. The repurchased shares could be used for any valid corporate purpose, including the issuance of shares under our equity compensation plans or for acquisitions, mergers or similar transactions. 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 6,400,000 of our issued and outstanding ordinary shares (which represents approximately 20% of the 32.3 million shares outstanding as of June 30, 2014) 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 12, 2016.

An authorization to repurchase up to 6,400,000 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 Vistaprint 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 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 7, 2013 annual general meeting, which will expire on May 7, 2015. If our shareholders do approve this proposal, then the repurchase authorization described in this proposal will replace the November 2013 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 8 - CHANGE OUR COMPANY NAME TO CIMPRESS N.V.

Our Management Board proposes to amend our articles of association to change our company name from Vistaprint N.V. to Cimpress N.V., and our Supervisory Board has approved this proposal in accordance with our articles of association. Although Vistaprint currently remains our largest and most important brand for micro business marketing products and services, in recent years we have acquired several other brands that serve the needs of various market segments, and there has been increasing divergence between Vistaprint the brand and customer value proposition and Vistaprint the corporation. We believe that our capabilities in mass customization constitute a key competitive advantage, relevant across our multiple brands. We define “mass customization” as producing, with the reliability, quality, and affordability of mass production, small individual orders where each one embodies the personal relevance inherent to customized physical products. We are seeking to change our corporate name to Cimpress N.V. to reflect and help articulate our strategy and ambition to build the world’s leading mass customization platform that we market via multiple, differentiated brands, including our current and future acquired brands and the Vistaprint brand.

If our shareholders approve this proposal, then the amendment to our articles of association will be effected by the execution of a notarial deed of amendment to the articles of association by a Dutch civil-law notary shortly after the annual meeting. By voting in favor of this proposal, our shareholders designate each member of our Management Board and each civil-law notary, junior civil-law notary, notarial assistant, and each lawyer working at Stibbe, our Dutch law firm, to have the notarial deed executed. If our shareholders approve this proposal, then we will also change our NASDAQ stock ticker symbol to CMPR, and the corporate website of Vistaprint N.V., including our investor relations site, will move to www.cimpress.com. We will continue to use our existing URLs for our customer facing brands, including the Vistaprint brand.

Our Management Board and Supervisory Board recommend that you vote FOR the amendment to our articles of association to change our name to Cimpress N.V.

PROPOSAL 9 - 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, 2015 with respect to our financial statements prepared in accordance with U.S. generally accepted accounting principles, and we are asking our shareholders to appoint PwC as the statutory auditor of Vistaprint N.V. in the Netherlands. We do not expect that PwC or Ernst & Young LLP, our independent registered public accounting firm for fiscal 2014, will attend the annual meeting or be available to answer questions.

We believe it is good practice to review our selection of auditors from time to time, and during the summer of 2014, we engaged in a rigorous request for proposal process with the participation of several auditing firms, including PwC and our previous independent registered public accounting firm, Ernst & Young. Upon reviewing the proposals we received in this process, our Audit Committee selected PwC based on a number of criteria, including PwC's expertise in complex technical accounting areas that relate to our business, as well as competitive fees, and dismissed Ernst & Young. The reports of Ernst & Young as of and for our consolidated financial statements for the years ended June 30, 2014 and 2013 did not contain an adverse opinion or a disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope or accounting principles. During the years ended June 30, 2014 and 2013, and through August 15, 2014, there were no (a) disagreements with Ernst & Young on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to Ernst

& Young's satisfaction, would have caused Ernst & Young to make reference to the subject matter thereof in connection with its reports for such years; or (b) reportable events, as described under Item 304(a)(1)(v) of Regulation S-K.

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, 2015.

Independent Registered Public Accounting Firm Fees and Other Matters

The following table presents the aggregate fees and expenses billed for services rendered by Ernst & Young LLP, our independent registered public accounting firm for the fiscal years ended June 30, 2014 and June 30, 2013. 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 2014	Fiscal 2013
Audit Fees(1)	$ 2,196,600	$ 1,256,885
Audit-Related Fees(2)	31,300	17,300
Tax Fees(3)	373,300	1,362,900
All Other Fees	—	—
Total Fees	$ 2,601,200	$ 2,637,085

(1) Audit fees and expenses consisted of fees and expenses billed for the audit of our financial statements for the years ended June 30, 2014 and 2013, statutory audits of Vistaprint 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. The audit fees and expenses for fiscal 2014 reflect the impact of two acquisitions as well as fees for other non-recurring transactions.

(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 fees for access to certain online accounting reference applications.

(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 $210,725 and $265,000 of the total tax fees in fiscal 2014 and 2013, respectively.

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 Vistaprint 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 Vistaprint.

During fiscal 2014, Ernst & Young LLP did not provide any other services to Vistaprint other than in accordance with the pre-approval policies and procedures described above.

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 DIRECTORS AND EXECUTIVE OFFICERS

Our Supervisory Board:

Our Supervisory Board currently consists of seven independent, non-employee supervisory directors.

Nominee for Member of our Supervisory Board whose term expires at this 2014 Annual General Meeting:

RICHARD T. RILEY, ***Director since February 2005 and Chairman of the Supervisory Board since August 2009***

Mr. Riley, age 58, served in various capacities at LoJack Corporation, a publicly traded corporation and 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. Mr. Riley also serves on the board of Dorman Products, Inc., a publicly traded corporation and supplier of original equipment automotive replacement parts. From 1997 through 2004, Mr. Riley held a variety of positions with New England Business Service, Inc., a publicly traded corporation and provider of products and services to small businesses, most recently serving as Chief Executive Officer, President, Chief Operating Officer and director. Mr. Riley serves on the supervisory boards of Vistaprint N.V. and Vistaprint B.V., a wholly owned Dutch subsidiary of Vistaprint. Mr. Riley brings to the Supervisory Board his extensive experience of leading companies as a chief executive officer and board member.

Members of our Supervisory Board whose terms will expire at our 2015 annual general meeting:

PETER GYENES, ***Director since February 2009***

Mr. Gyenes, age 69, has served as the Chairman of Sophos Plc, a global security software company, since May 2006 and as its Lead Independent Director since September 2012. Mr. Gyenes served as Chairman and Chief Executive Officer of Ascential Software and its predecessor companies VMark Software, Ardent Software and Informix from 1996 until it was acquired by IBM in April 2005. Mr. Gyenes also currently serves on the boards of Pegasystems Inc., a provider of business process management software and services; Intralinks Holdings, Inc., a provider of shared document and information exchanges; EnerNoc Inc., a provider of energy management solutions; and RealPage, Inc., a provider of property management software solutions for the multifamily industry. Mr. Gyenes previously served on the boards of, among other companies, Netezza Corporation, a provider of data warehouse appliances from February 2008 to November 2010 when it was acquired by IBM, and Lawson Software, Inc., a provider of software and service solutions in the manufacturing, distribution, maintenance and service sector industries, from May 2006 to July 2011 when it was acquired by GGC Software Holdings, Inc. He is a trustee emeritus of the Massachusetts Technology Leadership Council. Mr. Gyenes brings to the Supervisory Board his broad experience in leading companies as chief executive officer and board member and his deep expertise on executive compensation matters through his service on several compensation committees.

ERIC C. OLSEN, ***Director since March 2013***

Mr. Olsen, age 50, has served since August 1999 in various executive capacities at Lafarge, a publicly traded world leader in building materials with annual revenues of approximately €15 billion. His current role is Executive Vice President, Operations since September 2013, and immediately prior, he served as Executive Vice President, Organization and Human Resources since 2007. Mr. Olsen was previously 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. Previously, Mr. Olsen served as a Partner at Trinity Associates, a management consulting firm, from 1993 to 1999. A certified public accountant, he started his career as a senior accountant at Deloitte & Touche in New York. Mr. Olsen holds a Bachelor of Science degree in finance and accounting from the University of Colorado, USA, and an MBA from the HEC international business school in Paris, France. 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.

Members of our Supervisory Board whose terms will expire at our 2016 annual general meeting:

PAOLO DE CESARE, *Director since March 2013*

Mr. De Cesare, age 54, 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 earned his undergraduate degree in Business and Economics from Università degli Studi di Roma La Sapienza in Italy. 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.

MARK T. THOMAS, *Director since November 2009*

Mr. Thomas, age 60, 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 November 2012, Monitor Company Group LP entered into a Section 363 process under Chapter 11 of the U.S. Bankruptcy Code to sell its assets to Deloitte Consulting. The transaction was consummated in January 2013. Mr. Thomas serves on the supervisory boards of Vistaprint N.V. and Vistaprint B.V., a wholly owned Dutch subsidiary of Vistaprint. Mr. Thomas brings to the Supervisory Board his extensive strategy, investment and international experience, which includes 30 years of building companies, serving on boards and providing advice to top executives on strategic matters.

Members of our Supervisory Board whose terms will expire at our 2017 annual general meeting:

JOHN J. GAVIN, Jr., *Director since August 2006*

Mr. Gavin, age 58, serves on the supervisory boards of Vistaprint N.V. and Vistaprint B.V., a wholly owned Dutch subsidiary of Vistaprint. Mr. Gavin also serves on the boards of Qlik Technologies Inc., a provider of business intelligence solutions; BroadSoft, Inc., a global provider of residential and business Voice over IP applications; Varonis Systems, a provider of data governance solutions for unstructured data; and Silversky, a provider of cloud based security software. 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; as Chief Financial Officer of Navisite, Inc., a provider of information technology hosting, outsourcing and professional services, from April 2004 through December 2006; and as the Senior Vice President and Chief Financial Officer of Cambridge Technology Partners, a consulting firm, from February 2000 through December 2001. Before his work at Cambridge Technology Partners, Mr. Gavin spent twelve years at Data General Corporation, a manufacturer of computing equipment that was acquired by EMC Corporation, including serving as Vice President and Chief Financial Officer. 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. 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.

