Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

For the Quarterly Period Ended March 31, 2008

OR

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

For the transition period from ______ to ______.

Commission File Number: 000-51539

VISTAPRINT LIMITED
(Exact Name of Registrant as Specified in its Charter)

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

Canon's Court
22 Victoria Street
Hamilton, HM 12
Bermuda
(Address of Principal Executive Offices, Including Zip Code)

441-295-2244
(Registrant's Telephone Number, Including Area Code)

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

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

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

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

As of April 25, 2008, there were outstanding 44,145,286 of the registrant's common shares, par value US$.001 per share.

FORM 10-Q

INDEX

Table of Contents

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

VISTAPRINT LIMITED
INDEX TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

VISTAPRINT LIMITED
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2008	June 30, 2007
	(Unaudited) (In thousands, except share and per share data)	
Assets		
Current assets:		
Cash and cash equivalents	$ 98,576	$ 69,464
Marketable securities	28,151	38,578
Accounts receivable, net of allowances of $191 and $148 at March 31, 2008 and June 30, 2007, respectively	6,470	4,647
Inventory	2,098	1,144
Prepaid expenses and other current assets	7,544	4,962
Total current assets	142,839	118,795
Property, plant and equipment, net	146,875	106,192
Software and web site development costs, net	4,876	3,841
Patents	1,173	1,277
Deposits, image licenses and other non-current assets	7,716	4,748
Total assets	$ 303,479	$ 234,853
Liabilities and shareholders' equity		
Current liabilities:		
Trade accounts payable	$ 8,427	$ 9,445
Accrued expenses	40,130	22,403
Deferred revenue	2,139	746
Current portion of long-term debt	3,304	3,202
Total current liabilities	54,000	35,796
Deferred tax liability	1,312	1,225
Accrued compensation costs	1,015	—
Long-term debt	20,337	21,772
Commitments and contingencies (Note 6)		
Shareholders' equity :		
Common shares, par value $0.001 per share, 500,000,000 shares authorized; 44,131,331 and 43,472,317 shares issued and outstanding at March 31, 2008 and June 30, 2007, respectively	44	43
Additional paid-in capital	185,770	170,029
Retained earnings	32,768	4,066
Accumulated other comprehensive income	8,233	1,922
Total shareholders' equity	226,815	176,060
Total liabilities and shareholders' equity	$ 303,479	$ 234,853

See accompanying notes.

VISTAPRINT LIMITED
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007	Nine Months Ended March 31, 2008	Nine Months Ended March 31, 2007
	(Unaudited) (in thousands, except share and per share data)			
Revenue	$ 105,779	$ 69,348	$ 290,249	$ 183,384
Cost of revenue (1)	40,960	24,168	110,607	64,227
Technology and development expense (1)	11,390	7,158	31,623	19,105
Marketing and selling expense (1)	33,732	23,589	94,170	61,433
General and administrative expense (1)	8,581	6,991	24,027	16,439
Income from operations	11,116	7,442	29,822	22,180
Interest income	1,057	1,181	3,378	3,505
Other income, net	669	100	766	3
Interest expense	404	446	1,260	1,391
Income from operations before income taxes	12,438	8,277	32,706	24,297
Income tax provision	985	892	3,204	2,551
Net income	$ 11,453	$ 7,385	$ 29,502	$ 21,746
Basic net income per share	$ 0.26	$ 0.17	$ 0.67	$ 0.52
Diluted net income per share	$ 0.25	$ 0.16	$ 0.64	$ 0.48
Weighted average common shares outstanding - basic	44,062,407	42,744,295	43,815,062	42,166,004
Weighted average common shares outstanding - diluted	46,002,304	45,794,099	46,038,479	45,214,782

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

	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007	Nine Months Ended March 31, 2008	Nine Months Ended March 31, 2007
	(Unaudited) (in thousands)			
Cost of revenue	$ 248	$ 123	$ 593	$ 305
Technology and development expense	1,005	586	2,865	1,499
Marketing and selling expense	879	413	2,685	1,131
General and administrative expense	1,392	812	4,110	1,947
	$3,524	$1,934	$10,253	$4,882

See accompanying notes.

VISTAPRINT LIMITED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended March 31, 2008	Nine Months Ended March 31, 2007
	(Unaudited) (in thousands)	
Operating activities		
Net income	$ 29,502	$ 21,746
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	17,769	10,304
Loss on disposal	50	357
Impairment loss on equipment	62	1,013
Share-based compensation expense	10,253	4,882
Deferred taxes	—	134
Changes in operating assets and liabilities:		
Accounts receivable	(1,625)	(2,066)
Inventory	(860)	199
Prepaid expenses and other assets	(4,231)	(4,095)
Accounts payable	2,219	833
Accrued expenses and other current liabilities	15,924	9,685
Net cash provided by operating activities	69,063	42,992
Investing activities		
Purchases of property, plant and equipment	(48,889)	(45,013)
Proceeds from sale of equipment	—	256
Purchases of marketable securities	(45,761)	(48,700)
Sales of marketable securities	55,942	42,660
Purchase of intangible assets	(1,250)	—
Capitalization of software and website development costs	(3,999)	(2,944)
Net cash used in investing activities	(43,957)	(53,741)
Financing activities		
Proceeds from long-term debt	—	1,630
Repayments of long-term debt	(2,425)	(1,820)
Repurchase of shares and subsequent payment of withholding taxes in connection with vesting of restricted share units	(2,228)	—
Tax benefits derived from share-based compensation awards	185	—
Proceeds from issuance of common shares	7,364	10,185
Net cash provided by financing activities	2,896	9,995
Effect of exchange rate changes on cash	1,110	(43)
Net increase (decrease) in cash and cash equivalents	29,112	(797)
Cash and cash equivalents at beginning of period	69,464	64,653
Cash and cash equivalents at end of period	$ 98,576	$ 63,856

See accompanying notes.

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

1. Description of the Business

VistaPrint Limited, a Bermuda company (the "Company"), is the leading online supplier of high-quality graphic design services and customized printed products to small businesses and consumers worldwide. Through the use of proprietary Internet-based graphic design software, localized websites, proprietary order receiving and processing technologies and advanced computer integrated printing facilities, the Company offers a broad spectrum of products ranging from business cards, brochures, invitations and holiday cards to mailing and creative services. The Company focuses on serving the graphic design and printing needs of the small business market, generally businesses or organizations with fewer than 10 employees. The Company also provides graphic design services and printed products to the consumer market.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and, accordingly, do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. The accompanying unaudited condensed consolidated financial statements include the accounts of VistaPrint Limited and its wholly owned subsidiaries. In the opinion of management, all adjustments, consisting primarily of normal recurring accruals, considered necessary for a fair presentation of the results of operations for the interim periods reported and of the Company's financial condition as of the date of the interim balance sheet have been included. Operating results for the three and nine months ended March 31, 2008 are not necessarily indicative of the results that may be expected for the year ending June 30, 2008 or for any other period.

