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

Form 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2017

or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 000-51539

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

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

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

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

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

Indicate by check mark 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 o

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 o

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

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. Yes o No ☑

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

As of October 27, 2017, there were 31,041,183 Cimpress N.V. ordinary shares, par value **€**0.01 per share, outstanding.

CIMPRESS N.V.
QUARTERLY REPORT ON FORM 10-Q
For the Three Months Ended September 30, 2017

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PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements***

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

	September 30, 2017	June 30, 2017
Assets		
Current assets:		
Cash and cash equivalents	$ 42,800	$ 25,697
Accounts receivable, net of allowances of $4,297 and $3,590, respectively	58,413	48,630
Inventory	56,754	46,563
Prepaid expenses and other current assets	75,921	78,835
Assets held for sale	—	46,276
Total current assets	233,888	246,001
Property, plant and equipment, net	511,890	511,947
Software and website development costs, net	50,312	48,470
Deferred tax assets	78,748	48,004
Goodwill	525,806	514,963
Intangible assets, net	268,678	275,924
Other assets	26,772	34,560
Total assets	$ 1,696,094	$ 1,679,869
Liabilities, noncontrolling interests and shareholders’ equity		
Current liabilities:		
Accounts payable	$ 121,119	$ 127,386
Accrued expenses	186,502	175,567
Deferred revenue	39,239	30,372
Short-term debt	19,941	28,926
Other current liabilities	86,998	78,435
Liabilities held for sale	—	8,797
Total current liabilities	453,799	449,483
Deferred tax liabilities	58,805	60,743
Lease financing obligation	105,679	106,606
Long-term debt	800,860	847,730
Other liabilities	108,607	94,683
Total liabilities	1,527,750	1,559,245
Commitments and contingencies (Note 13)		
Redeemable noncontrolling interests	83,841	45,412
Shareholders’ equity:		
Preferred shares, par value €0.01 per share, 100,000,000 shares authorized; none issued and outstanding	—	—
Ordinary shares, par value €0.01 per share, 100,000,000 shares authorized; 44,080,627 shares issued; and 31,020,287 and 31,415,503 shares outstanding, respectively	615	615
Treasury shares, at cost, 13,060,340 and 12,665,124 shares, respectively	(627,002)	(588,365)
Additional paid-in capital	366,684	361,376
Retained earnings	432,273	414,771
Accumulated other comprehensive loss	(88,325)	(113,398)
Total shareholders’ equity attributable to Cimpress N.V.	84,245	74,999
Noncontrolling interests (Note 10)	258	213
Total shareholders' equity	84,503	75,212
Total liabilities, noncontrolling interests and shareholders’ equity	$ 1,696,094	$ 1,679,869

See accompanying notes.

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

	Three Months Ended September 30,	
	2017	2016
Revenue	$ 563,284	$ 443,713
Cost of revenue (1)	283,755	213,050
Technology and development expense (1)	62,103	59,010
Marketing and selling expense (1)	166,093	132,668
General and administrative expense (1)	38,778	56,580
Amortization of acquired intangible assets	12,633	10,213
Restructuring expense (1)	854	—
(Gain) on sale of subsidiaries	(47,545)	—
Income (loss) from operations	46,613	(27,808)
Other expense, net	(16,312)	(2,132)
Interest expense, net	(13,082)	(9,904)
Income (loss) before income taxes	17,219	(39,844)
Income tax (benefit) expense	(6,187)	(9,814)
Net income (loss)	23,406	(30,030)
Add: Net (income) loss attributable to noncontrolling interest	(43)	927
Net income (loss) attributable to Cimpress N.V.	$ 23,363	$ (29,103)
Basic net income (loss) per share attributable to Cimpress N.V.	$ 0.75	$ (0.92)
Diluted net income (loss) per share attributable to Cimpress N.V.	$ 0.72	$ (0.92)
Weighted average shares outstanding — basic	31,220,311	31,570,824
Weighted average shares outstanding — diluted	32,332,162	31,570,824

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

	Three Months Ended September 30,	
	2017	2016
Cost of revenue	$ 40	$ 43
Technology and development expense	1,856	2,325
Marketing and selling expense	985	820
General and administrative expense	3,928	8,383
Restructuring expense	103	—

See accompanying notes.

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

	Three Months Ended September 30,	
	2017	**2016**
Net income (loss)	$ 23,406	$ (30,030)
Other comprehensive income (loss), net of tax:		
Foreign currency translation gains, net of hedges	27,307	9,178
Net unrealized gains (losses) on derivative instruments designated and qualifying as cash flow hedges	3,571	(1,769)
Amounts reclassified from accumulated other comprehensive loss to net income (loss) on derivative instruments	(2,764)	832
Unrealized loss on available-for-sale-securities	—	(924)
Gain on pension benefit obligation, net	—	36
Comprehensive income (loss)	51,520	(22,677)
Add: Comprehensive (income) loss attributable to noncontrolling interests	(3,084)	390
Total comprehensive income (loss) attributable to Cimpress N.V.	$ 48,436	$ (22,287)

See accompanying notes.

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

	Three Months Ended September 30,	
	2017	2016
Operating activities		
Net income (loss)	$ 23,406	$ (30,030)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	42,384	35,405
Share-based compensation expense	6,912	11,571
Deferred taxes	(16,589)	(18,163)
Gain on sale of subsidiaries	(47,545)	—
Change in contingent earn-out liability	827	16,020
Unrealized loss on derivatives not designated as hedging instruments included in net income (loss)	6,066	1,811
Effect of exchange rate changes on monetary assets and liabilities denominated in non-functional currency	8,386	3,027
Other non-cash items	23	670
Changes in operating assets and liabilities:		
Accounts receivable	(8,839)	2,917
Inventory	(8,985)	(1,220)
Prepaid expenses and other assets	(4,893)	671
Accounts payable	(1,621)	(7,952)
Accrued expenses and other liabilities	16,847	(5,127)
Net cash provided by operating activities	16,379	9,600
Investing activities		
Purchases of property, plant and equipment	(20,457)	(19,319)
Proceeds from the sale of subsidiaries, net of transaction costs and cash divested	93,779	—
Business acquisitions, net of cash acquired	(110)	(580)
Purchases of intangible assets	(24)	(26)
Capitalization of software and website development costs	(8,934)	(8,312)
Other investing activities	(1,956)	785
Net cash provided by (used in) investing activities	62,298	(27,452)
Financing activities		
Proceeds from borrowings of debt	179,532	87,000
Payments of debt and debt issuance costs	(237,929)	(82,725)
Payments of withholding taxes in connection with equity awards	(1,190)	(7,549)
Payments of capital lease obligations	(4,658)	(3,276)
Purchase of ordinary shares	(40,674)	—
Proceeds from issuance of ordinary shares	6,070	—
Issuance of loans	(12,000)	—
Proceeds from sale of noncontrolling interest	35,390	—
Net cash used in financing activities	(75,459)	(6,550)
Effect of exchange rate changes on cash	1,843	601
Change in cash held for sale	12,042	—
Net increase (decrease) in cash and cash equivalents	17,103	(23,801)
Cash and cash equivalents at beginning of period	25,697	77,426
Cash and cash equivalents at end of period	$ 42,800	$ 53,625

See accompanying notes.

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

	Three Months Ended September 30,	
	2017	**2016**
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 8,430	$ 5,362
Income taxes	5,369	8,555
Non-cash investing and financing activities:		
Property and equipment acquired under capital leases	$ —	$ 2,077
Amounts accrued related to business acquisitions	50,904	21,805

See accompanying notes.

1. Description of the Business

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

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and, accordingly, do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments, consisting primarily of normal recurring accruals, considered necessary for fair presentation of the results of operations for the interim periods reported and of our financial condition as of the date of the interim balance sheet have been included.

The consolidated financial statements include the accounts of Cimpress N.V., its wholly owned subsidiaries, entities in which we maintain a controlling financial interest, and those entities in which we have a variable interest and are the primary beneficiary. Intercompany balances and transactions have been eliminated.

Operating results for the three months ended September 30, 2017 are not necessarily indicative of the results that may be expected for the year ending June 30, 2018 or for any other period. The consolidated balance sheet at June 30, 2017 has been derived from our audited consolidated financial statements at that date but does not include all of the information and notes required by GAAP for complete financial statements. These unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2017 included in our Annual Report on Form 10-K filed with the United States Securities and Exchange Commission (the "SEC").

Use of Estimates

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

Share-based compensation

Total share-based compensation costs were $6,912 and $11,571 for the three months ended September 30, 2017 and 2016, respectively, and we elected to recognize the impact of forfeitures as they occur. During the first quarter of fiscal 2018, we issued 108,606 supplemental performance share awards (which assumes one share for each share award, but based on actual performance that amount can range from zero to 271,515) to certain members of management which contain a service, market and performance condition and vest ratably over a three year service period. As the award contains a performance vesting condition, compensation costs are recorded only if it is probable that the performance condition will be achieved. As of September 30, 2017, we do not consider the performance condition associated with these awards probable and we have not recognized any expense during the current period.

In a future period, if we determine that the achievement of the performance condition is probable, we will cumulatively catch-up the expense and begin recognizing expense in that period. The compensation expense for these awards will be estimated at fair value using a Monte Carlo simulation valuation model. Due to a discretionary element for the performance condition of the awards they will be subject to mark-to-market accounting throughout the performance vesting period.

Sale of Albumprinter

On August 31, 2017 we sold our Albumprinter business, including FotoKnudsen AS, for a total of €78,382 ($93,071 based on the exchange rate as of the date of sale) in cash, net of transaction costs and cash divested (after $11,874 in pre-closing dividends). As a result of the sale, we recognized a gain of $47,545, net of transaction costs, within our consolidated statement of operations for the three months ended September 30, 2017.

The transaction did not qualify for discontinued operations presentation, and as of June 30, 2017, the Albumprinter business assets and liabilities were presented as held-for-sale in our consolidated balance sheet. In connection with the divestiture, we have entered into an agreement with Albumprinter under which Albumprinter will continue to fulfill photo book orders for our Vistaprint business. Additionally, we have agreed to provide Albumprinter with certain transitional support services for a period of up to one year.

Foreign Currency Translation

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

Other expense, net

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

	Three Months Ended September 30,	
	2017	2016
(Losses) gains on derivatives not designated as hedging instruments (1)	$ (8,250)	$ 77
Currency-related losses, net (2)	(8,202)	(2,966)
Other gains	140	757
Total other expense, net	$ (16,312)	$ (2,132)

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

(2) We have significant non-functional currency intercompany financing relationships, which we may alter at times, and are subject to currency exchange rate volatility. The net currency-related losses for the three months ended September 30, 2017 and 2016 are primarily driven by this intercompany activity. In addition, we have certain cross-currency swaps designated as cash flow hedges, which hedge the remeasurement of certain intercompany loans, both presented in the same component above. Unrealized losses related to cross-currency swaps were $4,110 and $1,434 for the three months ended September 30, 2017 and 2016, respectively.

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

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

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

	Three Months Ended September 30,	
	2017	2016
Weighted average shares outstanding, basic	31,220,311	31,570,824
Weighted average shares issuable upon exercise/vesting of outstanding share options/RSUs/RSAs (1)	1,111,851	—
Shares used in computing diluted net income (loss) per share attributable to Cimpress N.V.	32,332,162	31,570,824
Weighted average anti-dilutive shares excluded from diluted net income (loss) per share attributable to Cimpress N.V.	9,163	1,524,854

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

Waltham Lease Arrangement

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

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

Property, plant and equipment, net, included $115,015 and $116,045 as of September 30, 2017 and June 30, 2017, respectively, related to the building. The financing lease obligation and deferred rent credit related to the building on our consolidated balance sheets was $118,249 and $119,176 as of September 30, 2017 and June 30, 2017, respectively.

Treasury Shares

Treasury shares are accounted for using the cost method and are included as a component of shareholders' equity. During the three months ended September 30, 2017, we repurchased 452,820 of our ordinary shares for a total cost of $40,674 inclusive of transaction costs, in connection with our publicly announced share repurchase programs. We did not repurchase any shares in the prior comparative period.

Recently Issued or Adopted Accounting Pronouncements

New Accounting Standards Adopted

In October 2016, the FASB issued Accounting Standards Update No. 2016-16, "Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory" (ASU 2016-16), which requires the recognition for income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. The new standard is effective for us on July 1, 2018 and permits early adoption. We elected to early adopt the new standard during the first quarter of fiscal 2018, and recognized a reduction to prepaid and other current assets of $24,573, an increase in deferred tax assets of $18,710 and a cumulative-effect adjustment to retained earnings of $5,863. If we had not early adopted, the forecasted fiscal 2018 tax expense would be lower by $9,787.

Issued Accounting Standards to be Adopted

In August 2017, the FASB issued Accounting Standards Update No. 2017-12, "Derivatives and Hedging: Targeted Improvements to Accounting for Hedging Activities (Topic 815)," (ASU 2017-12), which better aligns a company's financial reporting for hedging activities with the economic objectives of those activities. The amendment is effective for us on July 1, 2019 and permits early adoption, including adoption in an interim period. The standard requires a modified retrospective transition approach, in which the Company will recognize the cumulative effect of the change on the opening balance of each affected component of equity in the statement of financial position as of the date of adoption. We are currently evaluating the impact on our financial statements.

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

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

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

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

In May 2014, the FASB issued Accounting Standards Update No. 2014-09,"Revenue from Contracts with Customers" (ASU 2014-09), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. This guidance will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The new standard is effective beginning after December 15, 2017, which would result in an effective date for us of July 1, 2018. The standard permits the use of either the retrospective or modified retrospective method. We will adopt the new standard in the first quarter of fiscal 2019, and we will apply the modified retrospective approach. We are actively evaluating the impact of the new standard on a business unit by business unit basis through a review of contract terms and material revenue streams. Our ongoing assessment includes both the quantification of any material impacts, as well as the related disclosures.