GEORGE M. OVERHOLSER, *Director since July 2004*

Mr. Overholser, age 54, has served as Chief Executive Officer and Co-Founder of Third Sector Capital Partners, an investment bank for nonprofit organizations, since September 2010. He was Founder and Managing Director of NFF Capital Partners, an investment banking firm for nonprofit organizations, from August 2004 to September 2010. Mr. Overholser was the founder of North Hill Ventures, a venture capital firm, and served as its Senior Vice President from 1999 through June 2008. From 1994 to 1999, Mr. Overholser was Head of Strategy and New Business Development for Capital One Financial Corporation, a company specializing in consumer lending. Mr. Overholser brings to the Supervisory Board his extensive experience of leading companies through periods of hyper-growth, as both a board member and an executive.

Our Management Board and Executive Officers:

Our Management Board currently consists of our four executive officers, and we are asking our shareholders to elect Wilhelm G.A. Jacobs, our Senior Vice President, Manufacturing & Supply Chain, as a fifth member of our Management Board at this annual meeting. Mr. Jacobs is not an executive officer of Vistaprint. All members of our Management Board serve for four-year terms.

ROBERT S. KEANE, ***President, Chief Executive Officer, and Chairman of the Management Board***

Mr. Keane, age 51, has served as our President and Chief Executive Officer since he founded 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 earned his Bachelor of Arts in economics from Harvard College in 1985 and his Masters of Business Administration from INSEAD in Fontainebleau, France in 1994. Mr. Keane's term as a member of our Management Board will expire at our 2017 annual general meeting.

KATRYN "TRYNKA" S. BLAKE (née Shineman), ***Executive Vice President and President, Vistaprint Business Unit***

Ms. Blake, age 40, has served as Executive Vice President and President, Vistaprint Business Unit since July 2014. Ms. Blake previously served as our Executive Vice President, Global Marketing from July 2012 to June 2014, Chief Customer Officer from June 2011 to June 2014, President of Vistaprint's North American business unit from November 2010 to June 2012, Chief Marketing Officer of Vistaprint's North American business unit from April 2008 to November 2010, and in a variety of marketing positions since joining Vistaprint in March 2004 as Director, Marketing. Before joining Vistaprint, she served as a director and senior manager for PreVision Marketing since 1996. Ms. Blake holds a Bachelor of Arts in psychology from Cornell University and a Masters of Business Administration degree from Columbia Business School. Ms. Blake's term as a member of our Management Board will expire at our 2015 annual general meeting.

DONALD R. NELSON, ***Executive Vice President and President, Mass Customization Platform***

Mr. Nelson, age 46, has served as our Executive Vice President and President, Mass Customization Platform since June 2014. Mr. Nelson previously served as our Executive Vice President, Capabilities from July 2012 to June 2014, Chief Information Officer from May 2008 to June 2014, and Senior Vice President of Capabilities Development from July 2006 to May 2008. Before joining Vistaprint, Mr. Nelson served as Chief Information Officer at Sapient, where he started in 1993 as a software engineer, then later as vice president before assuming the role of Chief Information Officer in 2001. Mr. Nelson received a Bachelor of Science in Computer Science from Gordon College. Mr. Nelson's term as a member of our Management Board will expire at our 2015 annual general meeting.

ERNST J. TEUNISSEN, ***Executive Vice President and Chief Financial Officer***

Mr. Teunissen, age 48, has served as our Executive Vice President and Chief Financial Officer since March 2011. From October 2009 through February 2011, Mr. Teunissen served as our Vice President of Strategy. Before joining Vistaprint, Mr. Teunissen was a founder and director of two corporate finance and management consulting firms: Manifold Partners from May 2007 through September 2009 and ThreeStone Ventures Limited from June 2003 through September 2009. From August 1999 to February 2003, Mr. Teunissen served as an executive director in Morgan Stanley's Investment Banking Division in London. Mr. Teunissen holds a Master of Business Administration degree from the University of Oregon and a Bachelor of Business Administration from Nijenrode University, The Netherlands School of Business. Mr. Teunissen's term as a member of our Management Board will expire at our 2015 annual general meeting.

There are no family relationships among any of the supervisory directors and executive officers of Vistaprint. No arrangements or understandings exist between any supervisory director or any person nominated for appointment as a supervisory director and any other person pursuant to which such person is to be selected as a supervisory director or nominee for appointment as a supervisory director.

CORPORATE GOVERNANCE

Board Structure

We have a two-tiered board structure consisting of a Supervisory Board and a Management Board. The Supervisory Board consists of our independent, non-employee supervisory directors, and the Management Board consists of managing directors who are members of our senior management team. The principal responsibility of the Supervisory Board is to oversee the Management Board and its management of Vistaprint and, in so doing, serve the best interests of Vistaprint and its stakeholders. The Supervisory Board is accountable to our shareholders. The principal responsibility of the Management Board is to manage Vistaprint, which means, among other things, that it is responsible for implementing Vistaprint's goals and strategy, managing Vistaprint's associated risk profile, operating Vistaprint's business on a day-to-day basis, and addressing corporate social responsibility issues that are relevant to the enterprise. The Management Board is accountable to both the Supervisory Board and our shareholders.

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 supervisory 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 Vistaprint 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 Vistaprint 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 that:

- a majority of the members of the Supervisory Board must be independent directors, except as permitted by NASDAQ rules;
- the independent supervisory directors must meet at least twice a year in executive session;
- supervisory directors have full and free access to management and employees and, as necessary and appropriate, to hire and consult with independent advisors;
- all supervisory directors are expected to participate in a mandatory orientation program and continuing director education on an ongoing basis; and
- 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.

Among other things, the Rules for the Management Board provide that:

- the Management Board is responsible for managing Vistaprint, including implementing Vistaprint's aims 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 Vistaprint and its subsidiaries; and
- 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.vistaprint.com* or by writing to:

Investor Relations
c/o Vistaprint USA, Incorporated
95 Hayden Avenue
Lexington, MA 02421
USA
Email: ir@vistaprint.com

In addition, the Dutch Corporate Governance Code, or Dutch Code, applies to Vistaprint. 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 directors, officers, and employees, a current copy of which is posted on the Corporate Governance Page in the Investor Relations section of our website, *www.vistaprint.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, supervisory directors 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 supervisory director. The Supervisory Board has determined that none of its members has a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a supervisory director and that all of its members are "independent directors" as defined under NASDAQ's Marketplace Rules.

In addition, our supervisory directors satisfy the criteria for independence under the Dutch Code.

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 Vistaprint, 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 Vistaprint.

Supervisory Director 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 supervisory directors 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 nominating supervisory directors 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 Vistaprint's 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 our supervisory directors, 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. During fiscal 2014, the Committee engaged MWM Consulting, an international recruiting firm, to assist the Committee in identifying, evaluating, and reaching out to potential candidates for the Supervisory Board.

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 Chief Legal Officer, Vistaprint USA, Incorporated, 95 Hayden Avenue, Lexington, MA 02421 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 director 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 fiscal 2014, our Supervisory Board met four times, and each of our supervisory directors attended 100% 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 served on such committee. In addition, it is our policy that one or more of our supervisory directors should attend annual general meetings of shareholders to the extent practicable. Six of our supervisory directors attended our 2013 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 supervisory 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), Overholser, and Riley. 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'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, disclosure controls and procedures, and code of business conduct;

- 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.

The Audit Committee met nine times during fiscal 2014.

Compensation Committee

The current members of the Compensation Committee are Messrs. Overholser (Chair), Gyenes, Olsen, and Thomas. 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 director 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.

The Compensation Committee met four times during fiscal 2014.

Nominating and Corporate Governance Committee

The current members of the Nominating and Corporate Governance Committee are Messrs. Thomas (Chair), De Cesare, Gyenes, and Riley. 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.

The Nominating and Corporate Governance Committee met four times during fiscal 2014.

Report of the Audit Committee

The Audit Committee has reviewed Vistaprint's audited financial statements for the fiscal year ended June 30, 2014 and has discussed these financial statements with Vistaprint's management and Ernst & Young LLP, our independent registered public accounting firm for fiscal 2014.

The Audit Committee has also received from, and discussed with, Ernst & Young LLP various communications that Ernst & Young LLP is required to provide to the Audit Committee, including the matters required to be discussed by Public Company Accounting Oversight Board Auditing Standard No. 16, Communications with Audit Committees, as in effect for Vistaprint's fiscal year 2014.

Ernst & Young LLP 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 Vistaprint. 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 9 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 Ernst & Young LLP, the Audit Committee recommended to the Supervisory Board that the audited financial statements be included in Vistaprint's Annual Report on Form 10-K for the fiscal year ended June 30, 2014.

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*
George M. Overholser
Richard T. Riley

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 Vistaprint 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) or Chief Accounting Officer (CAO), 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 2014, there was one related person transaction, as defined under SEC rules: Katryn Blake's brother-in-law has been an employee of Vistaprint since 2007, and he received cash compensation of approximately $175,173 for fiscal 2014. The Audit Committee has reviewed this relationship and concluded that it is not inconsistent 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 Vistaprint's Chief Legal Officer, is primarily responsible for monitoring communications from shareholders and for providing copies or summaries to the other supervisory directors as its members consider appropriate.

The chair of the Nominating and Corporate Governance Committee will forward communications to all supervisory directors if the communications relate to substantive matters and include suggestions or comments that he considers to be important for the supervisory 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 Vistaprint 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
Vistaprint 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 short- and long-term performance. Accordingly, our Compensation Committee, which oversees the compensation program of our executive officers, designed an executive compensation program that is intended to:

- provide an overall level of compensation that is competitive with the compensation levels of companies of similar size, complexity, revenue, and growth potential to Vistaprint;
- reflect the desired caliber, level of experience, and performance of our executive team; and
- pay commensurate with Vistaprint's performance, with total compensation weighted heavily toward performance-based compensation that is tied to operating or stock performance.