The condensed consolidated balance sheet at June 30, 2007 has been derived from the Company's audited consolidated financial statements at that date but does not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements.

These unaudited interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on August 28, 2007.

Marketable Securities

As of March 31, 2008, approximately $3.9 million of the Company's short term investments were invested in auction rate securities as compared to $16.9 million at June 30, 2007. These auction rate securities are collateralized by portfolios of AAA and Aaa municipal obligations. Through the three months ended March 31, 2008, certain auctions relating to the Company's holdings have failed resulting in the Company continuing to hold these securities and the issuers paying the maximum rate which has been reset due to the failure of the auction. The high reset rates have caused a portion of the Company's holdings to be called by issuers during the three months ended March 31, 2008. The Company believes the reset rates have provided sufficient incentive to security issuers to address this lack of liquidity in the near term. The Company has the intent and the ability to hold these investments until the anticipated recovery period which it believes will be less than twelve months. The Company will continue to monitor and evaluate these investments on a quarterly basis for impairment or the need to reclassify as long-term investments.

Inventories

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

Net Income Per Share

The Company calculates net income per share in accordance with Statement of Financial Accounting Standards ("SFAS") No. 128, Earnings Per Share. Basic net income per share is computed by dividing the net income by the weighted-average number of common shares outstanding for the applicable fiscal periods. Diluted net income per share is computed using the treasury stock method. Diluted net income per share gives effect to all potentially dilutive securities, including share options and restricted share units ("RSUs") using the treasury stock method. Common share equivalents of 971,596 and 795,268 were excluded from the determination of potentially dilutive shares for the three and nine months ended March 31, 2008, respectively, due to their anti-dilutive effect. Common share equivalents of 360,895 and 1,112,761 were excluded from the determination of potentially dilutive shares for the three and nine months ended March 31 2007, respectively, due to their anti-dilutive effect.

The following table sets forth the computation of weighted-average shares used in computing basic and diluted net income per share:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2008	2007	2008	2007
Weighted-average common shares outstanding - basic	44,062,407	42,744,295	43,815,062	42,166,004
Weighted-average common shares issuable upon exercise / vesting of outstanding share options/RSUs	1,939,897	3,049,804	2,223,417	3,048,778
Weighted-average common shares - diluted	46,002,304	45,794,099	46,038,479	45,214,782

Share-Based Compensation

During the three and nine months ended March 31, 2008, the Company recorded share-based compensation costs of $3,524 and $10,253, respectively. During the three and nine months ended March 31, 2007, the Company recorded share-based compensation costs of $1,934 and $4,882, respectively. Share-based compensation costs capitalized as part of software and website development costs were $222 and $467 for the three and nine months ended March 31, 2008, respectively, and were $126 and $350 for the three and nine months ended March 31, 2007, respectively.

At March 31, 2008, there was $43,584 of total unrecognized compensation cost related to nonvested, share-based compensation arrangements. This cost is expected to be recognized over a weighted average period of 3.0 years.

The fair value of each option award is estimated on the date of grant using the Black-Scholes option pricing model. Expected volatilities are based on historical volatilities from guideline companies since the Company does not have sufficient history as a publicly traded company. Implied volatilities were considered, but the guideline companies selected do not have an active market for their options. The Company also uses the expected lives used by guideline companies to estimate the expected life of options granted, which represents the period of time that options granted are expected to be outstanding. The Company uses historical data to estimate employee terminations and resulting forfeiture rates within the option pricing model. The risk-free interest rate is based on the U.S. Treasury yield curve for the expected life of the option in effect at the time of the grant. The fair value of option grants is recognized using the straight-line recognition method. Weighted-average assumptions used for option grants for the three and nine month periods ended March 31, 2008 and 2007, respectively, are as follows:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2008	2007	2008	2007
Risk-free interest rate	—	—	4.21%	4.67%
Expected dividend yield	—	—	0%	0%
Expected life (years)	—	—	4.25	4.25
Expected volatility	—	—	55%	60%
Weighted average fair value of options granted	—	—	$16.60	$12.53

The Company granted no options during the three months ended March 31, 2008 and 2007.

Income Taxes

Effective July 1, 2007, the Company adopted the provisions of Financial Accounting Standards Board ("FASB") Interpretation No. 48, Accounting for Uncertainty in Income Taxes ("FIN 48"), which prescribes how a company should recognize, measure, present and disclose in its financial statements uncertain tax positions that the Company has taken or expects to take on a tax return. The Company did not recognize any cumulative effect adjustments to retained earnings as a result of adopting FIN 48. As of June 30, 2007, the Company had unrecognized tax benefits of approximately $182 which will reduce the effective tax rate when recognized. There have been no significant changes to these amounts during the three or nine months ended March 31, 2008. We recognize interest and penalties related to unrecognized tax benefits in our provision for income taxes. The amount of interest and penalties accrued upon adoption of FIN 48 and at March 31, 2008 was immaterial.

New Accounting Pronouncements

On July 1, 2007, the Company adopted, the Emerging Issues Task Force Issue No. 06-02, Accounting for Sabbatical Leave and Other Similar Benefits Pursuant to FASB Statement No. 43, Accounting for Compensated Absences ("EITF 06-02"). EITF 06-02 requires that compensation expense associated with a sabbatical leave, or other similar benefit arrangement, be accrued over the requisite service period during which an employee earns the benefit. The Company adopted EITF 06-02 through a cumulative effect of a change in accounting principle adjustment to our beginning retained earnings. The adoption of EITF 06-02 resulted in additional accrued expenses and a reduction to retained earnings of $799.