3. Fair Value Measurements

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

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

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

	September 30, 2017			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Interest rate swap contracts	$ 2,047	$ —	$ 2,047	$ —
Currency forward contracts	1,212	—	1,212	—
Total assets recorded at fair value	$ 3,259	$ —	$ 3,259	$ —
Liabilities				
Interest rate swap contracts	$ (668)	$ —	$ (668)	$ —
Cross-currency swap contracts	(29,294)	—	(29,294)	—
Currency forward contracts	(27,623)	—	(27,623)	—
Currency option contracts	(607)	—	(607)	—
Contingent consideration	(5,734)	—	—	(5,734)
Total liabilities recorded at fair value	$ (63,926)	$ —	$ (58,192)	$ (5,734)

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

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

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

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

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

As part of the acquisition of WIRmachenDRUCK on February 1, 2016, we agreed to a variable contingent payment up to €40,000, previously based on the achievement of a cumulative gross profit target for calendar years 2016 and 2017. During the fourth quarter of fiscal 2017, we determined it was reasonably certain, based on recent performance, that the maximum earn-out would be achieved. Subsequently, during the first quarter of fiscal 2018, we amended the terms of this arrangement to remove the performance target and agreed to pay the maximum amount in January 2018. The fair value of the liability is $46,316 as of September 30, 2017 and represents the present value of the agreed payment amount. Of the total liability, $5,734 is considered contingent consideration and included in the table below and the remaining portion of the liability is classified as a compensation arrangement as discussed in Note 7.

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

	Three Months Ended September 30,	
	2017 (1)	2016 (2)
Balance at June 30	$ 5,453	$ 1,212
Fair value adjustment	102	1,112
Foreign currency impact	179	15
Balance at September 30	$ 5,734	$ 2,339

(1) Classified as a current liability as of June 30, 2017 and September 30, 2017 on the consolidated balance sheet.
(2) Classified as a long-term liability as of June 30, 2016 and September 30, 2016 on the consolidated balance sheet.

As of September 30, 2017 and June 30, 2017, the carrying amounts of our cash and cash equivalents, accounts receivable, accounts payable, and other current liabilities approximated their estimated fair values. As of September 30, 2017 and June 30, 2017 the carrying value of our debt, excluding debt issuance costs and debt discounts, was $829,289 and $882,578, respectively, and the fair value was $837,510 and $906,744, respectively. Our debt at September 30, 2017 includes variable rate debt instruments indexed to LIBOR that resets periodically and fixed rate debt instruments. The estimated fair value of our debt was determined using available market information based on recent trades or activity of debt instruments with substantially similar risks, terms and maturities, which fall within Level 2 under the fair value hierarchy. The estimated fair value of assets and liabilities disclosed above may not be representative of actual values that could have been or will be realized in the future.

4. Derivative Financial Instruments

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

Hedges of Interest Rate Risk

We enter into interest rate swap contracts to manage variability in the amount of our known or expected cash payments related to a portion of our debt. Our objective in using interest rate swaps is to add stability to interest expense and to manage our exposure to interest rate movements. We designate our interest rate swaps as cash flow hedges. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for us making fixed-rate payments over the life of the contract agreements without exchange of the underlying notional amount. Realized gains or losses from interest rate swaps are recorded in earnings, as a component of interest expense, net. A portion of two of our interest rate swap contracts was deemed to be ineffective during the three months ended September 30, 2017. For the ineffective portion, we recognized $31 of gains as part of other expense, net in our consolidated statement of operations during the three months ended September 30, 2017. We did not hold any contracts deemed to be ineffective during the prior comparative period.

Amounts reported in accumulated other comprehensive loss related to interest rate swap contracts will be reclassified to interest expense as interest payments are accrued or made on our variable-rate debt. As of September 30, 2017, we estimate that $510 will be reclassified from accumulated other comprehensive loss to interest expense during the twelve months ending September 30, 2018. As of September 30, 2017, we had eight outstanding interest rate swap contracts indexed to one-month LIBOR. These instruments were designated as cash flow hedges of interest rate risk and have varying start dates and maturity dates through June 2025.

Interest rate swap contracts outstanding:	Notional Amounts
Contracts accruing interest as of September 30, 2017	$ 60,000
Contracts with a future start date	240,000
Total	$ 300,000

Hedges of Currency Risk

Cross-Currency Swap Contracts

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

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

Amounts reported in accumulated other comprehensive loss will be reclassified to other expense, net as interest payments are accrued or paid and upon remeasuring the intercompany loan. As of September 30, 2017, we estimate that $1,317 will be reclassified from accumulated other comprehensive loss to other expense, net during the twelve months ending September 30, 2018.

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

We did not hold any ineffective cross-currency swaps during the three months ended September 30, 2017 and 2016.

Other Currency Contracts

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

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

We have elected not to apply hedge accounting for all other currency forward and option contracts. During the three months ended September 30, 2017, we have experienced 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 and option contracts. We expect this volatility to continue in future periods for contracts for which we do not apply hedge accounting. Additionally, since our hedging objectives may be targeted at non-GAAP financial metrics that exclude non-cash items such as depreciation and amortization, we may experience increased, not decreased, volatility in our GAAP results as a result of our currency hedging program.

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

Notional Amount	Effective Date	Maturity Date	Number of Instruments	Index
$449,834	June 2016 through September 2017	Various dates through March 2019	490	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 September 30, 2017 and June 30, 2017:

	September 30, 2017							
	Asset Derivatives				Liability Derivatives			
Derivatives designated as hedging instruments	**Balance Sheet line item**	**Gross amounts of recognized assets**	**Gross amount offset in consolidated balance sheet**	**Net amount**	**Balance Sheet line item**	**Gross amounts of recognized liabilities**	**Gross amount offset in consolidated balance sheet**	**Net amount**
Derivatives in Cash Flow Hedging Relationships								
Interest rate swaps	Other non-current assets	$ 2,388	$ (341)	$ 2,047	Other current liabilities / other liabilities	$ (668)	$ —	$ (668)
Cross-currency swaps	Other non-current assets	—	—	—	Other liabilities	(12,425)	—	(12,425)
Derivatives in Net Investment Hedging Relationships								
Cross-currency swaps	Other non-current assets	—	—	—	Other liabilities	(16,869)	—	(16,869)
Currency forward contracts	Other non-current assets	—	—	—	Other liabilities	(15,497)	—	(15,497)
Total derivatives designated as hedging instruments		$ 2,388	$ (341)	$ 2,047		$ (45,459)	$ —	$ (45,459)
Derivatives not designated as hedging instruments								
Currency forward contracts	Other current assets / other assets	$ 1,360	$ (148)	$ 1,212	Other current liabilities / other liabilities	$ (13,733)	$ 1,607	$ (12,126)
Currency option contracts	Other current assets / other assets	—	—	—	Other current liabilities / other liabilities	(607)	—	(607)
Total derivatives not designated as hedging instruments		$ 1,360	$ (148)	$ 1,212		$ (14,340)	$ 1,607	$ (12,733)

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

The following table presents the effect of our derivative financial instruments designated as hedging instruments and their classification within comprehensive income (loss) for the three months ended September 30, 2017 and 2016:

Derivatives in Hedging Relationships	**Amount of Gain (Loss) Recognized in Comprehensive Income (Loss) on Derivatives (Effective Portion)**	
	Three Months Ended September 30,	
In thousands	**2017**	**2016**
Derivatives in Cash Flow Hedging Relationships		
Interest rate swaps	$ 63	$ 251
Cross-currency swaps	3,508	(2,020)
Derivatives in Net Investment Hedging Relationships		
Cross-currency swaps	(5,124)	(2,059)
Currency forward contracts	(6,394)	(456)
	$ (7,947)	$ (4,284)

The following table presents reclassifications out of accumulated other comprehensive loss for the three months ended September 30, 2017 and 2016:

Details about Accumulated Other Comprehensive Loss Components	Amount Reclassified from Accumulated Other Comprehensive Income (Loss) to Net Income (Loss)		Affected line item in the Statement of Operations
	Three Months Ended September 30,		
In thousands	2017	2016	
Derivatives in Cash Flow Hedging Relationships			
Interest rate swaps	$ 58	$ (156)	Interest expense, net
Cross-currency swaps	(3,747)	(953)	Other expense, net
Total before income tax	(3,689)	(1,109)	Income (loss) before income taxes
Income tax	925	277	Income tax benefit
Total	$ (2,764)	$ (832)	

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

	Amount of Gain (Loss) Recognized in Net Income (loss)		Location of Gain (Loss) Recognized in Income (Ineffective Portion)
	Three Months Ended September 30,		
In thousands	2017	2016	
Derivatives not designated as hedging instruments			
Currency contracts	$ (8,281)	$ 77	Other expense, net
Interest rate swaps	31	—	Other expense, net
	$ (8,250)	$ 77	

5. Accumulated Other Comprehensive Loss

The following table presents a roll forward of amounts recognized in accumulated other comprehensive loss by component, net of tax of $(986) for the three months ended September 30, 2017:

	Gains (losses) on cash flow hedges (1)	Gains (losses) on pension benefit obligation	Translation adjustments, net of hedges (2)	Total
Balance as of June 30, 2017	$ (2,250)	$ (357)	$ (110,791)	$ (113,398)
Other comprehensive income (loss) before reclassifications	3,571	—	24,266	27,837
Amounts reclassified from accumulated other comprehensive loss to net income (loss)	(2,764)	—	—	(2,764)
Net current period other comprehensive income (loss)	807	—	24,266	25,073
Balance as of September 30, 2017	$ (1,443)	$ (357)	$ (86,525)	$ (88,325)

(1) Gains (losses) on cash flow hedges include our interest rates swap and cross-currency swap contracts designated in cash flow hedging relationships.
(2) As of September 30, 2017 and June 30, 2017, the translation adjustment is inclusive of the effects of our net investment hedges, of which, unrealized losses of $28,575 and $17,048, respectively, net of tax, have been included in accumulated other comprehensive loss.

6. Goodwill and Acquired Intangible Assets

Goodwill

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

	Vistaprint	Upload and Print	National Pen	All Other Businesses	Total
Balance as of June 30, 2017	$ 147,207	$ 321,805	$ 34,520	$ 11,431	$ 514,963
Adjustments (1)	(58)	—	(86)	—	(144)
Effect of currency translation adjustments (2)	468	10,519	—	—	10,987
Balance as of September 30, 2017	$ 147,617	$ 332,324	$ 34,434	$ 11,431	$ 525,806

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(1) Includes final purchase accounting adjustments for our National Pen acquisition and a portion of the goodwill adjustment is allocated to the Vistaprint reportable segment for certain synergies that are expected to be realized in the segment.
(2) Relates to goodwill held by subsidiaries whose functional currency is not the U.S. Dollar.

Acquired Intangible Assets

Acquired intangible assets amortization expense for the three months ended September 30, 2017 and 2016 was $12,633 and $10,213, respectively. The increase in acquired intangible asset amortization is primarily related to our December 30, 2016 acquisition of National Pen.

7. Other Balance Sheet Components

Accrued expenses included the following:

	September 30, 2017	June 30, 2017
Compensation costs	$ 49,166	$ 54,487
Income and indirect taxes	35,640	34,469
Advertising costs	26,724	26,641
Interest payable	10,255	5,263
Shipping costs	7,928	6,651
Production costs	7,652	7,472
Sales returns	5,178	4,474
Purchases of property, plant and equipment	3,171	3,786
Professional costs	3,243	3,021
Other	37,545	29,303
Total accrued expenses	$ 186,502	$ 175,567

Other current liabilities included the following:

	September 30, 2017	June 30, 2017
Contingent earn-out liability	$ 46,316	$ 44,049
Current portion of lease financing obligation	12,569	12,569
Short-term derivative liabilities	13,078	7,243
Current portion of capital lease obligations	11,471	11,573
Mandatorily redeemable noncontrolling interest (1)	905	901
Other	2,659	2,100
Total other current liabilities	$ 86,998	$ 78,435

Other liabilities included the following:

	September 30, 2017	June 30, 2017
Long-term derivative liabilities	$ 47,199	$ 31,936
Long-term capital lease obligations	25,712	28,306
Mandatorily redeemable noncontrolling interest (1)	2,469	2,456
Other (2)	33,227	31,985
Total other liabilities	$ 108,607	$ 94,683

(1) Relates to the mandatorily redeemable noncontrolling interest of Printi LLC. Refer to Note 11 for additional details.
(2) As of September 30, 2017 and June 30, 2017, other liabilities includes $8,753 and $8,173, respectively, related to share-based compensation awards associated with our investment in Printi LLC. Refer to Note 11 for additional details.

Contingent earn-out liability

Under the original terms of the WIRmachenDRUCK earn-out arrangement, a portion of the earn-out attributed to the minority selling shareholders was included as a component of purchase consideration as of the acquisition date, with any subsequent changes to fair value recognized within general and administrative expense. This earn-out was previously calculated on a sliding scale, based on the achievement of cumulative gross profit against a predetermined target. During the fourth quarter of fiscal 2017, we determined it was reasonably certain, based on recent performance, that the maximum earn-out would be achieved. During the first quarter of fiscal 2018, we amended the terms of this arrangement, to remove the performance condition and we agreed to pay the maximum amount of €40,000 in January 2018.

The liability represents the present value of the agreed payment amount. We recognized $827 and $8,985 of expense during the three months ended September 30, 2017 and 2016 respectively, as part of general and administrative expense. As of September 30, 2017, the total liability is $46,316, of which $40,582 relates to the majority shareholders and $5,734 relates to the minority shareholders.

8. Debt

	September 30, 2017	June 30, 2017
Senior secured credit facility	$ 546,043	$ 600,037
7.0% Senior unsecured notes due 2022	275,000	275,000
Other	8,246	7,541
Debt issuance costs and debt discounts (1)	(8,488)	(5,922)
Total debt outstanding, net	820,801	876,656
Less short-term debt (2)	19,941	28,926
Long-term debt	$ 800,860	$ 847,730

(1) During the three months ended September 30, 2017, we capitalized $3,251 in debt issuance costs, which related to the amendment and restatement to our senior secured credit facility. Refer below for additional details relating to the amendment.
(2) Balances as of September 30, 2017 and June 30, 2017 are inclusive of short-term debt issuance costs and debt discounts of $1,858 and$1,693, respectively.