Shareholder engagement. At our 2011 annual general meeting of shareholders, our shareholders voted in favor of our executive compensation program for fiscal 2011 by a slim margin, with 50.4% of votes cast in favor of the compensation program. By contrast, at our 2012 and 2013 annual general meetings of shareholders, our executive compensation program for each fiscal year received more than 97% approval from our shareholders. We believe that two major contributing factors to this dramatic increase in our shareholder approval levels were the collaborative process in which we reached out to our major shareholders and our decision, based on shareholder feedback at the 2011 annual general meeting, not to provide excess parachute payment tax gross-up provisions in future agreements with our executives, as described below. Based on our shareholders' feedback in the collaborative outreach process and our compensation philosophy, in fiscal 2012 we redesigned the long-term incentive compensation of our executive officers to emphasize premium-priced share options, as described below. In 2013 and 2014, we conducted similar collaborative processes in which we reached out to our major shareholders to update them on our ongoing executive compensation program, which has not changed significantly from fiscal 2012.

No pay increase for Robert Keane. For fiscal 2014, the Compensation Committee did not increase Mr. Keane's compensation over his fiscal 2013 levels in order to maintain his annual cash compensation level at the 50th percentile of our primary peer group as described below.

Pay for performance. The total compensation package for our executive officers is weighted heavily toward compensation based on Vistaprint's operating and share price performance. For fiscal 2014, our Chief Executive Officer had 92% of his total compensation at risk through our cash and equity incentive programs, including an annualized portion of his multi-year, premium-priced share options. Our annual and long-term cash incentive programs are dependent on Vistaprint's revenue and earnings per share performance, while our equity incentive programs are dependent on the performance of our share price. Attainment of the annual and long-term cash incentives are based on financial goals that the Compensation Committee believes are highly challenging, but achievable. For fiscal 2014, the annual cash incentive payout, as calculated under the executive officers' award agreements, would have been 106.9%, but the Committee determined that Vistaprint's overall performance in 2014 did not support that payout. Therefore, the Committee exercised its negative discretion to reduce the percentage to 98.2%, which was the same payout percentage for the 2014 bonuses paid to Vistaprint's non-executive employees and which the Committee believes better reflects the company's performance.

Redesign of our long-term compensation program. Based on our pay-for-performance compensation philosophy, feedback from the Committee's independent compensation consultant (Towers Watson), and our shareholders' suggestions from the outreach process described above, the Compensation Committee redesigned the long-term incentive component of our executive compensation program in late fiscal 2012. As a result of this redesign, we granted to our executive officers multi-year, premium-priced share options designed to increase the emphasis on Vistaprint's long-term performance and our growth strategy using share price as the primary performance metric, and we did not grant any long-term cash incentive awards to our executive officers for fiscal 2013 or 2014. The Compensation Committee believes that the premium-priced share options provide strong alignment of performance-based compensation with long-term shareholder value creation, significant downside risk for the executives if Vistaprint performs poorly, and significant upside potential if Vistaprint performs well, through the following features:

- The options have an exercise price of $50.00 per share, which was significantly higher than the closing price of Vistaprint's ordinary shares on NASDAQ on the grant dates.

- Robert Keane, our Chief Executive Officer, has an additional share price hurdle before he can realize any returns from his premium-priced options, which is that, in addition to the vesting schedule described below, he can exercise his options only on dates when the high price per share of Vistaprint's ordinary shares on NASDAQ is at least $75.00.

- To emphasize long-term performance, the options vest over seven years. They have an eight-year term.

- Our Supervisory Board has passed resolutions that, until fiscal 2016 at the earliest, Vistaprint shall not grant any additional long-term incentive award in any form (including equity or long-term cash awards) to Mr. Keane or any additional share options to our other current executive officers.

Discontinuation of certain pay practices. Some of our major shareholders consider the inclusion of excess parachute payment tax gross-up provisions in our executive retention agreements with our executives to be a problematic pay practice. Accordingly, our Compensation Committee decided that, after August 1, 2012, we will no longer include such tax gross-up provisions in the executive retention agreements that we enter into with our future executives.

Compensation Committee Approach

In determining the compensation of our executive officers, our Compensation Committee takes into account the analysis and recommendations of the Committee's independent compensation consultant (currently Towers Watson), data from the "primary" comparison peer group described below, published compensation survey data, and detailed tally sheets summarizing our executive officers' current and historical compensation. The Compensation Committee generally seeks to pay our executives total compensation (including base salary, annual cash incentive, and long-term incentive awards) at the 75th percentile of our primary peer group for extraordinary performance and 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. The Committee also reviews forecasts of compensation trends that may be applicable to us in the future using a second "aspirational" comparison peer group that assumes annual revenues, industry, growth rates, and market capitalizations comparable to Vistaprint in the future if Vistaprint were to achieve its current business objectives.

With Towers Watson's assistance, our Compensation Committee engages in a rigorous process each year to develop a "primary" comparison peer group consisting of publicly traded firms that have characteristics that are currently comparable to Vistaprint or comparable to where Vistaprint expects to be in the near future. Through a multi-step process, the Committee considers 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 fiscal 2014, the initial financial criteria for the primary comparison peer group included annual revenue in the range of $1.1 billion to $3.0 billion, and market capitalization between $1.5 billion and $4.0 billion. The Compensation Committee also considered companies with high growth and in the same general industry as Vistaprint. Each year, the Compensation Committee updates the peer group selection criteria and the members of the primary peer group to add new companies that meet the criteria and remove companies that no longer meet the criteria or that were acquired or ceased doing business. For fiscal 2014, the primary peer group consisted of the following 23 companies:

Acxiom Corporation	DST Systems Inc.	Logitech International SA	TIBCO Software Inc.
AOL Inc.	Genpact Ltd.	Open Text Corporation	Total Systems Services Inc.
Cadence Design Systems Inc.	Global Payments Inc.	PTC Inc.	ValueClick Inc.
Compuware Corporation	IAC/InterActiveCorp.	Sapient Corporation	VeriFone Systems, Inc.
CoreLogic, Inc.	Jack Henry & Associates Inc.	Sohu.com Inc.	Zebra Technologies Corporation
Deluxe Corporation	Lender Processing Services Inc.	Solera Holdings Inc.	

The Compensation Committee engages independent compensation consultants and manages the relationship with these firms. During fiscal 2014, Towers Watson, the Committee's compensation consultant, provided the following services to Vistaprint 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 employees who are not executive officers;
- Detailed equity utilization analysis comparing the number of shares that Vistaprint grants per year pursuant to equity compensation awards and the number of shares subject to outstanding equity compensation awards and available for grant under our equity compensation plans with both our primary and aspirational peer groups, to assist the Compensation Committee in setting our practices of granting equity to our employees;
- Consulting on a job leveling solution, including providing Vistaprint with job evaluation technology and supporting tools; and
- The development of a competitive core benefit plan offering for our London office.

During fiscal 2014, Vistaprint paid Towers Watson approximately $156,135 in fees for services relating to the compensation of our executives and approximately $357,900 for the other services described above. The Compensation Committee took these fees into account when assessing Towers Watson's independence and determined that Towers Watson was independent during fiscal 2014.

Compensation Components for Executives

The principal elements of our compensation program for our executive officers are the following:

- Base salary
- Annual cash incentive awards, which reward executives based on Vistaprint's achievement of financial performance goals for the current fiscal year
- Long-term incentive awards, which may include long-term cash incentives, share options, and restricted share units, which reward executives based on Vistaprint's achievement of longer term financial objectives and the creation of value for our shareholders as reflected in our share price
- Standard health and welfare benefits that are applicable to all of our employees in each executive's geographic location
- Expatriate benefits for our executives who are assigned to work in geographic locations outside of their home countries

In addition, we have severance and change in control arrangements with our executives.

Under our pay-for-performance philosophy, the compensation of our employees at higher levels in the organization is generally 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. Conversely, employees at lower levels in the organization generally receive more of their compensation in the form of base salary and less in

the form of variable compensation. 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.

- Base salary of Mr. Keane, our Chief Executive Officer, at the 25th percentile of our primary peer group
- Base salaries of our other executive officers at the 35th - 40th percentile of our primary peer group and published compensation surveys
- Annual cash compensation (base salary and annual cash incentive) of all executive officers including Mr. Keane at the 50th percentile of our primary peer group and published compensation surveys
- Total compensation (base salary, annual cash incentive, and long-term incentive awards) of all executive officers including Mr. Keane at the 75th percentile of our primary peer group and published compensation surveys

Base Salary

For fiscal 2014, the Compensation Committee did not increase Mr. Keane's cash compensation, consisting of base salary and an annual cash incentive award, over his fiscal 2013 levels in order to maintain his annual cash compensation level at the 50th percentile of our primary peer group as described above. The Compensation Committee increased our other named executive officers' salaries by 3-8% from fiscal 2013 to fiscal 2014 to maintain their salaries at the 35th - 40th percentile of our primary peer group and published compensation surveys and also to reflect each executive's performance and internal equity with other Vistaprint executives. You can find more information on our named executive officers' salaries in the Summary Compensation Table below.

Looking ahead to fiscal 2015, the Compensation Committee decided not to increase the cash compensation, consisting of base salary and annual cash incentive awards, of Mr. Keane or any of our other named executive officers over their fiscal 2014 levels as part of our efforts to keep our costs within our budget for fiscal 2015 and also because the Committee believes that the executives' compensation is competitive at the current levels.