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements ("SFAS 157"), which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 applies under other accounting pronouncements that require or permit fair value measurements. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Company is currently evaluating the impact, if any, the adoption of SFAS 157 will have on its consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities—Including an Amendment of FASB Statement No. 115 ("SFAS 159"). SFAS 159 allows for the choice to measure certain financial instruments and certain other items at fair value. This allows a company to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. SFAS 159 is effective for fiscal years beginning after November 15, 2007. The Company is currently evaluating the impact, if any, the adoption of SFAS 159 will have on its consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141(R) Business Combinations ("SFAS 141(R)"). SFAS 141(R) states that all business combinations (whether full, partial or step acquisitions) will result in all assets and liabilities of an acquired business being recorded at their fair values. Certain forms of contingent consideration and certain acquired contingencies will also be recorded at fair value at the acquisition date. SFAS 141(R) also requires acquisition costs be expensed as incurred and restructuring costs will be expensed in periods after the acquisition date in accordance with the requirements of FASB Statement 146, Accounting for Costs of Exit or Disposal Activities. SFAS 141(R) is effective for financial statements issued for fiscal years beginning after December 15, 2008. Earlier adoption is prohibited. The Company does not expect the adoption of this standard to have a material impact on its consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements-an amendment of Accounting Research Bulletin No. 51 ("SFAS 160"). SFAS 160 requires a company to clearly identify and present ownership interests in subsidiaries held by parties other than the company in the consolidated financial statements within the equity section but separate from the company's equity. It also requires the amount of consolidated net income attributable to the parent and to the noncontrolling interest be clearly identified and presented on the face of the consolidated statement of income; changes in ownership interest be accounted for similarly, as equity transactions; and when a subsidiary is deconsolidated, any retained noncontrolling equity investment in the former subsidiary and the gain or loss on the deconsolidation of the subsidiary be measured at fair value. SFAS 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Earlier adoption is prohibited. The Company does not expect the adoption of this standard to have a material impact on its consolidated financial statements.

3. Shareholders' Equity

The Company's 2000-2002 Share Incentive Plan (the "2000-2002 Plan") provided for employees, officers, non-employee directors, consultants and advisors to receive restricted share awards or be granted options to purchase the Company's common shares. Under the 2000-2002 Plan, the Company reserved an aggregate of 9,000,000 common shares for such awards. The Board of Directors determined that no further grants of awards under the 2000-2002 Plan would be made after the Company's Initial Public Offering ("IPO"). As of March 31, 2008, there were options to purchase 2,041,784 common shares outstanding under the 2000-2002 Plan. Upon the IPO, all shares reserved for issuance but not yet granted under the 2000- 2002 Plan were transferred to the Company's 2005 Equity Incentive Plan and 2005 Non-Employee Directors' Share Option Plan (the "Directors' Plan"). Options previously granted to U.S. tax residents under the 2000-2002 Plan were either "Incentive Stock Options" or "Nonstatutory Options" under the applicable provisions of the U.S. Internal Revenue Code.

The 2005 Equity Incentive Plan, adopted by the Board of Directors in July 2005, provided for employees, officers, non-employee directors, consultants and advisors of the Company to receive restricted share awards or other share-based awards or be granted options to purchase common shares. In May 2007, at a special meeting of shareholders of the Company, the shareholders of the Company approved the Amended and Restated 2005 Equity Incentive Plan (the “2005 Plan”), which amended and restated the 2005 Equity Incentive Plan in order to, among other things:

- increase the number of common shares available for issuance under the Plan by 3,900,000 shares, from an aggregate of 3,483,736 shares to an aggregate of 7,383,736 shares, and eliminate the formula for automatic increases in the shares available for issuance under the Plan;
- reduce the number of common shares available for issuance under the Plan by (i) 1.56 common shares for each share subject to any restricted share award, restricted share unit or other share-based award with a per share or per unit purchase price lower than 100% of the fair market value of the common shares on the date of grant and (ii) one common share for each share subject to any other award under the Plan;
- require that the exercise price of any share option or share appreciation right granted under the Plan be at least 100% of the fair market value of the common shares on the date of grant;
- limit the term of any share option or share appreciation right to a maximum period of ten years;
- provide that shares underlying outstanding awards under the 2000-2002 Plan that are cancelled, forfeited, expired or otherwise terminated without having been exercised in full will no longer become available for the grant of new awards under the 2005 Plan; and
- prohibit the repricing of any share options or share appreciation rights without shareholder approval.

As of March 31, 2008, there were awards to purchase or acquire 2,841,684 common shares outstanding under the 2005 Plan, 545,971 common shares had been issued upon exercise of options granted under the 2005 Plan, and 3,690,889 common shares remained available for issuance under the 2005 Plan.

While the Company may grant options to employees, officers, non-employee directors, consultants and advisors that become exercisable at different times or within different periods, the Company has generally granted options to employees, officers, consultants and advisors that are exercisable on a cumulative basis, with 25% exercisable on the first anniversary of the date of grant, and 6.25% quarterly thereafter. In addition, the Company has generally granted awards to non-employee directors that are exercisable on a cumulative basis, with 8.33% exercisable each quarter. The requisite service period is normally four years for employees and officers and three years for non-employee directors. The contractual life of the options is ten years.

The Directors’ Plan provides for non-employee directors of the Company to receive option grants upon initial appointment as a director and annually thereafter in connection with the Company’s annual general meeting of shareholders if they are continuing to serve as a director at such time. Under the Directors’ Plan, the Company initially reserved 250,000 shares for such awards, subject to an annual increase through 2015 in shares available by an amount equal to the number of shares granted during the Company’s prior calendar year under the Directors’ Plan. In May 2007, the Company amended the Directors’ Plan to fix the aggregate number of shares issuable upon the exercise of options issued under the Directors’ Plan to an aggregate of 250,000 shares and to eliminate the annual increase in available shares. As of March 31, 2008, there were 37,988 options outstanding under the Directors’ Plan.