Our Debt

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

Senior Secured Credit Facility

On July 13, 2017, we entered into an amendment and restatement agreement for our senior secured credit facility resulting in an increase to aggregate loan commitments under the credit agreement to a total of $1,045,000. The amendment also extended the tenor of our borrowings to a maturity date of July 13, 2022. As of September 30, 2017, we have a committed credit facility of $1,041,250 as follows:

- Revolving loans of $745,000 with a maturity date of July 13, 2022
- Term loan of $296,250 amortizing over the loan period, with a final maturity date of July 13, 2022.

Under the terms of our credit agreement, borrowings bear interest at a variable rate of interest based on LIBOR plus 1.50% to 2.25% depending on our leverage ratio, which is the ratio of our consolidated total indebtedness to our consolidated EBITDA, as defined by the credit agreement. As of September 30, 2017, the weighted-average interest rate on outstanding borrowings was 3.26%, inclusive of interest rate swap rates. We are also required to pay a commitment fee on unused balances of 0.225% to 0.400% depending on our leverage ratio. We have pledged the assets and/or share capital of several of our subsidiaries as collateral for our outstanding debt as of September 30, 2017.

Indenture and Senior Unsecured Notes due 2022

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

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

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

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

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

Other debt

Other debt consists of term loans acquired primarily as part of our fiscal 2015 acquisition of Exagroup SAS. As of September 30, 2017 and June 30, 2017 we had $8,246 and $7,541, respectively, outstanding for those obligations that are payable through September 2024.

9. Income Taxes

Our income tax benefit was $6,187 and $9,814 for the three months ended September 30, 2017 and 2016, respectively. The income tax benefit for the three months ended September 30, 2017 was lower than the same prior year period primarily due to lower discrete tax benefits from share-based compensation of $448 for the current period as compared to $4,189 for the same prior year period. Excluding the effect of net discrete tax benefits, we are forecasting a higher consolidated annual effective tax rate for fiscal 2018 as compared to fiscal 2017 primarily due to the adoption of ASU 2016-16 (refer to Note 2) as well as a less favorable geographical mix of consolidated earnings. If we had not early adopted ASU 2016-16, the forecasted fiscal 2018 tax expense would be lower by $9,787. In addition, we continue to generate losses in certain jurisdictions where we are unable to recognize a full tax benefit in the current period. The gain from the sale of the Albumprinter group, as described in Note 2, had no impact on our income tax benefit for the current period.

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. Our subsidiary based in Switzerland was the recipient of the intellectual property. In accordance with Swiss tax law, we are entitled to amortize the fair market value of the intellectual property received at the date of transfer over five years for tax purposes. As a result of this amortization, we are expecting a loss for Swiss tax purposes during fiscal year 2018.

As of September 30, 2017, we had a liability for unrecognized tax benefits included in the balance sheet of $5,956, including accrued interest and penalties of $426. We recognize interest and, if applicable, penalties related to unrecognized tax benefits in the provision for income taxes. If recognized, the entire liability for unrecognized tax benefits would reduce our tax expense. It is reasonably possible that a reduction in unrecognized tax benefits may occur within the next twelve months in the range of $1,000 to $1,200 related to the lapse of applicable statutes of limitations. We believe we have appropriately provided for all tax uncertainties.

We conduct business in a number of tax jurisdictions and, as such, are required to file income tax returns in multiple jurisdictions globally. The years 2013 through 2017 remain open for examination by the United States Internal Revenue Service ("IRS") and the years 2011 through 2017 remain open for examination in the various states and non-US tax jurisdictions in which we file tax returns. We believe that our income tax reserves are adequately maintained taking into consideration both the technical merits of our tax return positions and ongoing developments in our income tax audits. However, the final determination of our tax return positions, if audited, is uncertain, and there is a possibility that final resolution of these matters could have a material impact on our results of operations or cash flows.

10. Noncontrolling Interests

In certain of our strategic investments we own a controlling equity stake, but there remains a minority portion of the equity that is owned by a third party. The balance sheet and operating activity of these entities are included in our consolidated financial statements and we adjust the net income (loss) in our consolidated statement of operations to exclude the noncontrolling interests' proportionate share of results. We present the proportionate share of equity attributable to the redeemable noncontrolling interests as temporary equity within our consolidated balance sheet and the proportionate share of noncontrolling interests not subject to a redemption provision that is outside of our control as equity.

Redeemable noncontrolling interests

On April 15, 2015, we acquired 70% of the outstanding shares of Exagroup SAS. The remaining 30% is considered a redeemable noncontrolling equity interest, as it is redeemable in the future and not solely within our control. The Exagroup noncontrolling interest, redeemable at a fixed amount of €39,000, was recorded at its fair value as of the acquisition date and will be adjusted to its redemption value on a periodic basis, if that amount exceeds its carrying value. As of September 30, 2017, the redemption value was less than the carrying value, and therefore no adjustment was required.

On August 23, 2017, we sold approximately 12% of the outstanding shares of our WIRmachenDRUCK subsidiary for a total of €30,000 ($35,390 based on the exchange rate on the date we received the proceeds). The minority equity interest is considered a redeemable noncontrolling interest, as it is redeemable for cash based on future financial results through put and call rights and not solely within our control. The noncontrolling interest was recorded at its fair value as of the sale date and will be adjusted to its redemption value on a periodic basis, with an offset to retained earnings, if that amount exceeds its carrying value. If the formulaic redemption value exceeds the fair value of the noncontrolling interest, then the accretion to redemption value will be offset to the net (income) loss attributable to noncontrolling interest. As of September 30, 2017, the redemption value was less than the carrying value, and therefore no adjustment was required.

The following table presents the reconciliation of changes in our noncontrolling interests:

	Redeemable noncontrolling interests	Noncontrolling interest
Balance as of June 30, 2017	$ 45,412	$ 213
Net income (loss) attributable to noncontrolling interest	(2)	45
Proceeds from sale of noncontrolling interest	35,390	—
Foreign currency translation	3,041	—
Balance as of September 30, 2017	$ 83,841	$ 258

11. Variable Interest Entity ("VIE")

On August 7, 2014, we made a capital investment in Printi LLC, which operates in Brazil. This investment provided us access to a new market and the opportunity to drive longer-term growth in Brazil and other geographies as Printi expands internationally in the future. As of September 30, 2017, we have a 49.99% equity interest in Printi. Based upon the level of equity investment at risk, Printi is considered a variable interest entity. The shareholders of Printi share profits and voting control on a pro-rata basis. While we do not manage the day to day operations of Printi, we do have the unilateral ability to exercise participating voting rights for specific transactions and as such no one shareholder is considered to be the primary beneficiary. However, certain significant shareholders cannot transfer their equity interests without our approval and as a result are considered de facto agents on our behalf in accordance with ASC 810-10-25-43.

In aggregating our rights, as well as those of our de facto agents, the group as a whole has both the power to direct the activities that most significantly impact the entity's economic performance and the obligation to absorb losses and the right to receive benefits from the entity. In situations where a de facto agency relationship is present, one party is required to be identified as the primary beneficiary and the evaluation requires significant judgment. The factors considered include the presence of a principal/agent relationship, the relationship and significance of activities to the reporting entity, the variability associated with the VIE's anticipated economics and the design of the VIE. The analysis is qualitative in nature and is based on weighting the relative importance of each of the factors in relation to the specifics of the VIE arrangement. Upon our investment we performed an analysis and concluded that we are the party that is most closely associated with Printi, as we are most exposed to the variability of the economics and therefore considered the primary beneficiary.

We will purchase an additional 3.7% non-voting economic interest during the fourth quarter of fiscal 2018. In addition, we will acquire the remaining equity interest in Printi through a reciprocal put and call structure, exercisable from March 31, 2021 through a mandatory redemption date of July 31, 2023. As the remaining equity interests are mandatorily redeemable by all parties no later than a specified future date, the noncontrolling interest is within the scope of ASC 480 and is required to be presented as a liability on our consolidated balance sheet. We adjust the liability to its estimated redemption value each reporting period and recognize any changes within interest expense, net in our consolidated statement of operations.

We also have liability-based awards for Printi restricted stock held by Printi employees that are fully vested and marked to fair value each reporting period until cash settlement. As of September 30, 2017, through the use of an option pricing model we estimate the current fair value of the restricted stock to be $8,753 and we have recognized $39 and $386 in general and administrative expense for the three months ended September 30, 2017 and 2016, respectively.

We also have an arrangement to lend two Printi equity holders up to $24,000 that is payable on the date the put or call option is exercised, which will occur no later than July 31, 2023. On July 10, 2017, $12,000 of the loan was drawn and is a long-term loan receivable included within other assets in our consolidated financial statements as of September 30, 2017. The loans carry 8.5% annual interest, and the loans are not contingent upon continued employment. We expect that the loan proceeds will be used to offset our purchase of the remaining noncontrolling interest in the future.

12. Segment Information

Our operating segments are based upon the manner in which our operations are managed and the availability of separate financial information reported internally to the Chief Executive Officer, who is our Chief Operating Decision Maker (“CODM”) for purposes of making decisions about how to allocate resources and assess performance. As of September 30, 2017 we have numerous operating segments under our management reporting structure which are reported in the following four reportable segments:

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

- *Upload and Print* - Includes the results of our druck.at, Easyflyer, Exagroup, Pixartprinting, Printdeal, Tradeprint, and WIRmachenDRUCK branded businesses.

- *National Pen* - Includes the global operations of our National Pen branded businesses, which manufacture and market custom writing instruments and promotional products, apparel and gifts.

- *All Other Businesses* - Includes the operations of our Most of World and Corporate Solutions businesses. Our Most of World businesses are focused on our emerging market portfolio, including operations in Brazil, China, India and Japan. These businesses have been combined into one reportable segment based on materiality. Our All Other Businesses also includes Albumprinter results through the divestiture date of August 31, 2017.

Central and corporate costs consists primarily of global procurement, a central technology team whose primary focus is building and maintaining certain technology including the mass customization platform, and essential corporate services, such as the corporate finance, communications, strategy and legal functions. Central and corporate costs is a cost center and does not meet the definition of an operating segment.

During the first quarter of fiscal 2018, we began presenting inter-segment fulfillment activity as revenue for the fulfilling business unit for purposes of measuring and reporting our segment financial performance. Any historical inter-segment fulfillment transactions were previously recognized as cost relief for the fulfilling business unit in our presentation to the CODM. We now recognize these transactions as inter-segment revenue for presentation to the CODM; for example, a third-party customer order received by our Corporate Solutions business, which is fulfilled at one of our Vistaprint production facilities, is recognized as inter-segment revenue for our Vistaprint business based on pricing and terms agreed upon between segment management. Inter-segment revenues are recognized only for transactions recognized between our reportable segments and does not include any transactions between businesses within a reportable segment, which are eliminated within each reportable segment. Intercompany revenues are eliminated in our consolidated results.

As part of these changes, we also recast historical segment results to ensure the consistent application of our current inter-segment revenue presentation. For the three months ended September 30, 2016, we increased revenue for our Vistaprint business by $1,113, with a corresponding increase to inter-segment eliminations. We also recast historical segment profitability for the allocation of certain IT costs, which previously burdened our Vistaprint business, but have now been allocated to each of our businesses in fiscal 2018. For the three months ended September 30, 2016, the cost allocation change resulted in an increase to Vistaprint segment profit by $624, with a corresponding decrease to segment profit for Upload and Print and All Other businesses of $161 and $140, respectively, and an increase to our Central and corporate cost center of $323.

For awards granted under our 2016 Performance Equity Plan, the PSU expense value is based on a Monte Carlo fair value analysis and is required to be expensed on an accelerated basis. In order to ensure comparability in measuring our businesses results, we allocate the straight-line portion of the fixed grant value to our businesses. Any expense in excess of the amount as a result of the fair value measurement of the PSUs and the accelerated expense profile of the awards is recognized within Central and corporate costs.

Segment profit (loss) is the primary metric by which our CODM measures segment financial performance and allocates resources. Certain items are excluded from segment profit (loss), such as acquisition-related amortization and depreciation, expense recognized for contingent earn-out related charges, including the changes in fair value of contingent consideration and compensation expense related to cash-based earn-out mechanisms dependent upon continued employment, share-based compensation related to investment consideration, certain impairment expense, and restructuring charges. A portion of the interest expense associated with our Waltham lease is included as expense in segment profit (loss) and allocated based on headcount to the appropriate business or corporate and global function. The interest expense represents a portion of the cash rent payment and is considered an operating expense for purposes of measuring our segment performance. We do not allocate non-operating income to our segment results.

Our All Other Businesses reportable segment includes our Most of World and Corporate Solutions businesses that have operating losses as they are in the early stage of investment relative to the scale of the underlying businesses, which may limit its comparability to other segments regarding profit (loss).

Our balance sheet information is not presented to the CODM on an allocated basis, and therefore we do not present asset information by segment. We do present other segment information to the CODM, which includes purchases of property, plant and equipment and capitalization of software and website development costs, and therefore included that information in the tables below.

Revenue by segment is based on the business-specific websites or sales channel through which the customer's order was transacted. The following tables set forth revenue, segment profit (loss), total income (loss) from operations and total income (loss) before taxes.

	Three Months Ended September 30,	
	2017	2016
Revenue:		
Vistaprint (1)	$ 319,043	$ 286,535
Upload and Print (2)	160,390	131,957
National Pen (3)	59,717	—
All Other Businesses (4)	28,054	26,334
Total segment revenue	567,204	444,826
Inter-segment eliminations	(3,920)	(1,113)
Total consolidated revenue	$ 563,284	$ 443,713

(1) Vistaprint segment revenues include inter-segment revenue of $2,204 and $1,113 for the three months ended September 30, 2017 and 2016, respectively.
(2) Upload and Print segment revenues include inter-segment revenue of $328 for the three months ended September 30, 2017. No inter-segment revenue was recognized in the prior comparable period.
(3) National Pen segment revenues include inter-segment revenue of $446 for the three months ended September 30, 2017. No inter-segment revenue was recognized in the prior comparable period.
(4) All Other Businesses segment revenues include inter-segment revenue of $943 for the three months ended September 30, 2017. No inter-segment revenue was recognized in the prior comparable period.