Annual Cash Incentive Awards

The Compensation Committee grants annual cash incentive awards to our executive officers to provide an incentive to executives to achieve financial goals that are tied to the current fiscal year. For fiscal 2014, the Compensation Committee changed the balance between revenue performance and earnings per share, or EPS, performance in the annual cash incentives to reflect Vistaprint's strategic goal to grow its revenue while maintaining profitability: In fiscal 2014 the annual cash incentive awards were based 70% on Vistaprint's achievement of full-year constant currency revenue goals and 30% on Vistaprint's achievement of full-year EPS goals determined by the Compensation Committee based on our annual budget approved by the Supervisory Board, while the fiscal 2013 awards placed more emphasis on revenue goals, with a 90/10 split between revenue and EPS. For purposes of calculating these annual incentives, the Compensation Committee defines "constant currency revenue" as consolidated net revenue for Vistaprint and its subsidiaries for the fiscal year, adjusted to use the same currency exchange rates as set forth in Vistaprint's budget for the fiscal year. "Earnings per share" is defined as EPS on a diluted basis for the results of Vistaprint's operations on a consolidated basis for the fiscal year, calculated in accordance with U.S. GAAP with some exclusions for income or expenses relating to certain specific events that the Committee believes would introduce inaccurate reflections of management-driven performance.

The fiscal 2014 performance goals set by the Compensation Committee for our executive officers' annual cash incentive awards were constant currency revenue of $1,292,126,992 and EPS of $1.62 - $1.78 (calculated using $1.70 as the target). The Compensation Committee believed that the fiscal 2014 goals were highly challenging but achievable. As set forth in the fiscal 2014 annual award agreements with our executive officers, the actual amount to be paid for the annual cash incentives was a percentage of the fiscal 2014 target award for each executive, listed in the table below, where the payout percentage equals the greater of:

(x) -5.6667 + (4.6667 X Revenue Percentage) + (2.0000 X EPS Percentage); or
(y) -14.7895 + (11.0526 X Revenue Percentage) + (4.7368 X EPS Percentage)

The Revenue Percentage and EPS Percentage were calculated by dividing the actual amounts for the fiscal year by the revenue and EPS goals described above. If either (1) Vistaprint's actual constant currency revenue for fiscal 2014 were less than 92.5% of the goal, or (2) actual adjusted EPS for fiscal 2014 were less than 80%

of the goal, then the total annual cash incentive payout would be zero even if the other goal were achieved. The fiscal 2014 payout percentage was capped at a maximum of 200%.

As calculated under the fiscal 2014 annual cash incentive awards, Vistaprint's constant currency revenue was $1,254,600,410, which was below the constant currency revenue goal of $1,292,126,992 described above, and its EPS was $1.84, which was an overachievement of the EPS goal of $1.62 - $1.78 described above. Based on the 70/30 weighting of these two goals and in accordance with the formula set forth above, this level of achievement would have yielded a payout percentage of 106.9% of the executives' targets. However, after considering Vistaprint's 2014 performance as a whole, including a number of non-recurring factors that impacted the company's financial results, such as the positive revenue contributions of the company's 2014 acquisitions as well as their dilutive impact to net income, the write down of the Namex Limited investment, and the impact of job eliminations and an office closure, the Compensation Committee concluded that the company's performance did not support a payout of 106.9%. Therefore, the Committee exercised its negative discretion to reduce the payout percentage for the 2014 annual cash incentive awards to 98.2%, which was the same payout percentage calculated for the 2014 bonuses paid to Vistaprint's non-executive employees and which the Committee believes appropriately reflects the company's performance.

The Compensation Committee set Mr. Keane's fiscal 2014 target annual incentive at a level to maintain his annual cash compensation (base salary plus annual cash incentive) at the 50th percentile of our primary peer group. The Compensation Committee determined the fiscal 2014 target annual incentives of our other executive officers based on its philosophy of setting their annual cash compensation at the 50th percentile of our primary peer group and published compensation surveys, and also to reflect each executive's performance and internal equity with other Vistaprint executives. The following table sets forth the target annual cash incentive awards for our named executive officers and the actual payouts on those awards for fiscal 2014.

Name	Target Annual Incentive	Actual Annual Incentive Paid
Robert S. Keane	€ 756,000	€ 742,392
Katryn S. Blake	$ 335,000	$ 328,970
Donald R. Nelson	$ 220,000	$ 216,040
Ernst J. Teunissen	€ 265,000	€ 260,230
Hauke K.U. Hansen (1)	CHF 100,000	CHF 98,200

(1) Dr. Hansen is no longer an executive officer effective in June 2014.

Long-Term Incentive Program

Our long-term incentive program is designed to focus our executives and employees on long-term performance and value creation for the company and our shareholders. The Compensation Committee, with recommendations from our independent compensation consultant, determines the mix among our three long-term incentive vehicles - which may include share options, restricted share units, and long-term cash incentives - for our executives and employees.

Share Options and Restricted Share Units for Executives

The Compensation Committee believes that granting equity awards is an effective way to motivate our executives to manage the company in a manner that is consistent with the long-term interests of both the company and our shareholders, with equity awards generating greater returns for our executives and employees as our share price increases. Our share options and restricted share units also provide us with an important retention tool, as the equity grants vest over a multiple-year period only if the executive continues to be employed by us on each vest date.

As part of the Compensation Committee's redesign of our long-term executive compensation program in fiscal 2012, which involved the grant to our executive officers of multi-year, premium-priced share option awards, our Supervisory Board adopted resolutions that, until fiscal 2016 at the earliest, we will not grant any additional long-term incentive award in any form to Mr. Keane or any additional share options to our other current executive officers. Accordingly, in fiscal 2014 we did not grant any new share options to any of our executive officers, and we did not grant any restricted share units to Mr. Keane. Our executive officers other than Mr. Keane received restricted share units that vest over four years. Each unit that vests is automatically converted into an ordinary share of Vistaprint on a one-to-one basis.

In general, we grant equity awards to our executive officers annually at the regularly scheduled meeting of the Compensation Committee held in the fourth quarter of each fiscal year. Accordingly, grants made in fiscal 2014 were approved at the May 2014 Compensation Committee meeting. We typically grant equity awards to employees who are not executive officers during our first fiscal quarter after the conclusion of our annual performance review cycle.

Long-Term Cash Incentive Compensation

The Compensation Committee did not grant any new long-term cash incentive awards to our executive officers in fiscal 2014, in keeping with the 2012 redesign of our long-term incentive program to emphasize premium-priced share options. In the past, the Compensation Committee has granted long-term cash incentive awards 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. Long-term cash incentive awards granted during previous fiscal years were payable for fiscal 2014 based on fiscal 2014 performance goals.

Each long-term cash incentive award granted in previous fiscal years has a performance cycle of four fiscal years, and each executive officer is eligible to receive 25% of his or her total award for each fiscal year in the performance cycle. At the beginning of each four-year performance cycle, the Compensation Committee developed performance goals for each fiscal year within that specific cycle. Our named executive officers' outstanding long-term cash incentive awards were granted in fiscal years 2011 and 2012 with performance goals based on Vistaprint’s achievement of EPS targets for each of the four fiscal years that followed, expressed as:

- a lowest (minimum) EPS dollar value for each fiscal year corresponding to a percentage payout of 50% of each executive’s target for that year,
- a medium EPS dollar value for each fiscal year corresponding to a percentage payout of 100% of each executive’s target for that year, and
- a highest (stretch goal) EPS dollar value corresponding to a percentage payout between 130% and 250% (depending on the year) of each executive’s target for that year.

“Earnings per share” is defined as EPS on a diluted basis for the results of Vistaprint’s operations on a consolidated basis for the fiscal year, calculated in accordance with U.S. GAAP with some exclusions for income or expenses relating to certain specific events that the Committee believes do not accurately reflect management-driven performance. 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.

If Vistaprint’s adjusted EPS is less than the lowest (minimum) goal for a fiscal year, then our executive officers receive no payout for that performance period. If Vistaprint’s adjusted EPS is equal to or higher than the highest (stretch) EPS goal, then our executives receive the percentage payout for achievement of the highest EPS goal. If Vistaprint’s adjusted EPS is greater than or equal to the lowest EPS goal but less than the EPS highest goal for a performance period, then the percentage payout for that performance period is equal to:

- the payout threshold percentage for the highest EPS target achieved with respect to the applicable performance period, plus
- a number calculated as follows: (A) a percentage equal to a fraction, the numerator of which equals the amount by which adjusted EPS exceeded such applicable EPS goal and the denominator of which equals the difference between the next highest EPS goal that was not achieved and the highest EPS goal achieved, multiplied by (B) the difference between the payout threshold percentage for the next highest EPS goal that was not achieved and the payout threshold percentage for the highest EPS goal achieved.

Long-Term Cash Incentives Relating to Fiscal 2014 Performance

Each of our named executive officers had two outstanding long-term cash incentive awards described below:

2011-2014 Awards Granted in Fiscal 2011. Under the long-term cash incentive awards that the Compensation Committee granted in fiscal 2011, each named executive officer is eligible to receive 25% of his or her total award for each of our fiscal years ending June 30, 2011, 2012, 2013 and 2014 based on our achievement of EPS goals for each fiscal year. The EPS goals for the 2011-2014 awards were determined before July 2011 when we launched a strategy that included increased investments in our business that we expected to result in lower EPS. The Compensation

Committee decided not to reduce the fiscal 2014 EPS goals in the 2011-2014 awards to accommodate this investment strategy. As calculated under these 2011-2014 awards, our adjusted EPS for fiscal 2014 was $1.93, which was below the lowest EPS goal for fiscal 2014 of $2.23 under these awards. Accordingly, the executive officers were not eligible for any payment for 2014 under the awards.