A summary of the Company’s share option activity and related information for the nine months ended March 31, 2008 is as follows:

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Outstanding at the beginning of the period	4,424,927	$ 16.25		
Granted	243,125	34.64		
Exercised	(545,971)	13.49		
Forfeited/cancelled	(18,509)	21.68		
Outstanding at the end of the period	4,103,572	$ 17.68	7.62	$71,962
Vested or expected to vest at the end of the period	3,998,301	$ 17.51	7.61	$70,766
Exercisable at the end of the period	1,736,905	$ 12.69	7.10	$38,690

The following table represents weighted average price and remaining contractual life information about significant option groups outstanding at March 31, 2008:

Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (Yrs.)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$1.11 - $12.00	1,042,509	6.76	$ 7.74	636,419	$ 6.53
$12.33	1,443,466	7.16	12.33	754,642	12.33
$16.93 - $23.31	744,964	8.29	22.87	250,083	22.71
$24.32 - $37.51	851,288	8.84	33.65	94,816	30.23
$46.18	11,345	9.59	46.18	945	46.18
$47.57	10,000	9.59	47.57	—	—
$1.11 - $47.57	4,103,572	7.62	$ 17.68	1,736,905	$ 12.69

A summary of the Company’s RSU activity and related information for the nine months ended March 31, 2008 is as follows:

	Restricted Share Units	Weighted-Average Grant Date Fair Value
Unvested at the beginning of the period	609,260	$ 30.77
Granted	424,166	36.27
Vested and distributed	(172,271)	37.81
Forfeited/cancelled	(43,271)	35.13
Unvested at the end of the period	817,884	$ 31.91

During fiscal 2007, the Company began issuing RSUs as a form of equity compensation to its employees and officers, pursuant to the Company’s 2005 Equity Incentive Plan. During the nine months ended March 31, 2008, the first tranche of these RSUs vested and 59,228 common shares with a fair market value of $2,228 were remitted by employees to the Company in order to satisfy their minimum statutory tax withholding requirements and the shares were retired.

The Company had an aggregate of 3,902,911 common shares available for future award under its share-based compensation plans as of March 31, 2008.

The total fair value of shares vested during the three and nine months ended March 31, 2008 was $2,586 and $10,899, respectively. The total intrinsic value of options exercised during the three and nine months ended March 31, 2008 was $3,409 and $15,125, respectively. The total intrinsic value of options exercised during the three and nine months ended March 31, 2007 was $25,010 and $42,483, respectively.

4. Comprehensive Income

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2008	2007	2008	2007
Net income	$ 11,453	$ 7,385	$29,502	$21,746
Unrealized gain on marketable securities	67	7	70	38
Change in cumulative foreign currency translation adjustments	2,952	403	6,241	986
Comprehensive income	$ 14,472	$ 7,795	$35,813	$22,770

The components of accumulated other comprehensive income were as follows (in thousands):

	March 31, 2008	June 30, 2007
Unrealized gain (loss) on marketable securities	$ 57	$ (13)
Cumulative foreign currency translation adjustments	8,176	1,935
Accumulated other comprehensive income	$ 8,233	$ 1,922

5. Segment Information

SFAS No. 131, Disclosures about Segments of an Enterprise and Related Information, establishes standards for reporting information regarding operating segments in annual financial statements and requires selected information of those segments to be presented in interim financial reports issued to shareholders. Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision-maker, or decision-making group, in making decisions on how to allocate resources and assess performance. The Company's chief operating decision maker is considered to be the team comprised of the chief executive officer and the executive management team. The Company views its operations and manages its business as one operating segment.

Geographic Data

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2008	2007	2008	2007
Revenues:				
United States	$ 65,107	$ 46,842	$ 181,661	$ 124,219
Non-United States	40,672	22,506	108,588	59,165
Total revenues	$ 105,779	$ 69,348	$ 290,249	$ 183,384

	March 31, 2008	June 30, 2007
Long-lived assets:		
Canada	$ 67,848	$ 57,209
Netherlands	66,303	40,570
Switzerland	1,486	—
Bermuda	12,324	8,024
United States	9,673	7,727
Jamaica	1,017	1,167
Spain	1,989	1,361
	$ 160,640	$ 116,058

6. Commitments and Contingencies

Purchase Commitments

At March 31, 2008, the Company had unrecorded commitments under contracts to purchase print production equipment of approximately $5,406 and to complete construction related to the expansion of printing facilities of approximately $794.

Legal Proceedings

On July 27, 2006, the Company's wholly-owned subsidiary VistaPrint Technologies Limited filed a patent infringement lawsuit against print24 GmbH, unitedprint.com AG and their two managing directors in the District Court in Düsseldorf Germany, alleging infringement by the defendants in Germany of one of VistaPrint's European patents related to computer-implemented methods and apparatus for generating pre-press graphic files. On June 7, 2007, print24 GmbH filed a patent nullification action in the German Patent Court in relation to the same European patent at issue in VistaPrint's infringement lawsuit against print24 and its co-defendants. On July 31, 2007, the District Court in Düsseldorf ruled in VistaPrint's favor on the underlying infringement claim against print24 and its co-defendants, granting the requested injunction and ordering the defendants to pay damages for past infringement. The Düsseldorf Court's ruling went into effect in September 2007. print24's nullification action in the German Patent Court remains outstanding, in its earliest stages, and the Company is unable to express an opinion as to the likely outcome of such action.

On May 14, 2007, VistaPrint Technologies Limited filed a patent infringement lawsuit against 123Print, Inc. and Drawing Board (US), Inc., subsidiaries of Taylor Corporation, in the United States District Court for the District of Minnesota. The complaint in the lawsuit asserts that the defendants have infringed and continue to infringe three U.S. patents owned by VistaPrint Technologies Limited related to browser-based tools for online product design. VistaPrint Technologies Limited is seeking an injunction against the defendants and the recovery of damages. The defendants filed their Answer and Counterclaims to the complaint on June 7, 2007, in which they denied the infringement allegations and asserted counterclaims for declaratory judgment of invalidity, unenforceability and non-infringement of the patents-in-suit. In August 2007, another Taylor Corporation subsidiary, Taylor Strategic Accounts, Inc., was added as an additional defendant in the case. The lawsuit is in its early stages and the Company is unable to express an opinion as to the likely outcome.

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

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

This Quarterly Report on Form 10-Q contains forward-looking statements that involve risks and uncertainties. The statements contained in this Quarterly Report on Form 10-Q that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Without limiting the foregoing, the words "may," "will," "should," "could," "expects," "plans," "intends," "anticipates," "believes," "estimates," "predicts," "potential," "continue," "target," "seek" and similar expressions are intended to identify forward-looking statements. All forward-looking statements included in this Quarterly Report on Form 10-Q are based on information available to us up to, and including the date of this document, and we disclaim any obligation to update any such forward-looking statements. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain important factors, including those set forth in this "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q. You should carefully review those factors and also carefully review the risks outlined in other documents that we file from time to time with the United States Securities and Exchange Commission.

Overview

We are the leading online supplier of high-quality graphic design services and customized printed products to small businesses and consumers worldwide. Since the launch of our website in May 2000, we have served over 13,000,000 paying customers in more than 120 countries, including approximately 4.1 million customers during our fiscal year ended June 30, 2007. We offer a broad spectrum of products ranging from business cards, brochures and invitations to mailing and creative services. We seek to offer compelling value to our customers through an innovative use of technology, a broad selection of customized printed products and services, low pricing and personalized customer service. Through our use of proprietary Internet-based graphic design software, localized websites, proprietary order receiving and processing technologies and advanced computer integrated printing facilities, we offer a meaningful economic advantage relative to traditional graphic design and printing methods. Our value proposition has allowed us to successfully penetrate the large, fragmented and geographically dispersed small business and consumer markets.