	Three Months Ended September 30,	
	2017	2016
Segment profit (loss):		
Vistaprint	$ 30,895	$ 25,272
Upload and Print	14,768	13,451
National Pen	1,185	—
All Other Businesses	(7,551)	(9,752)
Total segment profit	39,297	28,971
Central and corporate costs	(28,257)	(28,186)
Acquisition-related amortization and depreciation	(12,687)	(10,213)
Earn-out related charges (1)	(1,137)	(16,247)
Share-based compensation related to investment consideration	(40)	(4,103)
Restructuring related charges	(854)	—
Interest expense for Waltham lease	1,911	1,970
Gain on the purchase or sale of subsidiaries (2)	48,380	—
Total income (loss) from operations	46,613	(27,808)
Other expense, net	(16,312)	(2,132)
Interest expense, net	(13,082)	(9,904)
Income (loss) before income taxes	$ 17,219	$ (39,844)

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

(2) Includes the impact of the gain on the sale of Albumprinter, as well as a bargain purchase gain as defined by ASC 805-30 for an acquisition in which the identifiable assets acquired and liabilities assumed are greater than the consideration transferred, that was recognized in general and administrative expense in our consolidated statement of operations during the three months ended September 30, 2017.

	Three Months Ended September 30,	
	2017	2016
Depreciation and amortization:		
Vistaprint	$ 16,774	$ 14,771
Upload and Print	14,720	14,465
National Pen	5,095	—
All Other Businesses	2,287	3,604
Central and corporate costs	3,508	2,565
Total depreciation and amortization	$ 42,384	$ 35,405

	Three Months Ended September 30,	
	2017	2016
Purchases of property, plant and equipment:		
Vistaprint	$ 13,664	$ 11,209
Upload and Print	3,257	4,800
National Pen	2,490	—
All Other Businesses	671	2,639
Central and corporate costs	375	671
Total purchases of property, plant and equipment	$ 20,457	$ 19,319

	Three Months Ended September 30,	
	2017	2016
Capitalization of software and website development costs:		
Vistaprint	$ 5,573	$ 3,134
Upload and Print	774	444
National Pen	—	—
All Other Businesses	968	1,268
Central and corporate costs	1,619	3,466
Total capitalization of software and website development costs	$ 8,934	$ 8,312

The following tables set forth long-lived assets by geographic area:

	September 30, 2017	June 30, 2017
Long-lived assets (1):		
Netherlands	$ 92,414	$ 83,223
Canada	86,268	85,926
Switzerland	48,806	49,017
Italy	44,375	44,423
United States	39,727	64,034
Australia	23,474	22,961
France	22,774	22,794
Jamaica	21,203	21,492
Japan	20,771	20,686
Other	73,062	64,377
Total	$ 472,874	$ 478,933

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(1) Excludes goodwill of $525,806 and $514,963, intangible assets, net of $268,678 and $275,924, the Waltham lease asset of $115,015 and $116,045, and deferred tax assets of $78,748 and $48,004 as of September 30, 2017 and June 30, 2017, respectively.

13. Commitments and Contingencies

Lease Commitments

We have commitments under operating leases for our facilities that expire on various dates through 2026, including the Waltham lease arrangement discussed in Note 2. Total lease expense, net of sublease income, for the three months ended September 30, 2017 and 2016 was $4,244 and $2,271, respectively.

We lease certain machinery and plant equipment under both capital and operating lease agreements that expire at various dates through 2027. The aggregate carrying value of the leased buildings and equipment under capital leases included in property, plant and equipment, net in our consolidated balance sheet at September 30, 2017, is $39,072, net of accumulated depreciation of $29,636; the present value of lease installments not yet due included in other current liabilities and other liabilities in our consolidated balance sheet at September 30, 2017 amounts to $37,183.

Purchase Obligations

At September 30, 2017, we had unrecorded commitments under contract of $83,919, which were primarily composed of commitments for third-party web services of $28,180. In addition, we had purchase commitments for production and computer equipment purchases of approximately $9,628, inventory purchase commitments of $6,795, commitments for advertising campaigns of $4,706, professional and consulting fees of approximately $4,036, and other unrecorded purchase commitments of $30,574.

Other Obligations

We have an outstanding installment obligation of $5,659 related to the fiscal 2012 intra-entity transfer of the intellectual property of our subsidiary Webs, Inc., which results in tax being paid over a 7.5 year term and has been classified as a deferred tax liability in our consolidated balance sheet as of September 30, 2017. Other obligations also include a liability related to our fiscal 2016 WIRmachenDRUCK acquisition, payable in January 2018 of $46,316. Refer to Note 7 for additional discussion. In addition, we have deferred payments related to our other acquisitions of $4,588 in aggregate.

Legal Proceedings

We are not currently party to any material legal proceedings. Although we cannot predict with certainty the results of litigation and claims to which we may be subject from time to time, we do not expect the resolution of any of our current matters to have a material adverse impact on our consolidated results of operations, cash flows or financial position. In all cases, at each reporting period, we evaluate whether or not a potential loss amount or a potential range of loss is probable and reasonably estimable under the provisions of the authoritative guidance that addresses accounting for contingencies. We expense the costs relating to our legal proceedings as those costs are incurred.

14. Restructuring Charges

Restructuring costs include one-time employee termination benefits, acceleration of share-based compensation, and other related costs including third-party professional and outplacement services. We recognized restructuring charges of $854 during the three months ended September 30, 2017, of which, $727 related to a restructuring initiative within our All Other Businesses reportable segment and an additional $127 related to our prior January 2017 restructuring initiative. We do not expect any material charges to be incurred in future periods for either of these initiatives. There were no restructuring expenses incurred during the three months ended September 30, 2016.

The following table summarizes the restructuring activity during the three months ended September 30, 2017:

	Severance and Related Benefits	Other Restructuring Costs	Total
Accrued restructuring liability as of June 30, 2017	$ 4,602	$ 208	$ 4,810
Restructuring Charges	854	—	854
Cash payments	(3,926)	(156)	(4,082)
Non-cash charges (1)	(103)	—	(103)
Accrued restructuring liability as of September 30, 2017	$ 1,427	$ 52	$ 1,479

(1) Non-cash charges include acceleration of share-based compensation expenses.

15. Subsequent Events

On November 1, 2017, we announced our Vistaprint business plans to reorganize its business, which will result in a reduction in headcount and other operating costs. These changes are intended to simplify operations and more closely align functions to increase the speed of execution. We expect to complete the majority of the changes during the second quarter of fiscal 2018. These planned actions are subject to mandatory consultations with employees, work councils and governmental authorities in certain jurisdictions. Based on a preliminary assessment of the potential action, we expect that these changes will result in a pre-tax restructuring charge during the second quarter of fiscal 2018 of approximately $15,000 to $17,000, including non-cash charges relating to share-based compensation of approximately $400. The actual timing and costs of the plan may differ from our current expectations and estimates.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

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

Executive Overview

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

As of September 30, 2017, we have numerous operating segments under our management reporting structure which are reported in the following four reportable segments: Vistaprint, Upload and Print, National Pen, and All Other Businesses. Vistaprint represents our Vistaprint websites focused on the North America, Europe, Australia and New Zealand markets, and our Webs business, which is managed with the Vistaprint digital business. Upload and Print includes the druck.at, Easyflyer, Exagroup, Pixartprinting, Printdeal, Tradeprint, and WIRmachenDRUCK businesses. National Pen includes the global operations of our National Pen business, which manufactures and markets custom writing instruments and promotional products, apparel and gifts for small- and medium-sized businesses. All Other Businesses segment includes the operations of our Most of World and Corporate Solutions businesses, and the Albumprinter business, through its divestiture on August 31, 2017.

During the first quarter of fiscal 2018, we began presenting inter-segment fulfillment activity as revenue for the fulfilling business unit for purposes of measuring and reporting our segment financial performance. We have revised historical results to reflect the consistent application of our current accounting methodology. In addition, we adjusted our historical segment profitability for the allocation of certain IT costs that are allocated to each of our businesses in fiscal 2018, to better reflect where those resources are consumed. Refer to Note 12 for additional details of these changes.

Financial Summary

In evaluating the financial condition and operating performance of our business, management focuses on revenue growth, constant-currency revenue growth, operating income, adjusted net operating profit (NOP), cash flow from operations and unlevered free cash flow. During the first quarter of fiscal 2018, we removed the 'cash tax attributable to the current period' portion of our prior adjusted net operating profit measure as management no longer uses this metric. A summary of these key financial metrics for the three months ended September 30, 2017 as compared to the three months ended September 30, 2016 follows:

- Reported revenue increased by 27% to $563.3 million.
- Consolidated constant-currency revenue increased by 24% and excluding acquisitions and divestitures completed in the last four quarters increased by 12%.
- Operating income increased $74.4 million to $46.6 million.
- Adjusted net operating profit (a non-GAAP financial measure which were refer to as adjusted NOP) increased from $2.7 million to $10.4 million.
- Cash provided by operating activities increased $6.8 million to $16.4 million.
- Unlevered free cash flow (a non-GAAP financial measure) increased from $(14.7) million to $(6.5) million.

For the first quarter of fiscal 2018, the increase in reported revenue growth was primarily due to the addition of the revenue of our National Pen business, which we acquired in the second quarter of fiscal 2017 and therefore did not contribute to the prior comparative period, as well as continued growth in the Vistaprint business and Upload and Print businesses.

The following items positively impacted our operating income for the three months ended September 30, 2017, leading to the increase in operating income as compared to the prior period:

- The sale of our Albumprinter business, which resulted in a $47.5 million gain in the current period.
- The net decrease in acquisition-related expense of $16.7 million, due to the following:
    - Earn-out related charges decreased $15.1 million, which relates to our WIRmachenDRUCK contingent earn-out out, which we adjusted in fiscal 2017 to increase the fair value to the maximum potential payout.
    - Acquisition-related share based compensation decreased $4.1 million, due to a one-time modification expense related to our Tradeprint acquisition during the prior period.
    - These decreases were partially offset by an increase in amortization of acquired intangible assets of $2.5 million, due to our fiscal 2017 acquisition of National Pen.

Operating income and adjusted NOP increased versus the comparative period a year ago due to increased profitability in our Vistaprint and Upload and Print businesses, primarily driven by revenue growth and improved efficiency in operating expenses. We have also realized cost savings from our prior year restructuring action, which was announced in January 2017.

On November 1, 2017, we announced our Vistaprint business plans to reorganize its business, which will result in a reduction in headcount and other operating costs. These changes are intended to simplify operations and more closely align functions to increase the speed of execution. We expect to complete the majority of the changes during the second quarter of fiscal 2018 and, we estimate an aggregate pre-tax restructuring charge of approximately $15 million to $17 million, including non-cash charges relating to share-based compensation of approximately $0.4 million. Once the actions are complete, we expect to realized net operation expense savings in fiscal 2018.

Consolidated Results of Operations

Consolidated Revenue

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

For the three months ended September 30, 2017, our reported revenue increased, partly due to the addition of revenue from our National Pen business that we acquired on December 30, 2016. Currency fluctuations positively impacted our fiscal 2017 reported revenue growth. The increases in constant-currency revenue excluding acquisitions and divestitures for which there is no comparable year-over-year revenue were driven by continued growth in the Vistaprint business, as well as growth in our Upload and Print businesses. Our Most of World portfolio and Corporate Solutions business continue to grow, but off a relatively small base.

Our total revenue by reportable segment for the three months ended September 30, 2017 and 2016 is shown in the following table:

In thousands	Three Months Ended September 30,			Currency Impact:	Constant-Currency	Impact of Acquisitions/ Divestitures:	Constant- Currency revenue growth
	2017	2016	% Change	(Favorable)/Unfavorable	Revenue Growth (1)	(Favorable)/Unfavorable	Excluding acquisitions/ divestitures (2)
Vistaprint	$ 319,043	$ 286,535	11%	(1)%	10%	—%	10%
Upload and Print	160,390	131,957	22%	(6)%	16%	—%	16%
National Pen	59,717	—	100%	—%	100%	(100)%	—%
All Other Businesses (3)	28,054	26,334	7%	(2)%	5%	35%	40%
Inter-segment eliminations	(3,920)	(1,113)					
Total revenue	$ 563,284	$ 443,713	27%	(3)%	24%	(12)%	12%

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

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

(3) The All Other businesses include the revenue of the Albumprinter business until the sale completion date of August 31, 2017. Constant currency revenue growth excluding acquisitions/divestitures, excludes the revenue results for Albumprinter.

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

Consolidated Cost of Revenue

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

	Three Months Ended September 30,	
	2017	2016
Cost of revenue	$ 283,755	$ 213,050
% of revenue	*50.4%*	*48.0%*

For the three months ended September 30, 2017, our cost of revenue increased by $25.9 million in our Vistaprint business, primarily due to increased production volume, product mix, and planned investments including expanded design services, new product introduction, including via third-party fulfillers. We had $25.8 million of additional costs from our National Pen acquisition which was not included in the prior comparable period. Cost of revenue for our Upload and Print businesses also increased by $21.8 million, primarily driven by revenue growth in our Pixartprinting, Printdeal and WIRmachenDRUCK businesses, as well as unfavorable currency impacts.

Consolidated Operating Expenses

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

In thousands

	Three Months Ended September 30,				
		2017		2016	2017 vs. 2016
Technology and development expense	$	62,103	$	59,010	5 %
% of revenue		*11.0 %*		*13.3%*	
Marketing and selling expense	$	166,093	$	132,668	25 %
% of revenue		*29.5 %*		*29.9%*	
General and administrative expense	$	38,778	$	56,580	(31)%
% of revenue		*6.9 %*		*12.8%*	
Amortization of acquired intangible assets	$	12,633	$	10,213	24 %
% of revenue		*2.2 %*		*2.3%*	
Restructuring expense	$	854	$	—	100 %
% of revenue		*0.2 %*		*—%*	
(Gain) on sale of subsidiaries	$	(47,545)	$	—	(100)%
% of revenue		*(8.4)%*		*—%*	

Technology and development expense

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

The growth in our technology and development expenses of $3.1 million for the three months ended September 30, 2017 as compared to the prior comparative period was primarily due to our fiscal 2017 acquisition of National Pen, which resulted in $3.2 million of additional expense in the current period, without any costs in the prior comparable period. We also recognized increased depreciation expense of $1.0 million, primarily related to past investments in infrastructure-related assets. These increases were partially offset by compensation-related cost savings that resulted from our January 2017 restructuring initiative.