2012-2015 Awards Granted in Fiscal 2012. Under the long-term cash incentive awards that the Compensation Committee granted in fiscal 2012, each named executive officer is eligible to receive 25% of his or her total award for each of our fiscal years ending June 30, 2012, 2013, 2014, and 2015 based on our achievement of EPS goals for each fiscal year. As set forth in the 2012-2015 award agreements with our executive officers, our EPS goals for fiscal 2014 were as follows:

- Our lowest EPS goal for fiscal 2014 was $1.85, which would have resulted in a payout of 50% of the named executive officers' targets for that year;
- Our medium EPS goal was $2.31, which would have resulted in a payout of 100% of the named executive officers' targets for that year; and
- Our highest EPS goal was $2.77, which would have resulted in a payout of 200% of the named executive officers' targets for that year.

As calculated in accordance with this award, our adjusted EPS for fiscal 2014 was $2.34, which was $1.06 higher than our $1.28 EPS calculated in accordance with U.S. GAAP. The Compensation Committee calculated the adjusted EPS in accordance with the long-term cash incentive awards of our executive officers by excluding from our U.S. GAAP EPS: (1) $0.39 of net losses, expenses, and amortization realized in fiscal 2014 relating to our acquisitions of AlbumPrinter Holding B.V. and Webs, Inc. in fiscal 2012, People & Print Group and Pixartprinting in fiscal 2014, and transaction fees associated with our fiscal 2015 acquisition of FotoKnudsen and minority investment in Printi LLC in Brazil; (2) $0.43 of losses and expenses relating to our minority investment in Namex Limited, as well as the write down of that investment in fiscal 2014; (3) $0.10 of share-based compensation expense relating to the premium-priced share options granted to our executives and management team; (4) $0.05 of costs related to our joint venture in Japan; (5) $0.06 of impact from job eliminations; and (6) $0.03 of unrealized losses from currency hedges and the currency impact on intercompany loans. This adjusted EPS of $2.34 was above the medium EPS goal and below the highest EPS goal under these 2012-2015 awards, so we paid 106.5% of target levels to our named executive officers based on the formula set forth in their agreements, as follows:

	2012-2015 Awards	
Name	**Target Fiscal 2014 Incentive ($)**	**Actual Fiscal 2014 Incentive Paid ($)**
Robert S. Keane	$ 142,500	$ 151,763
Katryn S. Blake	93,750	99,844
Donald R. Nelson	75,000	79,875
Ernst J. Teunissen	93,750	99,844
Hauke K.U. Hansen (1)	41,250	43,931

(1) Dr. Hansen is no longer an executive officer effective in June 2014.

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. U.S. based employees may also 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, including a pension plan for our employees in Switzerland, including Dr. Hansen, that complies with the requirements of Swiss law. Vistaprint and each Swiss employee contribute to the Swiss pension plan on a sliding scale based on each employee's age from 7% to 18% of the employee's salary, with the employee contributing 33% of such amount and Vistaprint contributing 67%.

Perquisites

In general, executives are not entitled to benefits that are not otherwise available to all other employees who work in the same geographic location. We do, however, from time to time enter into arrangements with some of our named executive officers to reimburse them for living and relocation expenses relating to their work outside of their home countries. You can find more information about these arrangements in the Summary Compensation Table of this proxy statement.

Severance

When Hauke Hansen's employment with Vistaprint was terminated, we terminated the executive retention agreement Dr. Hansen entered into with us dated June 18, 2012 and entered into a separation agreement dated June 30, 2014 with him providing for the following payments and benefits subject to his satisfaction of certain severance conditions:

- A cash severance payment in the aggregate amount of CHF 491,813
- Cash payouts of Dr. Hansen's annual and long-term cash incentive awards for fiscal year 2014, as set forth in the sections of this CD&A entitled "Annual Cash Incentive Awards" and "Long-Term Cash Incentives Relating to Fiscal 2014 Performance," in the same amounts that he would have received if he had remained an employee of Vistaprint
- The acceleration of the vesting of Dr. Hansen's restricted share units and share options that would have vested between July 1, 2014 and December 31, 2014
- A lump-sum pension plan contribution in the gross amount of CHF 53,617
- Payment of Dr. Hansen's expenses for the preparation and filing of his calendar year 2014 Dutch tax filing
- A cash payment of CHF 10,000 as consideration for Dr. Hansen's non-competition and non-solicitation agreement

We deducted from the payments and benefits paid pursuant to the separation agreement all applicable tax and social security withholdings, as well as Dr. Hansen's reimbursement obligation to Vistaprint for his Swiss tax liabilities. After netting these deductions against the payments and benefits to which Dr. Hansen was entitled under the separation agreement, Dr. Hansen paid us approximately CHF 22,000 in satisfaction of his reimbursement obligation.

Executive Retention and Other Agreements

We have entered into executive retention agreements with all of our executive officers. 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 Vistaprint 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. These severance payments are based on the executive's then current base salary plus the greater of (1) the target bonus for the then current fiscal year, or (2) the target bonus for the then current fiscal year multiplied by the average actual bonus payout percentage for the previous three fiscal years.

- With respect to any outstanding annual incentive award under our Performance 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 Vistaprint during the fiscal year, this pro rata portion is capped at the actual amount of annual incentive that the executive would have received had he or she remained employed by Vistaprint through the end of the fiscal year.

- With respect to any outstanding multi-year award under our Performance 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 Vistaprint during the applicable performance period, this pro rata portion is capped at the actual amount of incentive for the performance

period that the executive would have received had he or she remained employed by Vistaprint through the end of the performance period.

- The continuation of all other employment-related 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.

The executive retention agreements also provide that, upon a change in control of Vistaprint, all equity awards granted to each executive officer will accelerate and become fully vested; each executive's multi-year incentive awards under our Performance 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 incentive award for that fiscal year.

In addition, if after a change in control Vistaprint's 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. If an executive 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 Vistaprint, 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 Vistaprint 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. Our Compensation Committee has decided that after August 1, 2012, we will no longer include such excise tax gross-up provisions in the executive retention agreements that we enter into with our future executives.

The following table sets forth information on the potential payments to named executive officers upon their termination or a change in control of Vistaprint, assuming that a termination or change in control took place on June 30, 2014.

Name	Cash Payment ($)(1)	Accelerated Vesting of Share Options ($)(2)	Accelerated Vesting of Restricted Share Units ($)(3)	Welfare Benefits ($)(4)	Tax Gross-Up Payment ($)(5)	Total ($)
Robert S. Keane						
• Termination Without Cause or With Good Reason	3,218,044	—	—	54,194	—	3,272,238
• Change in Control	142,500	—	426,934	—	—	569,434
• Change in Control w/ Termination Without Cause or With Good Reason	3,360,544	—	426,934	54,194	—	3,841,672
Katryn S. Blake						
• Termination Without Cause or With Good Reason	700,000	—	—	20,685	—	720,685
• Change in Control	93,750	—	2,538,541	—	—	2,632,291
• Change in Control w/ Termination Without Cause or With Good Reason	793,750	—	2,538,541	20,685	—	3,352,976

Donald R. Nelson						
• Termination Without Cause or With Good Reason	560,000	—	—	20,401	—	580,401
• Change in Control	75,000	—	1,731,486	—	—	1,806,486
• Change in Control w/ Termination Without Cause or With Good Reason	635,000	—	1,731,486	20,401	—	2,386,887
Ernst J. Teunissen						
• Termination Without Cause or With Good Reason	720,864	—	—	5,321	—	726,185
• Change in Control	93,750	—	1,961,663	—	—	2,055,413
• Change in Control w/ Termination Without Cause or With Good Reason	814,614	—	1,961,663	5,321	—	2,781,598
Hauke K.U. Hansen (6)						
• Termination Without Cause or With Good Reason	485,682	—	—	2,680	—	488,362
• Change in Control	41,250	—	1,277,727	—	—	1,318,977
• Change in Control w/ Termination Without Cause or With Good Reason	526,932	—	1,277,727	2,680	—	1,807,339

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(1) Amounts in this column for Termination Without Cause or With Good Reason represent severance amounts payable under the executive retention agreements, and amounts in this column for Change in Control represent the acceleration of cash incentive awards. The amounts of the incentive awards included in these amounts were calculated based on the target amounts payable if Vistaprint had met its targets for the applicable periods. Cash incentive awards that the named executive officers earned as of June 30, 2014 irrespective of a termination without cause or change in control have been excluded. Some of the amounts would be payable to Messrs. Keane and Teunissen in Euros and to Dr. Hansen in Swiss Francs. For purposes of this table, we converted these executive officers' payments from Euros to U.S. dollars at a currency exchange rate of 1.36012 and from Swiss Francs to U.S. dollars at a currency exchange rate of 1.11651, in each case based on the 30-day average currency exchange rate for June 1-30, 2014, which was the end of our most recent fiscal year.

(2) Amounts in this column represent the value of unvested, in-the-money share options that would vest upon the triggering event described in the first column. The value of share options is based on the difference between the exercise price of the options and $40.46 per share, which was the closing price of our ordinary shares on NASDAQ on June 30, 2014, the last trading day of our fiscal year 2014. No unvested, in-the-money share options appear in this table because all of the executives' unvested options have exercise prices that are higher than $40.46 per share.

(3) Amounts in this column represent the value of unvested restricted share units that would vest upon the triggering event described in the first column, based on $40.46 per share, which was the closing price of our ordinary shares on NASDAQ on June 30, 2014, the last trading day of our fiscal year 2014.

(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.

(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 the named executive officers would receive. Our Compensation Committee has decided that after August 1, 2012, we will no longer include such tax gross-up provisions in the executive retention agreements that we enter into with our future executives.