We maintain a registered office in Hamilton, Bermuda and our websites are hosted in secure co-location facilities in Devonshire, Bermuda. We own and operate printing facilities in Windsor, Ontario, Canada and Venlo, the Netherlands, we operate a customer design, sales and service center in Montego Bay, Jamaica, and a European marketing office in Barcelona, Spain, and we have a manufacturing research and development facility in Winterthur, Switzerland. Our U.S. technology development, marketing, finance and administrative offices are located in Lexington, Massachusetts, United States.

Revenue. For the three months ended March 31, 2008 and 2007, our revenue was $105.8 million and $69.3 million, respectively. We generate revenue primarily from the printing and shipment of customized printed products. Revenue is recorded net of a reserve for estimated refunds. Customers place orders via our websites and pay primarily using credit cards. In addition, we receive payment for some orders through direct bank debit, wire transfers and other payment methods. We also generate revenue from order referral fees, revenue share and other fees paid to us by merchants for customer click-throughs, distribution of third-party promotional materials and referrals arising from products and services of the merchants we offer to our customers on our website. Unlike printed products that we manufacture ourselves, these third-party referral offerings do not require physical production by us and have minimal corresponding direct cost of revenue. For the three months ended March 31, 2008 and 2007, we generated approximately $7.1 million and $5.8 million, respectively, of our revenue from these third-party referral fees. For the nine months ended March 31, 2008 and 2007, we generated revenue of approximately $20.6 million and $14.5 million, respectively, from these third-party referral fees. While quarterly results may vary, we expect revenues from third-party referral fees as a percentage of total revenues to decline in the future. A portion of our revenue is derived from repeat purchases from our existing customers. This recurring component of our revenue was 64% of total revenue for the three months ended March 31, 2008. To understand our revenue trends, we monitor several key metrics, including:

- *Website sessions*. A session is measured each time a computer user visits a VistaPrint website from their Internet browser. We measure this data to understand the volume and source of traffic to our websites. Typically, we use various advertising campaigns to increase the number and quality of shoppers entering our websites. The number of website sessions varies from month to month depending on variables such as product campaigns and advertising channels used.
- *Conversion rates*. The conversion rate is the number of customer orders divided by the total number of sessions during a specific period of time. We strive to increase conversion rates of customers entering our websites in order to increase the number of customer orders generated. Conversion rates have fluctuated in the past and we anticipate that they will fluctuate in the future due to, among other factors, the type of advertising campaigns and marketing channels used.
- *Average order value*. Average order value is total bookings for a given period of time divided by the total number of customer orders recorded during that same period of time. We seek to increase average order value as a means of increasing total revenue. Average order values have fluctuated in the past and we anticipate that they will fluctuate in the future depending upon, among other things, the type of products promoted during a period and promotional discounts offered. For example, seasonal product offerings, such as holiday cards, can cause changes in average order values.

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

Cost of Revenue. Cost of revenue consists of materials used to generate printed products, payroll and related expenses for printing personnel, supplies, depreciation of equipment used in the printing process, postage and shipping costs and other miscellaneous related costs of products sold by us.

Technology and development expense. Technology and development expense consists primarily of payroll and related expenses for software and content development, amortization of capitalized software and website development costs, information technology operations, website hosting, equipment depreciation, patent amortization and miscellaneous technology infrastructure-related costs. Costs associated with the development of software for internal-use are capitalized if the software is expected to have a useful life beyond one year and are amortized over the software's useful life, which is estimated to be two years. Costs associated with preliminary stage software development, repair, maintenance or the development of website content are expensed as incurred. These expenses also include amortization of capitalized purchase costs related to content images used in our graphic design software which are capitalized and amortized over their useful lives, which approximate two years.

Marketing and selling expense. Marketing and selling expense consists of advertising and promotional costs as well as wages and related payroll benefits for our employees engaged in sales, marketing and public relations activities. Advertising costs consist of various online and print media, such as the purchase of key word search terms, e-mail and direct mail promotions and various strategic alliances. Our advertising efforts target the acquisition of new customers and repeat orders from existing customers. Advertising costs are generally expensed as incurred. Marketing and selling expense also includes the salaries and related payroll benefits, overhead, and outside services related to our customer design sales and services support center operations and global partnerships personnel. The customer support center provides phone support to customers on various topics such as order status, the use of our website graphic design studio, and free real-time design assistance. Marketing and selling expense also includes third party payment processor and credit card fees.

General and administrative expense. General and administrative expense consists of general corporate costs, including salary and related payroll benefit expenses of employees involved in finance, accounting, human resources and general executive management. We have incurred and will incur additional legal and accounting costs in order to comply with regulatory reporting requirements, as well as additional costs associated with being a publicly traded company, such as investor relations and higher insurance premiums.

Interest income. Interest income consists of interest income earned on cash and cash equivalents and marketable securities.

Other income, net. Other income, net primarily consists of gains from foreign currency transactions.

Interest expense. Interest expense consists of interest paid to financial institutions on outstanding balances on our credit facilities.

Income taxes. VistaPrint Limited is a Bermuda based company. Bermuda does not currently impose any tax computed on profits or income, which results in a zero tax liability for our profits recorded in Bermuda. VistaPrint Limited has operating subsidiaries in the Netherlands, Canada, Jamaica, Spain, Switzerland and the United States. VistaPrint Limited has entered into service and related agreements, which we also refer to as transfer pricing agreements, with each of these operating subsidiaries. These agreements effectively result in VistaPrint Limited paying each of these subsidiaries for its costs plus a fixed mark-up on these costs. The Jamaican subsidiary is located in a tax free zone, so its tax rate is zero. Our Dutch, Canadian, Spanish, Swiss and American subsidiaries are each located in jurisdictions that tax profits and, accordingly, regardless of our consolidated results of operations, these subsidiaries will each pay taxes in their respective jurisdictions.