Marketing and selling expense

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

Our marketing and selling expenses increased by $33.4 million during the three months ended September 30, 2017 as compared to the prior comparative period, primarily due to the addition of National Pen which incurred $23.9 million of marketing and selling expense during the three months ended September 30, 2017 primarily for direct-mail advertising and telesales costs that were not in our prior comparable period. In addition, advertising expense for other businesses increased by $6.2 million, which is primarily a result of additional advertising spend in the Vistaprint business. Other increases included payroll and employee-related costs, inclusive of share-based compensation, as we expanded our marketing and customer service, sales support organization through our recent acquisitions and continued investment in the Vistaprint business customer service resources in order to provide higher value services to our customers.

General and administrative expense

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

During the three months ended September 30, 2017, general and administrative expenses decreased by $17.8 million, primarily due to a decrease in acquisition-related charges of $19.2 million related to the WIRmachenDRUCK earn-out and additional expense in the prior period for the acceleration of vesting terms of certain restricted share awards associated with our investment in Printi and acquisition of Tradeprint. We also recognized a bargain purchase gain of $0.9 million related to a small acquisition within our All Other Businesses reportable segment during the three months ended September 30, 2017. Payroll and share-based compensation expense decreased by $2.2 million, primarily due to compensation-related cost savings realized from our January 2017 restructuring initiative. Other decreases in expense include lower travel, training and recruitment costs. These decreases were partially offset by an additional $5.7 million of expense from our National Pen business which has no expense in our prior period results.

Amortization of acquired intangible assets

Amortization of acquired intangible assets consists of amortization expense associated with separately identifiable intangible assets capitalized as part of our acquisitions, including customer relationships, trade names, developed technologies, print networks, and customer and referral networks. Amortization of acquired intangible assets increased by $2.4 million during the three months ended September 30, 2017, as compared to the three months ended September 30, 2016, primarily due to amortization for our fiscal 2017 acquisition of National Pen.

Restructuring expense

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

The restructuring expense of $0.9 million that was recognized during the three months ended September 30, 2017 consists of costs directly incurred as a result of a restructuring initiative within our All Other Businesses segment, as well as charges related to our January 2017 restructuring initiative. These costs included employee-related termination costs. Refer to Note 14 for additional details regarding the restructuring plan. No restructuring costs were recognized in the prior comparable period.

Gain on sale of subsidiaries

During the three months ended September 30, 2017, we recognized a gain on the sale of our Albumprinter business of $47.5 million, net of transaction costs. The amount of our gain on the sale of Albumprinter was impacted by the partial allocation of goodwill to our Vistaprint business in past periods, as well as minimal carrying value of Albumprinter's acquired intangible assets at the time of the sale and currency impacts. Refer to Note 2 for additional details.

Other Consolidated Results

Other expense, net

Other 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 some of our derivative instruments. In evaluating our currency hedging program and ability to achieve hedge accounting in light of our legal entity cash flows, we considered the benefits of hedge accounting relative to the additional economic cost of trade execution and administrative burden. Based on this analysis, we decided to execute certain currency derivative contracts that do not qualify for hedge accounting. The following table summarizes the components of other expense:

	Three Months Ended September 30,	
	2017	2016
(Losses) gains on derivatives not designated as hedging instruments	$ (8,250)	$ 77
Currency-related losses, net	(8,202)	(2,966)
Other gains	140	757
Total other expense, net	$ (16,312)	$ (2,132)

The increase in other expense, net during the three months ended September 30, 2017, when compared to the prior comparative period, is primarily due to the currency exchange rate volatility impacting our derivatives that are not designated as hedging instruments. We expect volatility to continue in future periods as we do not currently apply hedge accounting for most of our derivative currency contracts. We also experienced increased currency-related losses due to currency exchange rate volatility on our non-functional currency intercompany relationships, which we may alter at times. The impact of certain cross-currency swap contracts designated as cash flow hedges are included in our current-related losses, net, offsetting the impact of certain non-functional currency intercompany relationships.

In addition, during the three months ended September 30, 2017 and 2016, we recognized other gains of $0.1 million and $0.8 million, respectively. The gains in the prior comparable period related primarily to insurance recoveries.

Interest expense, net

Interest expense, net was $13.1 million and $9.9 million for the three months ended September 30, 2017 and 2016, respectively. Interest expense, net primarily consists of interest paid on outstanding debt balances, amortization of debt issuance costs, interest related to capital lease obligations and realized gains (losses) on effective interest rate swap contracts and certain cross-currency swap contracts. We expect interest expense to be higher relative to historical trends as a result of increased borrowing levels on our senior secured credit facility which was expanded in July 2017, increased capital lease obligations for machinery and equipment, and higher interest rates. Refer to Note 8 for additional details regarding the credit facility amendment.

Income tax (benefit) expense

	Three Months Ended September 30,	
	2017	2016
Income tax (benefit) expense	$ (6,187)	$ (9,814)
Effective tax rate	*(35.9)%*	*24.6%*

Our income tax benefit was $6.2 million and $9.8 million for the three months ended September 30, 2017 and 2016, respectively. The income tax benefit for the three months ended September 30, 2017 was lower than the same prior year period primarily due to lower discrete tax benefits from share-based compensation $0.4 million for the current period as compared to $4.2 million for the same prior year period. Excluding the effect of net discrete tax benefits, we are forecasting a higher consolidated annual effective tax rate for fiscal 2018 as compared to fiscal 2017 primarily due to the adoption of ASU 2016-16 (refer to Note 2) as well as a less favorable geographical mix of consolidated earnings. If we had not early adopted ASU 2016-16, the forecasted fiscal 2018 tax expense would be lower by $9.8 million. In addition, we continue to generate losses in certain jurisdictions where we are unable to recognize a full tax benefit in the current period. The gain from the sale of the Albumprinter group, as described in Note 2, had no impact on our income tax benefit for the current period.

We believe that our income tax reserves are adequately maintained taking into consideration both the technical merits of our tax return positions and ongoing developments in our income tax audits. However, the final determination of our tax return positions, if audited, is uncertain, and there is a possibility that final resolution of these matters could have a material impact on our results of operations or cash flows. See Note 9 in our accompanying consolidated financial statements for additional discussion.

Reportable Segment Results

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

Vistaprint

	Three Months Ended September 30,		
	2017	2016	2017 vs. 2016
Reported Revenue	$ 319,043	$ 286,535	11%
Segment Profit	30,895	25,272	22%
% of revenue	*10%*	*9%*	

Segment Revenue

Vistaprint's reported revenue growth for the three months ended September 30, 2017 of 11% was positively affected by currency impacts of 1%, resulting in constant-currency growth of 10%. The Vistaprint constant-currency growth was due to growth in both repeat customers and new customer bookings. While both new and repeat customer bookings contributed to this revenue growth, we continue to see stronger growth resulting from improved customer satisfaction among repeat customers. Revenue from our focus product categories including signage, marketing materials and promotional products and apparel continued to grow faster than the overall segment.

Segment Profitability

Vistaprint's segment profit increased for the three months ended September 30, 2017 as compared to the prior period, primarily due to savings from our 2017 restructuring activities. We continue to experience some headwinds in segment profit from our planned investments that ramped in fiscal 2017, which included expanded design services, reduced shipping prices and new product introduction that have negatively impacted gross profit. While these investments put pressure on current period profitability, we expect that these investments will attract higher-value customers and improve customer loyalty.

Upload and Print

	Three Months Ended September 30,		
	2017	2016	2017 vs. 2016
Reported Revenue	$ 160,390	$ 131,957	22%
Segment Profit	14,768	13,451	10%
% of revenue	*9%*	*10%*	

Segment Revenue

The reported revenue growth of 22% for the three months ended September 30, 2017 was positively affected by currency impacts of 6%, resulting in constant-currency growth of 16%. The Upload and Print constant-currency revenue growth was primarily driven by continued growth from our Exagroup, Pixartprinting, Printdeal and WIRmachenDRUCK businesses. Each of our other Upload and Print businesses continue to grow at varying rates.

Segment Profitability

The increase in segment profit for the three months ended September 30, 2017 as compared to the prior period was primarily due to incremental gross profits, driven by the revenue growth described above. The gross profit increases were partially offset by planned investments including increased advertising initiatives, technology enhancements intended to enable rapid new product introduction and improved connection points to the mass customization platform, and the expansion of the Upload and Print support organization.

National Pen

	Three Months Ended September 30,		
	2017	2016	2017 vs. 2016
Reported Revenue	$ 59,717	n/a	n/a
Segment Profit	1,185	n/a	n/a
% of revenue	*2%*	*n/a*	

Segment Revenue and Profitability

As we acquired National Pen on December 30, 2016 there are no comparative operating results presented. For the three months ended September 30, 2017 reported revenue was $59.7 million and segment profit was $1.2 million. As National Pen profitability has traditionally been highly seasonal, we expect most profits to occur in the second quarter of our fiscal year.

All Other Businesses

	Three Months Ended September 30,		
	2017	2016	2017 vs. 2016
Reported Revenue	$ 28,054	$ 26,334	7%
Segment Loss	(7,551)	(9,752)	23%
% of revenue	*(27)%*	*(37)%*	

Segment Revenue

The All Other Businesses revenue increased 7% during the three months ended September 30, 2017, and was positively affected by currency impacts of 2%. Revenue growth was negatively impacted by the divestiture of our Albumprinter business, which we completed on August 31, 2017. Our constant-currency growth, excluding the impacts of our Albumprinter business was 40%, primarily driven by continued growth in our Most of World portfolio, as well as growth in our Corporate Solutions business.

Segment Profitability

The decrease in segment loss for the three months ended September 30, 2017 as compared to the prior period is primarily due to incremental gross profit, driven by revenue growth volume absorption in our Most of World businesses. In addition, the revenue growth in our Most of World and Corporate Solutions businesses has resulted in improved operating expense efficiencies.

Liquidity and Capital Resources

Consolidated Statements of Cash Flows Data:

In thousands

	Three Months Ended September 30,	
	2017	2016
Net cash provided by operating activities	$ 16,379	$ 9,600
Net cash provided by (used in) investing activities	62,298	(27,452)
Net cash used in financing activities	(75,459)	(6,550)

At September 30, 2017, we had $42.8 million of cash and cash equivalents and $829.3 million of outstanding debt, excluding debt issuance costs and debt discounts. We expect cash and cash equivalents and outstanding debt levels to fluctuate over time depending on our working capital needs, as well as our organic investment, share repurchase and acquisition activity. The cash flows during the three months ended September 30, 2017 related primarily to the following items:

Cash inflows:

- Net income of $23.4 million
- Adjustments for non-cash items of $0.5 million primarily related to negative adjustments for our gain on the sale of our Albumprinter business of $47.5 million and non-cash tax related items of $16.6 million, partially offset by positive adjustments for depreciation and amortization of $42.4 million, unrealized currency-related gains of $14.5 million, share-based compensation costs of $6.9 million and the change of our contingent earn-out liability of $0.8 million
- Proceeds from the sale of our Albumprinter business of $93.8 million, net of transaction costs
- Proceeds from the sale of noncontrolling interest, related to our WIRmachenDRUCk business of $35.4 million
- Proceeds from the issuance of ordinary shares from the exercise of share options of $6.1 million

Cash outflows:

- Payments of debt and debt issuance costs of $58.4 million, net of proceeds
- Purchases of our ordinary shares of $40.7 million
- Capital expenditures of $20.5 million of which $4.6 million were related to the purchase of manufacturing and automation equipment for our production facilities, $1.9 million were related to the purchase of land, facilities and leasehold improvements, and $14.0 million were related to computer and office equipment
- Issuance of loans of $12.0 million to two equity holders of our Printi business (refer to Note 11 for additional details)
- Internal costs for software and website development that we have capitalized of $8.9 million
- Changes in working capital balances of $7.5 million primarily driven by seasonality trends in our National Pen business which results in increases in accounts receivable and inventory during the first quarter, partially offset by increases in accrued expense and other liabilities amongst several of our businesses
- Payments for capital lease arrangements of $4.7 million
- Payments of withholding taxes in connection with share awards of $1.2 million

Additional Liquidity and Capital Resources Information. During the three months ended September 30, 2017, we financed our operations and strategic investments through internally generated cash flows from operations and debt financing. As of September 30, 2017, a significant portion of our cash and cash equivalents was held by our subsidiaries, and undistributed earnings of our subsidiaries that are considered to be indefinitely reinvested were $28.4 million. We do not intend to repatriate these funds as the cash and cash equivalent balances are generally used and available, without legal restrictions, to fund ordinary business operations and investments of the respective subsidiaries. If there is a change in the future, the repatriation of undistributed earnings from certain subsidiaries, in the form of dividends or otherwise, could have tax consequences that could result in material cash outflows.

*Debt. O*n July 13, 2017, we executed an amendment to our senior secured credit facility that, among other things, expanded the total capacity to $1,045.0 million, which includes $745.0 million of revolving loans and $300.0 million of term loans. We expect to use our expanded credit facility to fund investments intended to support our long-term growth strategy. Refer to Note 8 for additional details.

As of September 30, 2017, we had aggregate loan commitments from our senior secured credit facility totaling $1,041.3 million. The loan commitments consisted of revolving loans of $745.0 million and term loans of $296.3 million. We have other financial obligations that constitute additional indebtedness based on the definitions within the credit facility. As of September 30, 2017, the amount available for borrowing under our senior secured credit facility was as follows:

In thousands

		September 30, 2017
Maximum aggregate available for borrowing	$	1,041,250
Outstanding borrowings of senior secured credit facilities		(546,043)
Remaining amount		495,207
Limitations to borrowing due to debt covenants and other obligations (1)		(232,795)
Amount available for borrowing as of September 30, 2017 (2)	$	262,412

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

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

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

- our total leverage ratio, which is the ratio of our consolidated total indebtedness (*) to our TTM consolidated EBITDA (*), will not exceed 4.50 to 1.00, except that we may, on no more than three occasions during the term of the Credit Agreement, increase our leverage ratio to up to 4.75 for up to four consecutive fiscal quarters after a corporate acquisition that meets certain criteria.