(6) Dr. Hansen's employment with Vistaprint terminated effective June 30, 2014. In connection with his termination, Dr. Hansen's executive retention agreement terminated and was replaced by a separation agreement described in more detail in the section entitled "Severance" above. Under the separation agreement, Dr. Hansen received severance payments, equity acceleration, and other benefits that are different from the hypothetical amounts in this table.

We have also entered into indemnification agreements with our executive officers that provide the executives with indemnification for actions they take in good faith as members of the Management Board.

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 Vistaprint 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

In May 2011, we instituted share ownership guidelines for all of our executive officers and members of our Supervisory Board. The guidelines require our executive officers and supervisory directors to hold Vistaprint equity, including ordinary shares they hold directly or indirectly, unvested restricted 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 Vistaprint's ordinary shares on NASDAQ, equal to or greater than a multiple of the executive officer's annual base salary or the supervisory director's annual retainer, as follows:

- Chief Executive Officer: 5 times annual base salary
- Other executive officers: 3 times annual base salary
- Supervisory directors: 5 times Supervisory Board annual cash retainer

Each executive officer and supervisory director has until June 30, 2015 to comply with the share ownership guidelines, other than Paolo De Cesare and Eric Olsen who have until March 25, 2017, which is four years from their election as supervisory directors. As of June 30, 2014, all executive officers and supervisory directors had met or exceeded their ownership guideline requirement.

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 Vistaprint. 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 Vistaprint 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 Vistaprint's 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 qualified performance-based compensation under Section 162(m) in favor of awards that may not be fully tax-deductible by Vistaprint's subsidiaries.

Report of the Compensation Committee

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
George M. Overholser, Chair
Peter Gyenes
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 or each fiscal year when each individual was serving as an executive officer, whichever is shorter, by:

(i) our principal executive officer;

(ii) our principal financial officer; and

(iii) our other three highest paid executive officers for our fiscal year ended June 30, 2014.

Throughout this proxy statement, we refer to the individuals listed in (i) through (iii) above as our named executive officers.

Name and Principal Position	Year	Salary ($)	Share Awards ($)(1)	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)(2)	All Other Compensation ($)	Total ($)
Robert S. Keane(3)	2014	581,430	—	—	1,161,505	3,109(5)	1,746,044
President and Chief	2013	559,907	—	3,450,821(4)	1,127,579	3,192	5,141,499
Executive Officer	2012	509,540	—	17,624,626(4)	906,625	2,548	19,043,339
Katryn S. Blake	2014	364,231	937,986	—	428,814	546,535(6)	2,277,566
President, Vistaprint	2013	344,712	1,004,972	—	425,415	510,294	2,285,393
Business Unit	2012	330,077	1,172,470	2,680,193(4)	371,250	10,943	4,564,933
Donald R. Nelson	2014	339,808	699,981	—	295,915	7,800(7)	1,343,504
President, Mass Customization	2013	329,808	649,963	—	309,630	7,650	1,297,051
Platform	2012	320,000	749,966	3,480,783(4)	261,000	11,925	4,823,674
Ernst J. Teunissen(3).................	2014	360,706	699,981	—	453,788	40,804(8)	1,555,279
Executive Vice President	2013	320,023	749,996	—	441,530	39,532	1,551,081
and Chief Financial Officer	2012	306,309	874,979	4,060,892(4)	363,393	37,449	5,643,022
Hauke K.U. Hansen(3)(9)	2014	373,766	374,963	—	153,573	905,656(10)	1,807,958
former Senior Vice President and Chief Manufacturing Officer	2013	347,583	824,958	580,118(4)	152,917	74,002	1,979,578

(1) The amounts reported in these columns 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 12 to our audited financial statements included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2014.

(2) 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 awards that is attributable to that fiscal year. You can find more information about the amounts paid for fiscal 2014 to each executive officer under his or her annual and long-term cash incentive awards in the Compensation Discussion and Analysis section of this proxy statement.

(3) We paid the amounts under "Salary," "Non-Equity Incentive Plan Compensation," and "All Other Compensation" to Messrs. Keane and Teunissen in whole or in part in Euros and to Dr. Hansen in whole or in part in Swiss Francs. For purposes of this table, we converted these amounts from Euros to U.S. dollars at a currency exchange rate of 1.36012 and from Swiss Francs to U.S. dollars at a currency exchange rate of 1.11651, in each case based on the 30-day average currency exchange rate for June 1-30, 2014, which was the end of our most recent fiscal year.

(4) The value of these share options granted to Ms. Blake and Messrs. Hansen, Nelson, and Teunissen represents the total approximate value of all traditional share options that Vistaprint would have granted to these executives over a four-year period, and the aggregate value of Mr. Keane's share options, which was intended to equal approximately $21,580,700, represents the total approximate value of all long-term incentive awards of any kind that Vistaprint would have granted to Mr. Keane over a four-year period. Due to a limitation in our 2011 Equity Incentive Plan that prohibits us from granting awards for more than 1,000,000 shares in any fiscal year to any participant, we divided Mr. Keane's share option into two parts that were granted separately in each of our fiscal years 2012 and 2013 for purposes of complying with the limitation set forth in the plan: The $17,624,626 amount that appears in Mr. Keane's fiscal 2012 row of this table represents the first portion of the share option, which was granted on May 4, 2012, and the $3,450,821 amount that appears in Mr. Keane's fiscal 2013 row of this table represents the balance of the share option that was granted on August 1, 2012. The fiscal 2012 and 2013 dollar amounts do not add up to exactly $21,580,700 because the value of the options was determined as of May 4, 2012, but, as required by SEC rules, the value of the fiscal 2013 portion of the option set forth in the table above is as of August 1, 2012, the grant date of the second portion. Our Supervisory Board has passed resolutions that, until fiscal 2016 at the earliest, Vistaprint shall not grant any additional long-term incentive award in any form (including equity or long-term cash awards) to Mr. Keane or any additional share options to Ms. Blake or Messrs. Nelson or Teunissen.

(5) This amount represents tax gross-up payments relating to the reimbursement of business travel expenses.

(6) $225,492 of this amount represents reimbursements and payments for foreign allowances, children's tuition and care, home leave, property maintenance, transportation, and cash payout of accrued paid time off in connection with Ms. Blake's expatriate assignment to our Paris office; $313,566 of this amount represents tax payments and tax gross-up amounts relating to the expatriate payments; and $7,477 of this amount represents our matching contributions under Vistaprint USA's 401(k) deferred savings plan.

(7) This amount represents our matching contributions under Vistaprint USA's 401(k) deferred savings retirement plan.

(8) This amount represents payments of school tuition for Mr. Teunissen's children.

(9) Dr. Hansen was appointed an executive officer in August 2012, and his employment was terminated on June 30, 2014.

(10) $762,753 of this amount represents severance payments in connection with the termination of Dr. Hansen's employment, $119,344 of this amount represents contributions made to our Swiss pension plan for Dr. Hansen, $20,879 of this amount represents car allowance payments, and $2,680 of this amount represents a health allowance.

Grants of Plan-Based Awards in the Fiscal Year Ended June 30, 2014

The following table contains information about plan-based awards granted to each of our named executive officers during the fiscal year ended June 30, 2014.

		Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			All Other Share Awards: Number of Shares or Share Units	Grant Date Fair Value of Share Awards
Name	Grant Date	Threshold ($)(1)	Target ($)(2)	Maximum ($)(3)	(4)(#)	($)(5)
Robert S. Keane	9/27/2013(6)	—	1,028,251	2,056,502	—	—
Katryn S. Blake	9/27/2013	—	335,000	670,000	—	—
	5/14/2014				23,532	937,986
Donald R. Nelson	9/27/2013	—	220,000	440,000	—	—
	5/14/2014				17,561	699,981
Ernst J. Teunissen	9/27/2013(6)	—	360,432	720,864	—	—
	5/14/2014				17,561	699,981
Hauke K.U. Hansen (7)	9/27/2013(6)	—	111,651	223,302	—	—
	5/14/2014				9,407	374,963

(1) The amounts reported in this column represent the amounts that would have been payable under our named executive officers' annual cash incentive awards if we did not meet our minimum constant currency revenue and EPS targets.

(2) These amounts represent target annual cash incentives for our fiscal year ended June 30, 2014, which were based 70% on our achievement of constant currency revenue targets and 30% on our achievement of EPS targets for fiscal 2014. These amounts represent payments that our named executive officers are eligible to receive under their fiscal 2014 annual cash incentive awards for 100% achievement of our targets for fiscal 2014. You can find more information on the amounts actually paid to our executive officers under their fiscal 2014 annual cash incentive awards above in the Compensation Discussion and Analysis section of this proxy statement.

(3) These amounts represent the maximum amounts that would have been payable under our named executive officers' annual cash incentive awards for our fiscal year ended June 30, 2014. The payout under our annual cash incentives is capped at 200% of each executive officer's target amount. In fact, based on our achievement of our targets for fiscal 2014, our executive officers received payments that were less than these amounts. You can find more information on the amounts actually paid to our executive officers under their fiscal 2014 annual cash incentive awards above in the Compensation Discussion and Analysis section of this proxy statement.

(4) The amounts reported in this column represent restricted share units granted under our 2011 Equity Incentive Plan that vest over a period of four years: 25% one year after they are granted and 6.25% per quarter thereafter. As the restricted share units vest, we automatically issue the vested shares to the employee; the employee does not need to exercise them or pay any amount to us for the purchase of the shares.

(5) The amounts reported in this column represent the grant date fair value for each executive officer's share-based awards computed in accordance with FASB ASC Topic 718. You can find the assumptions we used in the calculations for these amounts in Note 12 to our audited financial statements included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2014.