Results of Operations

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2008	2007	2008	2007
Consolidated Statement of Operations Data:				
As a percentage of revenue:				
Revenue	100.0%	100.0%	100.0%	100.0%
Cost of revenue	38.7%	34.9%	38.1%	35.0%
Technology and development expense	10.8%	10.3%	10.9%	10.4%
Marketing and selling expense	31.9%	34.0%	32.4%	33.5%
General and administrative expense	8.1%	10.1%	8.3%	9.0%
Income from operations	10.5%	10.7%	10.3%	12.1%
Interest income	1.0%	1.7%	1.2%	1.9%
Other income, net	0.6%	0.1%	0.2%	0.0%
Interest expense	0.4%	0.6%	0.4%	0.8%
Income from operations before income taxes	11.7%	11.9%	11.3%	13.2%
Income tax provision	0.9%	1.3%	1.1%	1.3%
Net income	10.8%	10.6%	10.2%	11.9%

Comparison of the Three and Nine Month Periods Ended March 31, 2008 and 2007

In thousands	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007	2008-2007 % Change	Nine Months Ended March 31, 2008	Nine Months Ended March 31, 2007	2008-2007 % Change
Revenue	$105,779	$69,348	53%	$290,249	$183,384	58%
Cost of revenue	$ 40,960	$24,168	69%	$110,607	$ 64,227	72%
% of revenue	*38.7%*	*34.9%*		*38.1%*	*35.0%*	

The increase in revenue from the three and nine months ended March 31, 2007 as compared to the three and nine months ended March 31, 2008 was primarily attributable to increases in website sales of our printed products. The overall revenue growth during this period was driven by an increase in website sessions and conversion rates and a positive impact from new product and service offerings. In addition, for the three and nine months ended March 31, 2008, non-United States revenue was positively impacted by 5.9% and 5.6% resulting from a weaker U.S. dollar as compared to the prior fiscal year periods. For the three and nine months ended March 31, 2008, our website sessions grew by 36% and 51% to 47.6 million and 145.2 million. Our conversion rates increased to

6.4% and 5.7% for the three and nine months ended March 31, 2008 compared to 5.6% and 5.4% for the same periods in 2007. For the three and nine months ended March 31, 2008, the average order value of our shipments remained constant at approximately $33, the same levels as achieved in the comparable periods in 2007. Revenue from repeat customers increased to 64% of revenue for the three and nine months ended March 31, 2008 compared to 63% for the same periods in 2007. Revenue from our non-United States websites accounted for 38% and 37% of total revenue for the three and nine months ended March 31, 2008 compared to 32% for each of the same periods in 2007.

The increase in cost of revenue from the three and nine months ended March 31, 2007 as compared to the three and nine months ended March 31, 2008 was primarily attributable to the production costs associated with increased volume of shipments of printed products during these periods. The increase in the cost of revenue as a percentage of total revenue for the three and nine months ended March 31, 2008 as compared to the same periods in the prior year was primarily driven by a shift in our overall product mix, which includes the impact of postage from our mailing services offering which has a higher cost of revenue than the majority of our product and service offerings, a strong Canadian dollar which negatively impacted the raw material and labor costs of our Canadian print operations, and higher equipment depreciation costs.

	Three Months Ended March 31,			Nine Months Ended March 31,		
In thousands	2008	2007	2008-2007 % Change	2008	2007	2008-2007 % Change
Technology and development expense	$11,390	$ 7,158	59%	$31,623	$19,105	66%
% of revenue	*10.8%*	*10.3%*		*10.9%*	*10.4%*	
Marketing and selling expense	$33,732	$23,589	43%	$94,170	$61,433	53%
% of revenue	*31.9%*	*34.0%*		*32.4%*	*33.5%*	
General and administrative expense	$ 8,581	$ 6,991	23%	$24,027	$16,439	46%
% of revenue	*8.1%*	*10.1%*		*8.3%*	*9.0%*	

The increase in our technology and development expenses of $4.2 million and $12.5 million for the three and nine months ended March 31, 2008 as compared to the same periods in 2007 was primarily due to increased payroll and benefit costs of $2.6 million and $7.7 million and increased share-based compensation costs of $0.4 million and $1.4 million associated with increased employee hiring in our technology development and information technology support organizations. At March 31, 2008, we employed 231 employees in these organizations compared to 156 employees at March 31, 2007. In addition, to support our continued revenue growth during this period, we continued to invest in our website infrastructure, which resulted in increased depreciation expenses of $0.5 million and $1.5 million for the three and nine months ended March 31, 2008 as compared to the same periods in 2007.

The increase in our marketing and selling expenses of $10.1 million and $32.7 million for the three and nine months ended March 31, 2008 as compared to the same periods in 2007 was driven primarily by increases of $5.9 million and $19.1 million in advertising costs related to new customer acquisition and costs of promotions targeted at our existing customer base, increases in payroll and benefits related costs of $1.6 million and $5.8 million and increased share-based compensation costs of $0.5 million and $1.6 million. During this period, we continued to expand our marketing organization and our design, sales and services center. At March 31, 2008, we employed 531 employees in these organizations compared to 389 employees at March 31, 2007. In addition, payment processing fees paid to third-parties increased by $1.0 million and $2.8 million during the three and nine months ended March 31, 2008 as compared to the same periods in 2007 due to increased order volumes.

The increase in our general and administrative expenses of $1.6 million and $7.6 million for the three and nine months ended March 31, 2008 as compared to the same periods in 2007 was primarily due to increased payroll and benefits-related costs of $1.4 million and $4.3 million and increased share-based compensation costs of $0.6 million and $2.2 million resulting from the continued growth of our finance and human resource organizations, partially offset by decreases in third party professional fees of $0.8 million and $0.1 million. The third party professional fees include accounting, legal, recruiting, insurance and organizational consulting service fees. At March 31, 2008, we employed 125 employees in these organizations compared to 82 employees at March 31, 2007.

Interest income

Interest income remained approximately equivalent for the three and nine months ended March 31, 2008 at $1.1 million and $3.4 million compared to the same periods in 2007.

Other income, net

Other income, net changed by $569,000 and $763,000 to $669,000 and $766,000 of income for the three and nine months ended March 31, 2008 as compared to $100,000 and $3,000 of income for the same periods in 2007. The changes were driven by currency exchange gains realized during the three and nine months ended March 31, 2008.

Interest expense

Interest expense decreased by $42,000 and $131,000 for the three and nine months ended March 31, 2008 to $0.4 million and $1.3 million as compared to $0.4 million and $1.4 million for the same periods in 2007 due to a decrease in the outstanding principal on our bank loan obligations during these periods.