- our senior secured leverage ratio, which is the ratio of our consolidated senior secured indebtedness (*) to our TTM consolidated EBITDA (*), will not exceed 3.25 to 1.00, except that we may, on no more than three occasions during the term of the Credit Agreement, increase our senior leverage ratio to up to 3.50 for up to four consecutive fiscal quarters after a corporate acquisition that meets certain criteria.

- our interest coverage ratio, which is the ratio of our consolidated EBITDA to our consolidated interest expense, will be at least 3.00 to 1.00.

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

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

(*) The Definitions of EBITDA, consolidated total indebtedness, and consolidated senior secured indebtedness are maintained in our credit agreement included as an exhibit to our Form 8–K filed on July 14, 2017.

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

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

Other debt. Other debt primarily consists of term loans acquired as part of our fiscal 2015 acquisition of Exagroup SAS. As of September 30, 2017 we had $8.2 million outstanding for other debt payable through September 2024.

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

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

Contractual Obligations

Contractual obligations at September 30, 2017 are as follows:

In thousands	Payments Due by Period				
	Total	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Operating leases, net of subleases	$ 57,228	$ 18,019	$ 27,660	$ 9,748	$ 1,801
Build-to-suit lease	105,583	12,569	25,138	24,693	43,183
Purchase commitments	83,919	59,432	24,487	—	—
Senior unsecured notes and interest payments	371,250	19,250	38,500	313,500	—
Other debt and interest payments	648,266	39,930	98,339	506,050	3,947
Capital leases	38,853	13,675	17,303	4,892	2,983
Other	56,563	50,259	5,650	654	—
Total (1)	$ 1,361,662	$ 213,134	$ 237,077	$ 859,537	$ 51,914

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(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 $6.0 million as of September 30, 2017 have been excluded from the contractual obligations table above. For further information on uncertain tax positions, see Note 9 to the accompanying consolidated financial statements.

Operating Leases. We rent office space under operating leases expiring on various dates through 2026. Future minimum rental payments required under our leases are an aggregate of approximately $57.2 million. The terms of certain lease agreements require security deposits in the form of bank guarantees and letters of credit in the amount of $2.8 million.

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

Purchase Commitments. At September 30, 2017, we had unrecorded commitments under contract of $83.9 million. Purchase commitments consisted of professional and consulting fees of $4.0 million, commitments for production and computer equipment purchases of approximately $9.6 million, third-party web services of $28.2

million, commitments for advertising campaigns of $4.7 million, inventory purchase commitments of $6.8 million, and other unrecorded purchase commitments of $30.6 million.

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

Other debt and interest payments. On July 13, 2017, we amended our credit agreement to, among other things, expand the total capacity and extend the term of our term loans and revolving loans. Refer to Note 8 for additional information.

At September 30, 2017, the term loans of $296.3 million outstanding under our credit agreement have repayments due on various dates through July 13, 2022, with the revolving loans outstanding of $249.8 million due on July 13, 2022. Interest payable included in this table is based on the interest rate as of September 30, 2017 and assumes all revolving loan amounts outstanding will not be paid until maturity, but that the term loan amortization payments will be made according to our defined schedule. Interest payable includes the estimated impact of our interest rate swap agreements.

In addition, we have other debt which consists primarily of debt assumed as part of certain of our fiscal 2015 acquisitions, and as of September 30, 2017 we had $8.2 million outstanding for those obligations that have repayments due on various dates through September 2024.

Capital leases. We lease certain machinery and plant equipment under capital lease agreements that expire at various dates through 2022. The aggregate carrying value of the leased equipment under capital leases included in property, plant and equipment, net in our consolidated balance sheet at September 30, 2017, is $39.1 million, net of accumulated depreciation of $29.6 million. The present value of lease installments not yet due included in other current liabilities and other liabilities in our consolidated balance sheet at September 30, 2017 amounts to $37.2 million.

Other Obligations. Other obligations includes the following:

- Earn-out liability related to the WIRmachenDRUCK acquisition of $46.3 million, payable in January 2018.
- Deferred payments related to our other acquisitions of $4.6 million, in aggregate.
- Installment obligation of $5.7 million related to the fiscal 2012 intra-entity transfer of the intellectual property of our subsidiary Webs, Inc., which resulted in tax being paid over a 7.5 year term and has been classified as a deferred tax liability in our consolidated balance sheet as of September 30, 2017.

Non-GAAP Financial Measure

Adjusted net operating profit (NOP) and unlevered free cash flow presented below are supplemental measures of our performance that are not required by, or presented in accordance with, GAAP. During the first quarter of fiscal 2018, we removed the cash tax attributable to the current period portion of our consolidated NOP measure as management no longer uses this metric. This metric is the primary metric by which we measure our consolidated financial performance and is intended to supplement investors' understanding of our operating results. Adjusted consolidated NOP is defined as GAAP operating income excluding certain items such as acquisition-related amortization and depreciation, expense recognized for earn-out related charges, including the change in fair value of contingent consideration and compensation expense related to cash-based earn-out mechanisms dependent upon continued employment, share-based compensation related to investment consideration, certain impairment expense and restructuring charges. The interest expense associated with our Waltham lease, as well as realized gains (losses) on currency forward contracts that do not qualify for hedge accounting, are included in adjusted consolidated NOP.

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

During the first quarter of fiscal 2018, we included unlevered free cash as a non-GAAP financial measure, which management has begun using to assess the cash flow generation of the company. Unlevered free cash flow is defined as net cash provided by operating activities less purchases of property, plant and equipment, purchases of intangible assets not related to acquisitions, and capitalization of software and website development costs, plus payment of contingent consideration in excess of acquisition-date fair value, plus gains on proceeds from insurance, plus the cash paid during the period for interest, minus the interest expense associated with our Waltham, Massachusetts lease.

The table below sets forth operating income and adjusted net operating profit for each of the three months ended September 30, 2017 and 2016:

	Three Months Ended September 30,	
	2017	2016
GAAP operating income (loss)	$ 46,613	$ (27,808)
Exclude expense (benefit) impact of:		
Acquisition-related amortization and depreciation	12,687	10,213
Earn-out related charges (1)	1,137	16,247
Share-based compensation related to investment consideration	40	4,103
Restructuring related charges	854	—
Less: Interest expense associated with Waltham lease	(1,911)	(1,970)
Less: Gains on the purchase or sale of subsidiaries (2)	(48,380)	—
Include: Realized (losses) gains on certain currency derivatives not included in operating income	(634)	1,888
Adjusted Net Operating Profit	$ 10,406	$ 2,673

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

(2) Includes the impact of the gain on the sale of Albumprinter, as well as a bargain purchase gain as defined by ASC 805-30 for an acquisition in which the identifiable assets acquired and liabilities assumed are greater than the consideration transferred, that was recognized in general and administrative expense in our consolidated statement of operations during the three months ended September 30, 2017.

	Three Months Ended September 30,	
	2017	2016
Net cash provided by operating activities	$ 16,379	$ 9,600
Purchases of property, plant and equipment	(20,457)	(19,319)
Purchases of intangible assets not related to acquisitions	(24)	(26)
Capitalization of software and website development costs	(8,934)	(8,312)
Free cash flow	(13,036)	(18,057)
Plus: cash paid during the period for interest	8,430	5,362
Less: interest expense for Waltham lease	(1,911)	(1,970)
Unlevered free cash flow	$ (6,517)	$ (14,665)

Item 3. ***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 September 30, 2017, our cash and cash equivalents consisted of standard depository accounts which are held for working capital purposes. We do not believe we have a material exposure to interest rate fluctuations related to our cash and cash equivalents.

As of September 30, 2017, we had $546.0 million of variable rate debt and $5.7 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 September 30, 2017, a hypothetical 100 basis point increase in rates, inclusive of our outstanding interest rate swaps, would result in an increase of interest expense of approximately $5.3 million over the next 12 months.

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

- *Translation of our non-U.S. dollar revenues and expenses:* Revenue and related expenses generated in currencies other than the U.S. dollar could result in higher or lower net income (loss) 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 (loss) and non-GAAP financial metrics, such as EBITDA.

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

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

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

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

- *Remeasurement of monetary assets and liabilities:* Transaction gains and losses generated from remeasurement of monetary assets and liabilities denominated in currencies other than the functional currency of a subsidiary are included in other expense, net on the consolidated statements of operations. Certain of our subsidiaries hold intercompany loans denominated in a currency other than their functional currency. Due to the significance of these balances, the revaluation of intercompany loans can have a material impact on other expense, net. We expect these impacts may be volatile in the future, although our largest intercompany loans do not have a U.S. dollar cash impact for the consolidated group because they are either 1) U.S. dollar loans or 2) we elect to hedge certain non-U.S. dollar loans with cross currency swaps. A hypothetical 10% change in currency exchange rates was applied to total net monetary assets denominated in currencies other than the functional currencies at the balance sheet dates to compute the impact these changes would have had on our income before taxes in the near term. The balances are inclusive of the notional value of any cross currency swaps designated as cash flow hedges. A hypothetical decrease in exchange rates of 10% against the functional currency of our subsidiaries would have resulted in an increase of $45.3 million and $19.1 million on our income before taxes for the three months ended September 30, 2017 and 2016, respectively.

Item 4. *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 September 30, 2017. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, or Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of September 30, 2017, our chief executive officer and chief financial officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There were no significant changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended September 30, 2017 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1A. *Risk Factors*

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

Risks Related to Our Business

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

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

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

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

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

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

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

- concerns about buying customized products without face-to-face interaction with design or sales personnel;
- the inability to physically handle and examine product samples before making a purchase;
- delivery time associated with Internet orders;
- concerns about the security of online transactions and the privacy of personal information;
- delayed or lost shipments or shipments of incorrect or damaged products;
- limited access to the Internet; and

- the inconvenience associated with returning or exchanging purchased items.

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

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

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

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

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

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

- expenses and charges related to our compensation arrangements with our executives and employees, including expenses and charges relating to the long-term incentive compensation program we launched at the beginning of fiscal year 2017;

- costs and charges resulting from litigation;

- significant increases in credits, beyond our estimated allowances, for customers who are not satisfied with our products;

- changes in our income tax rate;

- costs to acquire businesses or integrate our acquired businesses;

- financing costs;

- impairments of our tangible and intangible assets including goodwill; and

- the results of our minority investments and joint ventures.

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

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

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

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

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

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

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

- difficulty complying with multiple tax laws, treaties, and regulations and limiting our exposure to onerous or unanticipated taxes, duties, and other costs;

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

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

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

Acquisitions and strategic investments may be disruptive to our business.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- fire, natural disasters, or extreme weather
- labor strike, work stoppage, or other issues with our workforce
- political instability or acts of terrorism or war
- power loss or telecommunication failure
- attacks on our external websites or internal network by hackers or other malicious parties

- undetected errors or design faults in our technology, infrastructure, and processes that may cause our websites to fail

- inadequate capacity in our systems and infrastructure to cope with periods of high volume and demand

- human error, including poor managerial judgment or oversight

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

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

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

- traditional offline suppliers and graphic design providers;

- online printing and graphic design companies, many of which provide products and services similar to ours;

- office superstores, drug store chains, food retailers, and other major retailers targeting small business and consumer markets;

- wholesale printers;

- self-service desktop design and publishing using personal computer software;

- email marketing services companies;

- website design and hosting companies;

- suppliers of customized apparel, promotional products and gifts;

- online photo product companies;

- Internet retailers;

- online providers of custom printing services that outsource production to third party printers; and

- providers of digital marketing such as social media and local search directories.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- incur additional indebtedness, guarantee indebtedness, and incur liens;
- pay dividends or make other distributions or repurchase or redeem capital stock;

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

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

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

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

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

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

As of September 30, 2017, our total debt was $829.3 million, made up of $275.0 million of senior notes, $546.0 million of loan obligations under our credit facility and $8.2 million of other debt. We had unused commitments of $492.9 million under our credit facility (after giving effect to letter of credit obligations).

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

- making it more difficult for us to satisfy our obligations with respect to our debt;
- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions, or other general corporate requirements;
- requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions, and other general corporate purposes;

- increasing our vulnerability to general adverse economic and industry conditions;
- exposing us to the risk of increased interest rates as some of our borrowings, including borrowings under our credit facility, are at variable rates of interest;
- limiting our flexibility in planning for and reacting to changes in the industry and marketplaces in which we compete;
- placing us at a disadvantage compared to other, less leveraged competitors; and
- increasing our cost of borrowing.

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

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

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

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

Borrowings under our credit facility are at variable rates of interest and expose us to interest rate risk, and any interest rate swaps we enter into in order to reduce interest rate volatility may not fully mitigate our interest rate risk. If interest rates were to increase, our debt service obligations on the variable rate indebtedness would increase even if the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. As of September 30, 2017, a hypothetical 100 basis point increase in rates, inclusive of our outstanding interest rate swaps, would result in an increase of interest expense of approximately $5.3 million over the next 12 months.

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

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

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

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

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

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

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

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

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

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

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

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

We are subject to customer payment-related risks.

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

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

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

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

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

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

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

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

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

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

We are dependent on a limited number of third party providers of website security authentication certificates that are necessary for conducting secure transactions over the Internet. Despite any contractual protections we may have, these third party providers can disable or revoke, and in the past have disabled or revoked, our security certificates without our consent, which would render our websites inaccessible to some of our customers and could discourage other customers from accessing our sites. Any interruption in our customers' ability or willingness to access our websites if we do not have adequate security certificates could result in a material loss of revenue and profits and damage to our brands.

Risks Related to Our Corporate Structure

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The rules for determining ownership for purposes of determining 10% U.S. Shareholder and CFC status are complicated, depend on the particular facts relating to each investor, and are not necessarily the same as the rules for determining beneficial ownership for SEC reporting purposes. For taxable years in which we are a CFC for an uninterrupted period of 30 days or more, each of our 10% U.S. Shareholders will be required to include in its gross income for United States federal income tax purposes its pro rata share of our "subpart F income," even if the subpart F income is not distributed by us. We currently do not believe we are a CFC. However, whether we are treated as a CFC can be affected by, among other things, facts as to our share ownership that may change. Accordingly, we cannot be certain that we will not be treated as a CFC in future years.