(6) The estimated amounts in this row would be payable to Messrs. Keane and Teunissen in Euros and to Dr. Hansen in Swiss Francs. For purposes of this table, we converted these estimated incentive payments from Euros to U.S. dollars at a currency exchange rate of 1.36012 and from Swiss Francs to U.S. dollars at a currency exchange rate of 1.11651, in each case based on the 30-day average currency exchange rate for June 1-30, 2014, which was the end of our most recent fiscal year.

(7) Dr. Hansen is no longer an executive officer effective in June 2014.

Outstanding Equity Awards at June 30, 2014

The following table contains information about unexercised share options and unvested restricted share units as of June 30, 2014 for each of our named executive officers.

	Option Awards				Share Awards	
	Number of Securities Underlying Unexercised Options					
Name	(#) Exercisable	(#) Unexercisable	Option Exercise Price (1)($)	Option Expiration Date	Number of Shares or Share Units That Have Not Vested (2)(#)	Market Value of Shares or Share Units That Have Not Vested (3)($)
Robert S. Keane(4)	700,000	—	12.33	5/31/2015		
	130,050	—	23.31	8/4/2016		
	143,618	—	37.51	5/15/2017		
	333,318	—	34.87	5/2/2018		
	146,028	—	34.25	5/7/2019		
	96,800	—	47.91	5/6/2020		
	78,930	26,310	54.02	5/5/2021		
	—	1,224,462(5)	50.00(6)	5/4/2020(6)		
					10,552	426,934
Katryn S. Blake	6,259	—	23.31	8/4/2016		
	17,478	—	33.47	8/6/2017		
	20,348	2,907	41.02	11/22/2020		
	6,231	2,077	54.02	5/5/2021		
	27,891	120,864	50.00(6)	5/4/2020(6)		
					62,742	2,538,541
Donald R. Nelson	10,000	—	22.12	7/31/2016		
	19,333	—	33.47	8/6/2017		
	4,984	1,662	54.02	5/5/2021		
	36,223	156,966	50.00(6)	5/4/2020(6)		
					42,795	1,731,486
Ernst J. Teunissen	15,830	3,654	48.89	3/1/2021		
	6,231	2,077	54.02	5/5/2021		
	42,261	183,125	50.00(6)	5/4/2020(6)		
					48,484	1,961,663
Hauke K.U. Hansen (7)	6,594	—	50.00(6)	8/15/2020(6)	—	—

(1) Except as set forth in footnote 6 below, each share option has an exercise price equal to the fair market value of our ordinary shares on the date of grant and becomes exercisable, so long as the named executive officer continues to be employed with us, as to 25% of the shares subject to the option after one year and 6.25% per quarter thereafter. Except as set forth in footnote 6, each share option expires 10 years after the date on which it was granted.

(2) So long as the named executive officer continues to be employed with us, each restricted share unit 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 unit after one year and 6.25% per quarter thereafter.

(3) The market value of the restricted share units is determined by multiplying the number of restricted share units by $40.46 per share, which was the closing price of our ordinary shares on NASDAQ on June 30, 2014, the last trading day of our fiscal year 2014.

(4) All of Mr. Keane's awards are held by his Trusts.

(5) Mr. Keane may not exercise his premium-priced options unless our share price on NASDAQ is at least $75.00 on the exercise date. Because the closing price of our ordinary shares on NASDAQ on June 30, 2014, the last trading day of our fiscal year 2014, was $40.46, these options were not exercisable on that date.

(6) These awards are premium-priced share options with an exercise price that is significantly higher than the closing price of Vistaprint's 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 Vistaprint's 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.

(7) Dr. Hansen is no longer an executive officer effective in June 2014.

Option Exercises and Shares Vested in the Fiscal Year Ended June 30, 2014

The following table contains information about option exercises and vesting of restricted share units on an aggregated basis during fiscal 2014 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	150,000	7,911,000	20,308	1,016,147
Katryn S. Blake	—	—	25,863	1,250,775
Donald R. Nelson	—	—	17,547	858,444
Ernst J. Teunissen	—	—	20,203	972,179
Hauke K.U. Hansen (3)	—	—	18,675	865,553

(1) Represents the net amount realized from all option exercises during fiscal 2014. 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 restricted share units 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) Dr. Hansen is no longer an executive officer effective in June 2014.

COMPENSATION OF SUPERVISORY BOARD MEMBERS

The following contains information with respect to the compensation earned by our supervisory directors in the fiscal year ended June 30, 2014:

Name	Fees Earned or Paid in Cash ($)	Share Awards (1)($)	Option Awards (1)($)	Total ($)
Paolo De Cesare	56,000	109,999	49,976	215,975
John J. Gavin, Jr.	71,000	109,999	49,976	230,975
Peter Gyenes	66,000	109,999	49,976	225,975
Eric C. Olsen	56,000	109,999	49,976	215,975
George M. Overholser	72,495	109,999	49,976	232,470
Richard T. Riley	81,000	109,999	49,976	240,975
Mark T. Thomas	72,495	109,999	49,976	232,470
Louis R. Page(2)	26,250	—	—	26,250

(1) The value of the share awards equals their grant date fair value as computed in accordance with FASB ASC Topic 718. You can find the assumptions we used in the calculations for these amounts in Note 12 to our audited financial statements included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2014. All share options referenced in this table were granted with an exercise price equal to the closing price of our ordinary shares on NASDAQ on the date of grant.

(2) Mr. Page resigned as a director in November 2013.

Outstanding Equity Awards Held by Supervisory Directors at June 30, 2014

The following table contains information about unexercised share options and unvested restricted share units as of June 30, 2014 for each of our supervisory directors.

	Option Awards				Share Awards	
	Number of Securities Underlying Unexercised Options					
Name	(#) Exercisable	(#) Unexercisable	Option Exercise Price (1)($)	Option Expiration Date	Number of Shares or Share Units That Have Not Vested (2)(#)	Market Value of Shares or Share Units That Have Not Vested (3)($)
Paolo De Cesare	2,334	4,670	40.80	4/30/2023		
	296	1,480	54.08	11/7/2023		
					3,566	144,280
John J. Gavin, Jr.	12,018	—	24.32	8/21/2016		
	2,925	—	33.24	11/14/2016		
	2,269	—	46.18	11/2/2017		
	9,548	—	15.94	11/7/2018		
	1,919	—	54.46	11/17/2019		
	2,443	—	40.99	11/12/2020		
	2,241	449	35.77	11/3/2021		
	1,587	1,588	30.30	11/8/2022		
	296	1,480	54.08	11/7/2023		
					3,852	155,852

Peter Gyenes	17,389	—	24.33	2/5/2019		
	1,919	—	54.46	11/17/2019		
	2,443	—	40.99	11/12/2020		
	2,241	449	35.77	11/3/2021		
	1,587	1,588	30.30	11/8/2022		
	296	1,480	54.08	11/7/2023		
					3,852	155,852
Eric C. Olsen	2,334	4,670	40.80	4/30/2023		
	296	1,480	54.08	11/7/2023		
					3,566	144,280
George M. Overholser	1,462	—	33.24	11/14/2016		
	1,324	—	46.18	11/2/2017		
	3,183	—	15.94	11/7/2018		
	1,759	—	54.46	11/17/2019		
	2,443	—	40.99	11/12/2020		
	2,241	449	35.77	11/3/2021		
	1,587	1,588	30.30	11/8/2022		
	296	1,480	54.08	11/7/2023		
					3,852	155,852
Richard T. Riley	10,000	—	4.11	2/1/2015		
	2,925	—	33.24	11/14/2016		
	2,269	—	46.18	11/2/2017		
	9,548	—	15.94	11/7/2018		
	1,919	—	54.46	11/17/2019		
	2,443	—	40.99	11/12/2020		
	2,241	449	35.77	11/3/2021		
	1,587	1,588	30.30	11/8/2022		
	296	1,480	54.08	11/7/2023		
					3,852	155,852
Mark T. Thomas	5,758	—	54.46	11/17/2019		
	2,443	—	40.99	11/12/2020		
	2,241	449	35.77	11/3/2021		
	1,587	1,588	30.30	11/8/2022		
	296	1,480	54.08	11/7/2023		
					3,852	155,852

(1) Each share option has an exercise price equal to the fair market value of our ordinary shares on the date of grant and becomes exercisable at a rate of 8.33% per quarter over a period of three years from the date of grant, so long as the supervisory director continues to serve as a supervisory director on each such vesting date. Each share option expires 10 years after the date on which it was granted.

(2) Upon the vesting of each restricted share unit, shares are issued to the supervisory director on a one-to-one basis. Restricted share units issued to supervisory directors before July 1, 2013 vest as to 8.33% of the shares subject to the unit per quarter over a period of three years, so long as the supervisory director continues to serve as a supervisory director on each such vesting date. Restricted share units issued to supervisory directors after July 1, 2013 vest as to 12.5% of the shares subject to the unit per quarter over a period of two years, so long as the supervisory director continues to serve as a supervisory director on each such vesting date.

(3) The market value of the restricted share units is determined by multiplying the number of restricted share units by $40.46 per share, which was the closing price of our ordinary shares on NASDAQ on June 30, 2014, the last trading day of our fiscal year 2014.

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 our supervisory directors' compensation, our Compensation Committee considers the significant amount of time that supervisory directors expend in fulfilling their duties to Vistaprint, the skill level that we require of members of our Supervisory Board, and competitive compensation data from our peer group.

Fees

We pay our supervisory directors the following fees for their service on our Supervisory Board:

All supervisory directors	• $34,000 retainer per fiscal year • $10,000 retainer per fiscal year for each committee of the Supervisory Board on which the director serves • $3,000 for each regularly scheduled Supervisory Board meeting that the director physically attends
Chairman of the Supervisory Board	$15,000 retainer per fiscal year
Chairman of our Audit Committee	$15,000 retainer per fiscal year
Chairmen of our Compensation Committee and Nominating and Corporate Governance Committee	$10,000 retainer per fiscal year

We also reimburse our supervisory directors 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.