Income tax provision

	Three Months Ended March 31,		Nine Months Ended March 31,	
In thousands	2008	2007	2008	2007
Income taxes:				
Income tax provision	$ 985	$ 892	$3,204	$2,551
Effective tax rate	*7.9%*	*10.8%*	*9.8%*	*10.5%*

For the three and nine months ended March 31, 2008 and 2007, our tax expense primarily consisted of tax provisions for our subsidiaries in the United States, the Netherlands, Canada and Spain. The taxable income for our United States, Dutch, Canadian and Spanish subsidiaries is a function of their level of costs incurred and charged to VistaPrint Limited under transfer pricing agreements. The resulting tax liability in each jurisdiction is incurred regardless of whether the consolidated group is profitable.

The effective tax rates for the three and nine months ended March 31, 2008 are lower than the effective tax rates for the three and nine months ended March 31, 2007, primarily as a result of a favorable benefit from filing our United States fiscal year 2007 tax return.

Net income

Our net income for the three months ended March 31, 2008 was $11.5 million or 10.8% of revenue compared to $7.4 million or 10.6% of revenue for the three months ended March 31, 2007. Our net income for the nine months ended March 31, 2008 was $29.5 million or 10.2% of revenue compared to $21.7 million or 11.9% of revenue for the nine months ended March 31, 2007.

Liquidity and Capital Resources

Consolidated Statements of Cash Flows Data:

	Nine Months Ended March 31,	
	2008	2007
	(in thousands)	
Capital expenditures	$(48,889)	$(45,013)
Development of software and website	(3,999)	(2,944)
Depreciation and amortization	17,769	10,304
Cash flows from operating activities	69,063	42,992
Cash flows used in investing activities	(43,957)	(53,741)
Cash flows from financing activities	2,896	9,995

At March 31, 2008, we had $126.7 million of cash, cash equivalents and marketable securities. Cash equivalents and marketable securities are comprised primarily of money market funds, commercial paper, investment-grade corporate bonds, U.S. government agency issues and municipal auction rate securities. Historically, we have financed our operations through internally generated cash flows from operations, sales of common and preferred shares and the use of bank loans. We believe that our available cash and cash flows generated from operations will be sufficient to satisfy our working capital, long-term debt and capital expenditure requirements for the foreseeable future.

As of March 31, 2008, approximately $3.9 million, of our short term investments were invested in auction rate securities as compared to $16.9 million at June 30, 2007. These auction rate securities are collateralized by portfolios of AAA and Aaa municipal obligations. Through the three months ended March 31, 2008, certain auctions relating to our holdings have failed resulting in our continuing to hold these securities and the issuers paying the maximum rate which has been reset due to the failure of the auction. The high reset rates have caused a portion of our holdings to be called by issuers during the three months ended March 31, 2008. We believe the reset rates have provided sufficient incentive to security issuers to address this lack of liquidity in the near term. We have the intent and the ability to hold these investments until the anticipated recovery period which we believe will be less than twelve months. We will continue to monitor and evaluate these investments on a quarterly basis for impairment or the need to reclassify as long-term investments.

Operating Activities. Cash provided by operating activities primarily consists of net income adjusted for certain non-cash items including depreciation and amortization, share-based compensation expense, deferred taxes, and the effect of changes in working capital and other activities. Cash provided by operating activities in the nine months ended March 31, 2008 was $69.1 million and consisted of net income of $29.5 million, positive adjustments for non-cash items of $28.1 million and $11.4 million provided by working capital and other activities. Adjustments for non-cash items included $17.8 million of depreciation and amortization expense on property and equipment and software and website development costs and $10.3 million of share-based compensation expense. The change in working capital and other activities primarily consisted of an increase of $15.9 million in accrued expenses and other current liabilities, an increase of $2.2 million in accounts payable, offset by an increase of $1.6 million in accounts receivable, an increase of $4.2 million in prepaid expenses and other assets and an increase in inventory of $0.9 million.

Cash provided by operating activities in the nine months ended March 31, 2007 was $43.0 million and consisted of net income of $21.8 million, positive adjustments for non-cash items of $16.7 million and $4.5 million provided by working capital and other activities. Adjustments for non-cash items primarily included $10.3 million of depreciation and amortization expense on property and equipment and software and website development costs and $4.9 million of share-based compensation expenses. The change in working capital and other activities primarily consisted of an increase of $9.7 million in accrued expenses and other current liabilities and an increase of $4.1 million in prepaid expenses and other assets. This was partially offset by an increase in accounts receivable of $2.1 million.

Investing Activities. Cash used in investing activities in the nine months ended March 31, 2008 of $44.0 million was attributable primarily to capital expenditures of $48.9 million, acquisition of intangible assets representing the purchase of the vista.com domain name of $1.3 million, and capitalized software and website development costs of $4.0 million partially offset by net sales of marketable securities of $10.2 million. Capital expenditures of $18.3 million were related to the purchase of print production equipment for our printing facilities, $19.0 million were related to construction and land acquisition costs at our printing facilities and $11.6 million were related to purchases of information technology and facility related assets.

Cash used in investing activities in the nine months ended March 31, 2007 of $53.7 million was attributable primarily to net purchases of marketable securities of $6.0 million, capital expenditures of $45.0 million, and capitalized software and website development costs of $2.9 million. Capital expenditures of $26.6 million were related to the purchase of print production equipment for our printing facilities, $11.1 million were related to construction costs at our printing facilities and $7.3 million were related to purchases of information technology and facility related assets.

Financing Activities. Cash provided by financing activities in the nine months ended March 31, 2008 of $2.9 million was primarily attributable to the issuance of common shares pursuant to share option exercises of $7.4 million, partially offset by payments in connection with our bank loans of $2.4 million associated with the purchase of production assets for our printing facilities and the use of $2.2 million to pay minimum withholding taxes related to the vesting of RSUs granted and common shares withheld under our equity incentive plans.

Cash provided by financing activities in the nine months ended March 31, 2007 of $10.0 million was primarily attributable to $10.2 million of proceeds related to the issuance of common shares pursuant to share option exercises, partially offset by net payments on bank loans of $0.2 million associated with the purchase of production equipment and our Canadian and Dutch printing facilities.