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

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

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

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

Approximately 75% of our ordinary shares are held by our top 10 shareholders, and we may continue repurchasing shares, which could further increase the concentration of our share ownership. Because of this reduced liquidity, the trading of relatively small quantities of shares by our shareholders could disproportionately influence the price of those shares in either direction. The price for our shares could, for example, decline precipitously if a large number of our ordinary shares were sold on the market without commensurate demand, as compared to a company with greater trading liquidity that could better absorb those sales without adverse impact on its share price.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

On March 22, 2017, our Supervisory Board authorized the repurchase of up to 6,300,000 of our issued and outstanding ordinary shares on the open market (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 program expires on May 15, 2018. The following table outlines the purchase of our ordinary shares during the three months ended September 30, 2017:

	Total Number of Shares Purchased	Average Price Paid Per Share (1)	Total Number of Shares Purchased as Part of a Publicly Announced Program	Approximate Number of Shares that May Yet be Purchased Under the Program
July 1, 2017 through July 31, 2017	56,454	$ 88.43	56,454	6,243,546
August 1, 2017 through August 31, 2017	316,577	89.12	373,031	5,926,969
September 1, 2017 through September 30, 2017	79,789	93.62	452,820	5,847,180
Total	452,820	$ 89.82	452,820	5,847,180

(1) Average Price paid per share includes commissions paid.

Item 6. *Exhibits*

Exhibit No.	Description
10.1*	Form of Supplemental Performance Share Unit Agreement for employees and executives under our 2016 Performance Equity Plan
10.2*	Amendment No. 8 to Employment Agreement between Cimpress USA Incorporated and Robert Keane dated September 30, 2017
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-Q, 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.
	*Management contract or compensatory plan or arrangement

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.

November 3, 2017 Cimpress N.V.

By: /s/ Sean E. Quinn

Sean E. Quinn
Chief Financial Officer
(Principal Financial and Accounting Officer)

2016 Performance Equity Plan
Supplemental Performance Share Unit Agreement

1. Grant of Award. This Agreement evidences the grant by Cimpress N.V., a Netherlands company (the "***Company***"), on **%%OPTION_DATE,'Month DD, YYYY'%-%** to **%%FIRST_NAME%-% %%LAST_NAME%-%** (the "***Participant***") of **%%TOTAL_PSUs_GRANTED%-%** performance share units (the "***PSUs***") on the terms of this Agreement and the Company's 2016 Performance Equity Plan (the "***Plan***"). Each PSU represents a right to receive between 0 and 2.5 ordinary shares of the Company**,** €0.01 par value per share (the "***Shares***"), upon the satisfaction of (A) service-based vesting as described in Section 2 below, (B) a performance condition relating to the Company's cumulative consolidated unlevered free cash flow over the period from July 1, 2017 to June 30, 2020 ("***UFCF Goal***") as described in Section 3 below, and (C) performance conditions relating to the compound annual growth rate ("***CAGR***") of the three-year moving average daily price per Share ("***3YMA***") as described in Section 4 below. The issuance of Shares to the Participant pursuant to a PSU upon satisfaction of the service-based condition and both performance conditions described in this Agreement is a "***Performance Dependent Issuance***."

Except as otherwise indicated by the context, the term "***Participant***," as used in this award, is deemed to include any person who acquires rights under this award validly under its terms. All references to the "***Company***" throughout this Agreement include Cimpress N.V. and all current and future parents and subsidiaries of Cimpress N.V., and if the Participant is employed by a parent or subsidiary of Cimpress N.V., then any references in this Agreement to employment by or with the Company or termination of employment by or with the Company are instead deemed to refer to such parent or subsidiary.

2. Service-Based Vesting.

(a) Vesting Schedule. Throughout this Agreement, the term "***vest***" refers only to the satisfaction of the service-based condition described in this Section 2 and does not refer to the UFCF Goal or 3YMA CAGR performance conditions, the satisfaction of which are necessary for a Performance Dependent Issuance. Subject to the terms and conditions of this award, the PSUs vest as to one third of the original number of PSUs on June 30, 2018 and as to an additional one third of the original number of PSUs on each of the successive two anniversaries of such date, so long as, at the time any PSUs vest, the Participant is, and has been at all times since the date in Section 1 above on which the PSUs were granted, an "***Eligible Participant***," which is defined as an employee, officer or director of, or consultant or advisor to, the Company or any parent or subsidiary of the Company as defined in Section 424(e) or (f) of the United States Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "***Code***").

(b) Forfeiture of Unvested PSUs. If for any reason the Participant ceases to be an Eligible Participant, then the vesting of PSUs ceases and the Participant has no further rights with respect to any unvested PSUs, but except as set forth in Section 2(c) below, the Participant retains the PSUs that have vested as of the last day on which he or she was an Eligible Participant. The Participant expressly accepts and agrees that any termination of his or her relationship with the Company for any reason whatsoever (including without limitation unfair or objective dismissal, permanent disability, death, resignation or desistance) automatically means the forfeiture of all of his or her unvested PSUs, with no compensation whatsoever. The Participant acknowledges and accepts that this is an essential condition of this Agreement and expressly agrees to this condition.

(c) Forfeiture of Vested PSUs. The Participant expressly accepts and agrees that if the Participant's status as an Eligible Participant is terminated for Cause, then all of the Participant's PSUs, whether vested or unvested, are automatically forfeited with no compensation whatsoever, and the Participant has no further rights with respect to any PSUs hereunder. The Participant acknowledges and accepts that this is an essential condition of this Agreement and expressly agrees to this condition. For purposes of this Agreement and to the extent permitted under local law, "***Cause***" means the Participant's (i) willful failure to substantially perform his or her duties (other than any such failure resulting from incapacity due to physical or mental illness), (ii) willful misconduct or gross negligence related to his or her employment with the Company, (iii) commission of any crime involving harassment, moral turpitude, fraud, misappropriation or embezzlement, (iv) breach of this Agreement or any confidentiality or restrictive covenant agreement with the Company, (v) failure to comply with any material provision of any written policy or rule of the Company, as may be in effect from time to time, or (vi) engagement in any act or failure to act that is so serious in its nature or extent that it breaks the purpose of the employment relationship and legally deprives the Participant of any right to notice and/or indemnification for dismissal.

3. UFCF Performance Condition. The UFCF Goal is **%%UFCF_GOAL_$%-%**.The Compensation Committee of the Company's Supervisory Board (the "Compensation Committee") may adjust the UFCF Goal at any time, from time to time, and in its sole discretion based on its assessment of the Company's performance, and each reference to the UFCF Goal in this Agreement means the UFCF Goal as so adjusted. If the Company's cumulative consolidated unlevered free cash flow over the period from July 1, 2017 to June 30, 2020 does not equal or exceed the UFCF Goal, as determined by the Compensation Committee as soon as practicable after the end of such period (the "UFCF Determination Date"), then a Performance Dependent Issuance will not be possible, this award expires in its entirety on the UFCF Determination Date, and no Shares are issued or issuable with respect to this award.

4. 3YMA CAGR Performance Conditions.

(a) Baseline and Measurements. The "***Baseline 3YMA***" for this award is **%%BASELINE_3YMA_$%-%**, and the "***Baseline Date***" is **%%BASELINE_DATE,'Month DD, YYYY'%-%**. If the UFCF Goal is achieved, then at each of the sixth through tenth anniversaries of the Baseline Date (each such date a "***Measurement Date***") until such time as a Performance Dependent Issuance is triggered for this PSU award, the Company shall measure the 3YMA as of such Measurement Date and calculate the CAGR relative to the Baseline 3YMA as set forth in this Section 4.

(b) Performance Condition for Years 6-9. If the UFCF Goal is achieved and on a Measurement Date corresponding to the sixth through ninth anniversaries of the Baseline Date the CAGR of the 3YMA as of such Measurement Date, relative to the Baseline 3YMA, equals or exceeds the minimum CAGR set forth in Table 1 on Schedule A hereto, then a Performance Dependent Issuance is triggered at the first such Measurement Date, and the Company shall issue to the Participant in accordance with Section 5 below the number of Shares determined by multiplying the number of vested PSUs in this award by the percentage set forth in Table 1 that corresponds to the CAGR of the 3YMA from the Baseline Date to the Measurement Date, rounded down to the nearest whole Share.

(c) Performance Condition for Year 10. If the UFCF Goal is achieved but the 3YMA on the Measurement Dates corresponding to the sixth to ninth anniversaries of the Baseline Date does not represent at least an 11% CAGR from the Baseline 3YMA on any such Measurement Date, then the Company shall use Table 2 on Schedule A instead of Table 1 for the final Measurement Date. If the UFCF Goal is achieved and the 3YMA CAGR on the Measurement Date corresponding to the tenth anniversary of the Baseline Date, relative to the Baseline 3YMA, equals or exceeds the minimum CAGR set forth in Table 2, then a Performance Dependent Issuance is triggered at such Measurement Date, and the Company shall issue to the Participant in accordance with Section 5 below the number of Shares determined by multiplying the number of vested PSUs in this award by the percentage set forth in Table 2 that corresponds to the CAGR of the 3YMA from the Baseline Date to the Measurement Date, rounded down to the nearest whole Share.

(d) Performance Condition for a Change in Control.

(i) If a Change in Control, as defined in the Plan, occurs at any time between the date in Section 1 above on which the PSUs were granted and the UFCF Determination Date, then the Compensation Committee may waive the satisfaction of the UFCF Goal in whole or in part in its sole discretion if, in its judgment, the Company is on track to achieve the UFCF Goal at the time of the Change in Control.

(A) If the Compensation Committee does not waive the satisfaction of the UFCF Goal, then on the date of such Change in Control, this award expires in its entirety, and no Shares are issued or issuable with respect to this award.

(B) If the Compensation Committee waives the UFCF Goal, then the date of such Change in Control is deemed to be the applicable Measurement Date. If the price paid per Share to holders of the Company's Shares in connection with the Change in Control (as reasonably determined by the Board), relative to the Baseline 3YMA, equals or exceeds the minimum CAGR set forth in Table 2 on Schedule A hereto, then a Performance Dependent Issuance is triggered at such Measurement Date, and the Company shall issue to the Participant in accordance with Section 5 below the number of Shares determined by multiplying the number of vested PSUs in this award by the percentage set forth in Table 2 that corresponds to the CAGR of the 3YMA from the Baseline Date to the price paid per Share to the holders of the Company's Shares in connection with the Change in Control, rounded down to the nearest whole Share.

(ii) If a Change in Control occurs at any time between the UFCF Determination Date and the tenth anniversary of the Baseline Date, then, unless this award has expired pursuant to Section 3 on or before the date of the Change in Control, the date of such Change in Control is deemed to be the applicable Measurement Date. If the price paid per Share to holders of the Company's Shares in connection with the Change in Control (as reasonably determined by the Board), relative to the Baseline 3YMA, equals or exceeds the minimum CAGR set forth in Table 2 on Schedule A hereto, then a Performance Dependent Issuance is triggered at such Measurement Date, and the Company shall issue to the Participant in accordance with Section 5 below the number of Shares determined by multiplying the number of vested PSUs in this award by the percentage set forth in Table 2 that corresponds to the CAGR of the 3YMA from the Baseline Date to the price paid per Share to the holders of the Company's Shares in connection with the Change in Control, rounded down to the nearest whole Share.

(e) Expiration. If no Performance Dependent Issuance is triggered pursuant to this Section 4 on or before the earlier of (i) the date of a Change in Control and (ii) the Measurement Date corresponding to the tenth anniversary of the Baseline Date, then this award expires in its entirety, and no Shares are issued or issuable with respect to this award.

5. Timing and Form of Distribution. If a Performance Dependent Issuance is triggered, the Company shall distribute to the Participant the number of Shares calculated pursuant to Section 4 above as soon as practicable after the applicable Measurement Date but in no event later than 45 days after such Measurement Date, except that (a) if the Participant is not subject to U.S. income taxes on this award, the Distribution Date may be a later date if required by local law, and (b) if the Participant is not an Eligible Participant, the Company may, in its sole discretion, delay the Distribution Date and the issuance of Shares upon a Performance Dependent Issuance until such time as the Company has all of the necessary

information about the Participant to issue Shares to the Participant and to calculate, withhold, and account for Tax-Related Items. It is the Participant’s responsibility to ensure that the Company has all such necessary information. Each date of distribution of Shares is referred to as the “***Distribution Date***.” Once any Shares have been distributed pursuant to this award, the award expires in its entirety, and the Participant has no further rights with respect to any PSUs hereunder.

6. Responsibility for Taxes. The Participant acknowledges that, regardless of any action taken by the Company, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant’s participation in the Plan and legally applicable to the Participant (“***Tax-Related Items***”) is and remains the Participant’s responsibility and may exceed the amount actually withheld by the Company. The Participant further acknowledges that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the PSUs, including but not limited to the grant, vesting or settlement of the PSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends; and (ii) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the PSUs to reduce or eliminate the Participant’s liability for Tax-Related Items or achieve any particular tax result. Furthermore, if the Participant is subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction. Prior to any relevant taxable or tax withholding event, as applicable, the Participant agrees to make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items.

(a) In this regard, Participant authorizes the Company or its agent to satisfy the obligations with regard to all Tax-Related Items by withholding in Shares to be issued upon settlement of the PSUs. If such withholding in Shares is problematic under applicable tax or securities law or has materially adverse accounting consequences, by the Participant’s acceptance of the PSUs, the Participant authorizes and directs the Company and any brokerage firm acceptable to the Company to sell on the Participant’s behalf a whole number of Shares from those Shares issued to the Participant as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy any withholding obligation for Tax-Related Items. The Participant agrees to execute and deliver such documents as may be reasonably required in connection with the sale of any Shares pursuant to this Section 6(a).

(b) Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case the Participant will receive a refund of any over-withheld amount and will have no entitlement to the Share equivalent. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Participant is deemed to have been issued the full number of Shares subject to the Performance Dependent Issuance, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

(c) Finally, the Participant agrees to pay to the Company, including through withholding from Participant’s salary or other cash compensation paid to the Participant by the Company any amount of Tax-Related Items that the Company may be required to withhold or account for as a result of Participant’s participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if the Participant fails to comply with the Participant’s obligations in connection with the Tax-Related Items (including the obligations set forth in Section 5 above).