Equity Grants

Share Options. Upon his or her initial appointment to the Supervisory Board, each supervisory director receives a share option to purchase a number of ordinary shares having a fair value equal to $150,000, up to a maximum of 50,000 shares. On the date of each annual general meeting, each incumbent supervisory director receives a share option to purchase a number of ordinary shares having a fair value equal to $50,000, up to a maximum of 12,500 shares. We grant options to our supervisory directors under our 2005 Non-Employee Directors' Share Option Plan, as amended, with an exercise price equal to the fair market value of our ordinary shares on the date of grant. The supervisory directors' options vest at a rate of 8.33% per quarter over a period of three years from the date of grant, so long as the supervisory director continues to serve as a director on each such vesting date, and expire upon the earlier of ten years from the date of grant or three months after the supervisory director ceases to serve as a director.

Restricted Share Units. On the date of each annual general meeting, in addition to the share option described above, each incumbent supervisory director receives restricted share units having a fair value equal to $110,000 granted under our 2011 Equity Incentive Plan. Restricted share units granted to our supervisory directors after July 1, 2013

vest at a rate of 12.5% per quarter over a period of two years from the date of grant, so long as the supervisory director continues to serve as a director on each such vesting date.

For the purposes of determining the number of share options and restricted share units to be granted, we use the fair value of each share option and restricted share unit using a generally accepted equity pricing valuation methodology, such as the Black-Scholes model or binomial method for share options, with such modifications as it may deem appropriate to reflect the fair market value of the equity awards. In fiscal 2014, we used the Black-Scholes model to determine fair market value of share options.

Compensation Committee Interlocks and Insider Participation

During fiscal 2014, Messrs. Gyenes, Olsen, Overholser, Thomas, and Page served at various times as members of our Compensation Committee. During fiscal 2014, no member of our Compensation Committee was an officer or employee of Vistaprint or of our subsidiaries or had any relationship with us requiring disclosure under SEC rules.

During fiscal 2014, 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, 2014 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	(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)	3,959,353	$38.43	2,752,919(2)
Equity compensation plans not approved by shareholders	—	—	—
Total	3,959,353	$38.43	2,752,919(2)

(1) Consists of our Amended and Restated 2000-2002 Share Incentive Plan, Amended and Restated 2005 Equity Incentive Plan, 2005 Non-Employee Directors' Share Option Plan, and 2011 Equity Incentive Plan. This column does not include an aggregate of 837,131 shares underlying restricted share units that were unvested as of June 30, 2014.

(2) Includes 2,679,921 shares available for future awards under our 2011 Equity Incentive Plan and 72,998 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 or Amended and Restated 2000-2002 Share Incentive Plan.

Non-GAAP Reconciliation
Free Cash Flow per Share
In thousands except per share data ($ USD)

About Non-GAAP Financial Measures

To supplement Vistaprint's consolidated financial statements presented in accordance with U.S. generally accepted accounting principles, or GAAP, Vistaprint has used the following measure defined as non-GAAP financial measures by Securities and Exchange Commission, or SEC, rules: free cash flow per share, defined as net cash provided by operating activities minus purchases of property, plant and equipment minus purchases of intangible assets not related to acquisitions minus capitalization of software and website development costs, divided by Non-GAAP diluted weighted average shares outstanding, which excludes the impact of unamortized share-based compensation included in the calculation of GAAP diluted weighted average shares outstanding.

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 table below, which has more details on the GAAP financial measure that is most directly comparable to non-GAAP financial measure and the related reconciliation between these financial measures.

Vistaprint's management believes that this non-GAAP financial measure provides meaningful supplemental information in assessing our performance and liquidity. This non-GAAP financial measure also has facilitated management's internal comparisons to Vistaprint's historical performance and our competitors' operating results.

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net cash provided by operating activities	*$34,637*	*$54,240*	*$87,731*	*$120,051*	*$153,701*	*$162,634*	*$140,641*	*$140,012*	*$148,580*
Purchase of property, plant, and equipment	*(24,929)*	*(62,845)*	*(62,740)*	*(76,286)*	*(101,326)*	*(37,405)*	*(46,420)*	*(78,999)*	*(72,122)*
Purchases of intangible assets not related to acquisitions	-	-	*(1,250)*	-	-	*(205)*	*(239)*	*(750)*	*(253)*
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)*
Free Cash Flow	*$7,052*	*($12,794)*	*$18,045*	*$36,597*	*$45,859*	*$118,734*	*$88,519*	*$52,596*	*$66,456*
*Weighted average shares used in computing Non-GAAP EPS**	*42,651*	*45,825*	*46,780*	*45,099*	*45,989*	*45,448*	*39,426*	*35,201*	*34,793*
Free cash flow per share	*$0.17*	*($0.28)*	*$0.39*	*$0.81*	*$1.00*	*$2.61*	*$2.25*	*$1.49*	*$1.91*

** GAAP weighted average diluted shares have been used in FY 2006 and FY 2007 calculations, as Non-GAAP share count is not available.*

CORPORATE INFORMATION

Management Board

Robert Keane
President & Chief Executive Officer
Chairman, Management Board

Don Nelson
Executive Vice President &
President, Mass Customization Platform

Trynka Shineman Blake
Executive Vice President &
President, Vistaprint Business Unit

Ernst Teunissen
Executive Vice President &
Chief Financial Officer

Supervisory Board

Richard Riley
Chairman, Supervisory Board

Paolo De Cesare

John J. Gavin, Jr.

Peter Gyenes

Eric Olsen

George Overholser

Mark Thomas

Independent Registered Public Accounting Firm

For Fiscal 2014
Ernst & Young LLP
200 Clarendon Street
Boston, MA 02116
USA
Phone: +1-617-266-2000

For Fiscal 2015
PricewaterhouseCoopers LLP
125 High Street
Boston, MA 02110
USA
Phone: +1-617-530-5000

Corporate Counsel

Stibbe
Stibbetoren
Strawinskylaan 2001
1077 ZZ Amsterdam
The Netherlands
Phone: +31-20-546-06-06

WilmerHale
60 State Street
Boston, MA 02109
USA
Phone: +1-617-526-6000

Transfer Agent

Computershare Trust Company, N.A.
250 Royall Street
Canton, MA 02021
USA
Phone: +1-800-962-4284

Financial Information

To request financial documents such as our 10-K for the fiscal year ended June 30, 2014, as filed with the Securities and Exchange Commission, please visit ir.vistaprint.com, call our investor relations line at +1-781-652-6480 or send an email to ir@vistaprint.com.

General Information

Members of the media or others seeking information on the company should contact the public relations department at +1-781-652-6444 or publicrelations@vistaprint.com

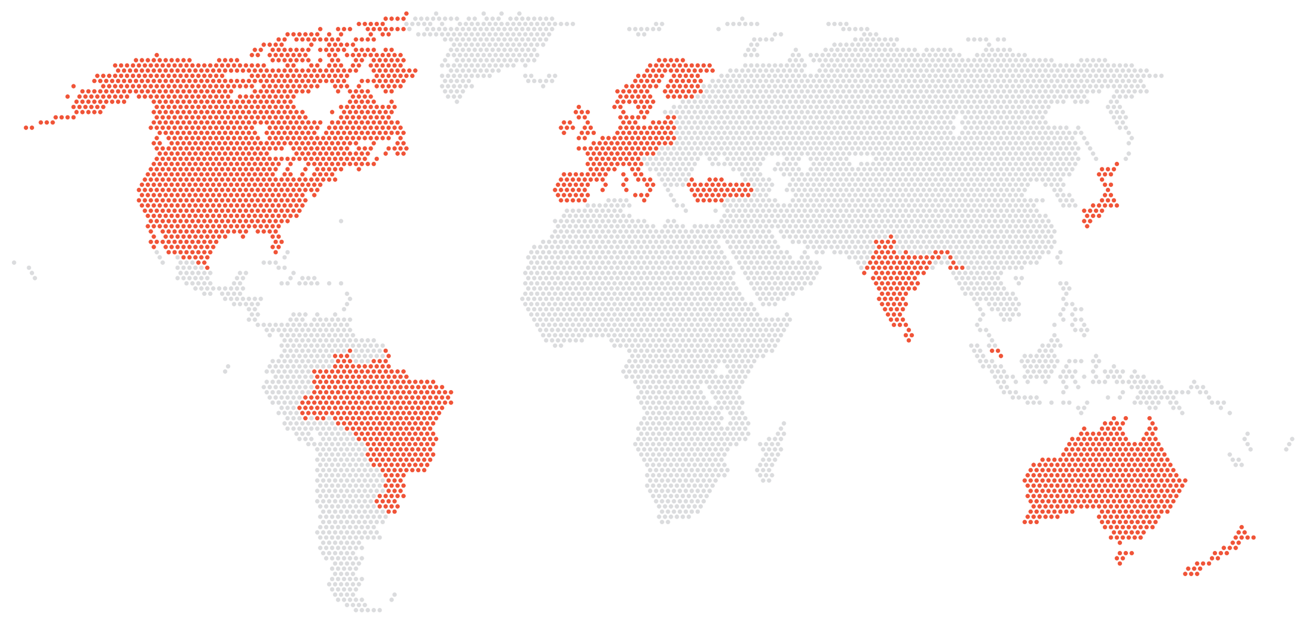
Annual General Meeting of Shareholders

November 12, 2014
Hudsonweg 8
5928 LW Venlo
The Netherlands

Address

Hudsonweg 8
5928 LW Venlo
The Netherlands

Vistaprint N.V.



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Vistaprint N.V. | Hudsonweg 8 | 5928 LW Venlo | The Netherlands