7. Nontransferability of Award. The Participant shall not sell, assign, transfer, pledge or otherwise encumber this award, either voluntarily or by operation of law, except by will, the laws of descent and

distribution, or pursuant to a qualified domestic relations order. However, the Participant shall not transfer this award to any proposed transferee if, with respect to such proposed transferee, the Company would not be eligible to use a Form S-8 for the registration of the issuance and sale of the Shares subject to this award under the United States Securities Act of 1933, as amended.

8. No Right to Employment or Other Status. This award shall not be construed as giving the Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right to dismiss or otherwise terminate its relationship with the Participant free from any liability or claim under the Plan or this award, except as expressly provided in this award.

9. No Rights as Shareholder. The Participant has no rights as a shareholder with respect to any Shares distributable under this award until such Shares are issued to the Participant.

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

11. Nature of the Grant**.** By accepting this Agreement, the Participant acknowledges as follows:

(a) The Plan is established voluntarily by the Company, is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan.

(b) The grant of the PSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future awards of PSUs or benefits in lieu of PSUs even if PSUs have been awarded repeatedly in the past. All decisions with respect to future grants of PSUs and/or Shares, if any, are at the Company's sole discretion.

(c) The PSUs and the Shares subject to the PSUs are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company, and the PSUs are outside the scope of the Participant's employment or services contract, if any.

(d) The Participant is voluntarily participating in the Plan.

(e) The PSUs, the Shares subject to the PSUs, and the income and value of the PSUs and Shares are not intended to replace any pension rights or compensation.

(f) The PSUs, the Shares, and the income and value of the PSUs and Shares are not part of normal or expected compensation or salary for any purpose, including but not limited to the calculation of any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments, and in no event should be considered as compensation for, or relating in any way to, past services for the Company.

(g) The future value of the Shares underlying the PSUs is unknown and cannot be predicted with certainty. If the Participant receives Shares upon a Performance Dependent Issuance, the value of such Shares may increase or decrease in value.

(h) In consideration of the grant of the PSUs, no claim or entitlement to compensation or damages arises from termination of the PSUs or Shares, diminution in value of the Shares or termination of the Participant's employment by the Company for any reason whatsoever and whether or not in breach of local labor laws. The Participant irrevocably releases the Company from any such claim that may arise. If, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting this Agreement, the Participant is deemed irrevocably to have waived his or her entitlement to pursue such claim.

(i) Further, if the Participant ceases to be an Eligible Participant for any reason whatsoever and whether or not in breach of local labor laws, the Participant's right to vesting of the PSUs under this Agreement and the Plan, if any, terminates effective as of the date that the Participant is no longer actively employed by the Company or is no longer otherwise an Eligible Participant, and will not be extended by any notice period mandated under local law. The Company has the exclusive discretion to determine when the Participant is no longer an Eligible Participant for purposes of this Agreement and the Plan.

(j) The Participant acknowledges and agrees that neither the Company nor any of its affiliates is liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the PSUs or of any amounts due to Participant pursuant to the settlement of the PSUs or the subsequent sale of any Shares acquired upon settlement.

12. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the PSUs and on any Shares acquired under the Plan to that the Company determines are necessary or advisable for legal or administrative reasons, except that with respect to awards that are subject to Section 409A of the Code and the guidance thereunder ("***Section 409A***"), to the extent so permitted under Section 409A. Furthermore, the parties hereto agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement and the Plan.

13. Data Privacy. The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other PSU grant materials by and among the Company and its parents and subsidiaries for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan. The Participant understands that the Company may hold certain personal information about the Participant, including but not limited to the Participant's name, home address and telephone number, email address, date of birth, social security/insurance number, passport or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all PSUs or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("***Data***"), for the exclusive purpose of implementing, administering and managing the Plan. The Participant understands that Data will be transferred to E*Trade Financial Services, Inc., its affiliates or successors, or such other stock plan service provider as the Company may select in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. The Participant authorizes the Company, E*Trade Financial Services, Inc., its affiliates or successors, and any other possible recipients that may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. The Participant understands that he or she may, at any time, request access to and view the Data, request a list of the names and addresses of any potential recipients of the Data, request information about the storage and processing of Data, request any necessary amendments to his or her Data or refuse or withdraw the consents in this Section, in any case without cost, by contacting in writing his or her local human resources representative. The Participant understands, however, that withdrawal of consent may affect the Participant's ability to participate in or realize benefits from the

Plan. For more information on the consequences of refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.

14. Section 409A.

(a) This award is intended to comply with or be exempt from the requirements of Section 409A and shall be construed consistently therewith. Subject to Sections 8(f) and 9(e) of the Plan, the Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, to unilaterally amend the Plan or this Agreement to prevent this award from becoming subject to the requirements of Section 409A. However, the Company makes no representations or warranties and has no liability to the Participant or to any other person if any of the provisions of or payments under this award are determined to constitute nonqualified deferred compensation subject to Section 409A but do not satisfy the requirements of Section 409A.

(b) If the PSUs are considered to be “nonqualified deferred compensation” within the meaning of Section 409A, and the Participant is considered a “specified employee” within the meaning of Section 409A, then notwithstanding anything to the contrary in this Agreement, the Company shall not deliver to the Participant any Shares required to be delivered upon a Performance Dependent Issuance that occurs upon a termination of employment until the earlier of (i) the six-month and one-day anniversary of the Participant’s termination of employment and (ii) the Participant’s death. In addition, solely to the extent that the PSUs are considered to be “nonqualified deferred compensation” and solely to the extent that another agreement between the Participant and the Company provides for a Performance Dependent Issuance and delivery of the Shares upon a “change in control,” such event must constitute a “change in control event” within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(i) in order for the Shares to be delivered.

(c) For purposes of Section 14(b) of this Agreement, “termination of employment” and similar terms mean “separation from service” within the meaning of Section 409A. The determination of whether and when Participant’s separation from service from the Company has occurred shall be made in a manner consistent with, and based on the presumptions set forth in, Treasury Regulation Section 1.409A-1(h). Solely for purposes of this Section 14(c), “Company” includes all persons with whom the Company would be considered a single employer under Section 414(b) and 414(c) of the Code.

15. Exemption from Section 457A of the Code. The Plan and this award are not intended to be subject to Section 457A of the Code, and the Company shall administer the Plan and this award agreement in accordance with such intent. Notwithstanding Section 8(f) of the Plan, if the Plan or this award is subject to Section 457A of the Code, the Company may amend the Plan or this award agreement or adopt other policies or procedures or take other actions, including amendments or actions that would result in a reduction to the benefits payable under this award, that the Company deems necessary or appropriate to exempt the award from Section 457A of the Code, to preserve the intended tax treatment of the benefits provided with respect to the award, or to mitigate any additional tax, interest or penalties or other adverse tax consequences that may apply under Section 457A of the Code if an exemption is not available. However, the Company makes no representations or warranties and has no liability to the Participant or to any other person if this award is not exempt from or otherwise results in adverse tax consequences under Section 457A of the Code.

16. Obligation to Update Contact Information. Because a Performance Dependent Issuance, if any, may occur after the Participant’s relationship with the Company has terminated, the Participant is responsible for notifying the Company in writing of each change in the Participant’s contact information and residence.

17. Severability. If any provision of this Agreement or the Plan or the application of any provision hereof to any person or circumstance is held to be invalid or unenforceable, the remainder of this Agreement and the Plan and the application of such provision to any other person or circumstance is not affected, and the provisions so held to be unenforceable shall be reformed to the extent (and only to the extent) necessary to make it enforceable and valid.

18. Language. If the Participant receives this Agreement or any other document related to the Plan translated into a language other than English, the English version controls.

19. Electronic Delivery. The Company may, in its sole discretion, deliver any documents related to current or future participation in the Plan by electronic means. The Participant consents to receive such documents by electronic delivery and agrees to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company.

20. Addendum. The PSUs and the Shares acquired under the Plan are subject to any country-specific terms and conditions set forth in any addendum to this Agreement or the Plan, and in the event of a conflict between this Agreement and any such addendum, the addendum governs. If the Participant relocates his or her residence to one of the countries included in any such addendum, the terms and conditions of such applicable addendum apply to the Participant to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Each such addendum, if any, constitutes part of this Agreement.

21. Entire Agreement and Waiver. This Agreement, the Plan, and any applicable country-specific addendum set forth the entire agreement of the parties hereto with respect to the subject matter contained herein and supersede all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, with respect to the subject matter contained herein. Without limiting the foregoing, the terms of any executive retention agreement or employment agreement do not apply to the PSUs or this award. The Participant acknowledges that a waiver by the Company of the breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Participant or any other Participant.

22. Foreign Asset/Account Reporting Requirements. Depending on the Participant’s country, the Participant may be subject to foreign asset/account, exchange control and/or tax reporting requirements in connection with the PSUs, the acquisition, holding and/or transfer of Shares or cash resulting from participation in the Plan and/or the opening and maintaining of a brokerage or bank account in connection with the Plan. The Participant may be required to report such assets, accounts, account balances and values, and/or related transactions to the applicable authorities in his or her country. The Participant may also be required to repatriate any funds received in connection with the PSUs to his or her country and may be required to use a specific account for doing so and/or to convert the funds to local currency. The Participant acknowledges that he or she is responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting requirements. The Participant further understands that he or she should consult his or her personal legal advisor on these matters.

23. Insider Trading Restrictions/Market Abuse Laws. Depending on the Participant’s country, the Participant may be subject to insider trading restrictions or market abuse laws, which may affect the Participant’s ability to acquire or sell Shares or rights to Shares (including PSUs) during such times as the Participant is considered to have “inside information” regarding the Company as defined by applicable laws. Any restrictions under these laws are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Company is not responsible for such restrictions or liable for the failure on the Participant’s part to know and abide by such restrictions. The

Participant should consult with his or her own personal legal advisers to ensure compliance with applicable insider-trading and market-abuse laws in the Participant's country.

SCHEDULE A

Table 1
Applies to the 6th-10th anniversaries of the Baseline Date

CAGR as of the Measurement Date	Multiplier to the number of PSUs subject to the Award
11 to 11.99%	125.0%
12 to 12.99%	137.5%
13 to 13.99%	150.0%
14 to 14.99%	162.5%
15 to 15.99%	175.0%
16 to 16.99%	187.5%
17 to 17.99%	200.0%
18 to 18.99%	212.5%
19 to 19.99%	225.0%
20% to 25.8925%	250.0%
25.8925% or above	Variable Cap (as defined below)

The last row of Table 1 applies a limit (the "***Variable Cap***") to the 3YMA value of the share issuance (defined as the number of Shares to be issued multiplied by the 3YMA at the Measurement Date on which the Performance Dependent Issuance is triggered) to a maximum of ten times the 3YMA grant value of this PSU award (defined as the number of PSUs granted multiplied by the Baseline 3YMA). Therefore, in cases of a 3YMA CAGR above 25.8925%, the Company shall apply the Variable Cap (which shall be less than 250.0%) in order to achieve the fixed ten times maximum 3YMA value of the share issuance. The actual closing price of the Shares issued upon the Performance Dependent Issuance may be higher or lower than the 3YMA used to calculate the number of Shares issued at such time.

The calculation of the Variable Cap is as set forth below. The “***Measurement Period***” is the period of time from the Baseline Date to the applicable Measurement Date.

(10/(1+Measurement Date CAGR)^Measurement Period)) = Multiplier to the number of PSUs

Example:

- $70 Baseline 3YMA
- 27% Measurement Date CAGR
- Year 6 - Measurement Period

(10/(1+27%)^6) = 238.3% multiplier

Table 2

Applies to the 10th anniversary of the Baseline Date
or to a Change in Control

CAGR as of the Measurement Date	Multiplier to the number of PSUs subject to the Award
11% & higher	Same as the table above
10 to 10.99%	112.5%
9 to 9.99%	100.0%
8 to 8.99%	87.5%
7 to 7.99%	75.0%
Less than 7%	0%

PARTICIPANT'S ACCEPTANCE

By signing or electronically accepting this Agreement, the Participant agrees to the terms and conditions hereof. The Participant hereby acknowledges receipt of a copy of the Plan.

AMENDMENT NO. 8 TO
EMPLOYMENT AGREEMENT

This Amendment No. 8 to Employment Agreement is entered into on September 30, 2017 by Cimpress USA Incorporated (formerly known as Vistaprint USA, Incorporated) (the “Company”) and Robert S. Keane (the “Employee”). The Company and the Employee previously entered into an Employment Agreement dated September 1, 2009, as amended (the “Agreement”), and now wish to amend the Agreement further to reflect the Employee’s compensation for the Company’s 2018 fiscal year.

The parties agree as follows:

1. Compensation and Benefits.

1.1 Salary. The Company shall pay the Employee, in accordance with the Company’s regular payroll practices, an annualized base salary of $1,298,850 for the one-year period commencing on July 1, 2017.

1.2 FY 2018 Incentive Compensation. The Employee is entitled to receive performance share units under the Cimpress N.V. 2016 Performance Equity Plan with a value of $5,250,000.

1.3 Withholding. All salary, equity, and other compensation payable to the Employee is subject to applicable withholding taxes.

2. No Other Modification. Except as specifically modified by this Amendment, the Agreement remains unchanged and in full force and effect.

The parties have executed this Amendment as of the date set forth above.

CIMPRESS USA INCORPORATED

By: /s/Sean E. Quinn
Title: Chief Financial Officer

EMPLOYEE

/s/Robert S. Keane
Robert S. Keane

Exhibit 31.1

CERTIFICATION

I, Robert S. Keane, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cimpress N.V.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrants fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: November 3, 2017

/s/ Robert S. Keane

Robert S. Keane
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Sean E. Quinn, certify that:

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

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

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrants fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

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

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

Date: November 3, 2017

/s/ Sean E. Quinn

Sean E. Quinn
Chief Financial Officer

Exhibit 32.1

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

In connection with the Quarterly Report on Form 10-Q of Cimpress N.V. (the “Company”) for the fiscal quarter ended September 30, 2017 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned, Robert S. Keane, Chief Executive Officer, and Sean E. Quinn, Chief Financial Officer, of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, that, to his knowledge on the date hereof:

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

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

Date: November 3, 2017

/s/ Robert S. Keane

Robert S. Keane
Chief Executive Officer

Date: November 3, 2017

/s/ Sean E. Quinn

Sean E. Quinn
Chief Financial Officer