Contractual Obligations

Contractual obligations at March 31, 2008 were as follows:

	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
			(In thousands)		
Long-term debt obligations (excluding interest)	$23,641	$3,304	$14,154	$ 1,581	$ 4,602
Operating lease obligations	44,461	4,669	9,789	9,881	20,122
Total	$68,102	$7,973	$23,943	$11,462	$24,724

Long-Term Debt. In November 2003, VistaPrint B.V., our Dutch subsidiary, entered into a 5.0 million euro revolving credit agreement with ABN AMRO Bank N.V., a Netherlands-based bank. The borrowings were used to finance the construction of our printing facility located in Venlo, the Netherlands. The loan is secured by a mortgage on the land and building and is payable in quarterly installments of 62,500 euros ($99,000 at March 31, 2008), beginning October 1, 2004 and continuing through 2024. On April 1, 2006, we elected a fixed rate option and the interest rate was fixed at 5.20% through April 1, 2016 at which time the rate will be reset. At March 31, 2008, there was $6.5 million outstanding under this credit agreement.

In November 2004, VistaPrint B.V. amended the existing credit agreement with ABN AMRO to include an additional 1.2 million euro loan. The borrowings were used to finance a new printing press for the Venlo printing facility. The loan is secured by the printing press and is payable in quarterly installments of 50,000 euros ($79,000 at March 31, 2008), on April 1 of each year continuing through 2011. On April 1, 2006, we elected a fixed rate option and the interest rate was fixed at 5.10% over the remaining term of the loan. At March 31, 2008, there was $0.9 million outstanding under this amendment to the credit agreement.

The credit agreement with ABN AMRO requires us to cause VistaPrint B.V. to maintain tangible net worth at a minimum of 30% of VistaPrint B.V.'s "adjusted balance sheet" and restricts VistaPrint B.V.'s ability to incur additional indebtedness. VistaPrint B.V. was in compliance with all loan covenants at March 31, 2008. There are no restrictions in the credit agreement on VistaPrint B.V.'s ability to pay dividends.

In November 2004, VistaPrint North American Services Corp., our Canadian production subsidiary, established an $11.0 million credit facility with Comerica Bank—Canada. The borrowings were used to finance new printing equipment purchases and the construction of our printing facility located in Windsor, Ontario, Canada. The loan is secured by guarantees from VistaPrint Limited and two of our subsidiaries and is payable in monthly installments, plus interest, on November 1 of each year continuing through 2009. On December 1, 2005, the interest rates for the equipment term loan and the construction loan were fixed at 6.47% and 6.37%, respectively, over the remaining terms of the loans. At March 31, 2008, there was $8.0 million outstanding under this credit facility.

In December 2005, VistaPrint North American Services Corp. amended its existing credit agreement with Comerica Bank to include an additional $10.0 million equipment term loan. The borrowings have been used to finance new printing equipment purchases for the Windsor printing facility. The loan is secured by guarantees from VistaPrint Limited and two of our subsidiaries and is payable in monthly installments, plus interest, beginning on December 1 of each year and continuing through 2010. As of March 31, 2006, the interest rates on the various borrowings under this term loan had been fixed over the remaining term of the loan at rates ranging from 7.82% to 8.50%. At March 31, 2008, there was $8.2 million outstanding under this term loan.

The credit agreement with Comerica Bank includes covenants that require us to, under certain circumstances, maintain a consolidated ratio of funded debt to cash flow at a maximum of 2.50 to 1.00 and VistaPrint North American Services Corp. to maintain a minimum debt service coverage ratio of 1.40 to 1.00 unless we maintain at least $30.0 million in unrestricted cash and cash equivalents. Debt service coverage ratio is defined as the ratio of cash flow to the sum of required principal payments plus cash interest paid. As of March 31, 2008, the minimum debt service coverage covenant did not apply because we maintained at least $30.0 million in unrestricted cash and cash equivalents. We and VistaPrint North American Services Corp. were in compliance with all loan covenants at March 31, 2008.

Operating Leases. We rent office space under operating leases expiring on various dates through 2017. We recognize rent expense on our operating leases that include free rent periods and scheduled rent payments on a straight-line basis from the commencement of the lease.

In November 2007, VistaPrint Schweiz, GmbH, our Swiss subsidiary, entered into an operating lease for approximately 12,000 square feet of office space in Winterthur, Switzerland. The lease term for this space commenced on November 1, 2007 and expires on February 28, 2013. Future minimum rental payments under the lease are an aggregate of approximately 1.0 million Swiss francs ($1.0 million at March 31, 2008). The lease requires a security deposit in the form of a bank guarantee in the amount of 132,000 Swiss francs ($130,000 at March 31, 2008).

Purchase Commitments. At March 31, 2008, we had unrecorded commitments under contracts to purchase print production equipment and to complete construction related to the expansion of our printing facilities of approximately $6.2 million compared to approximately $14.9 million at June 30, 2007.

Recent Accounting Pronouncements

Effective July 1, 2007, we adopted the provisions of Financial Accounting Standards Board ("FASB") Interpretation No. 48, Accounting for Uncertainty in Income Taxes ("FIN 48"), which prescribes how a company should recognize, measure, present and disclose in its financial statements uncertain tax positions that the company has taken or expects to take on a tax return. We did not recognize any cumulative effect adjustments to retained earnings as a result of adopting FIN 48. As of June 30, 2007, we had unrecognized tax benefits of approximately $182 which will reduce the effective tax rate when recognized. There have been no significant changes to these amounts during the quarter ended March 31, 2008. We recognize interest and penalties related to unrecognized tax benefits in our provision for income taxes. The amount of interest and penalties accrued upon adoption of FIN 48 and at March 31, 2008 was immaterial.

On July 1, 2007, we adopted the Emerging Issues Task Force Issue No. 06-02, Accounting for Sabbatical Leave and Other Similar Benefits Pursuant to FASB Statement No. 43, Accounting for Compensated Absences ("EITF 06-02"). EITF 06-02 requires that compensation expense associated with a sabbatical leave, or other similar benefit arrangement, be accrued over the requisite service period during which an employee earns the benefit. We adopted EITF 06-02 through a cumulative effect of a change in accounting principle adjustment to our beginning retained earnings. The adoption of EITF 06-02 resulted in additional accrued expenses and a reduction to retained earnings of $0.8 million.

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements ("SFAS 157"), which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 applies under other accounting pronouncements that require or permit fair value measurements. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. We are currently evaluating the impact, if any, the adoption of SFAS 157 will have on our consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities—Including an Amendment of FASB Statement No. 115 ("SFAS 159"). SFAS 159 allows for the choice to measure certain financial instruments and certain other items at fair value. This allows a company to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. SFAS 159 is effective for fiscal years beginning after November 15, 2007. We are currently evaluating the impact, if any, the adoption of SFAS 159 will have on our consolidated financial statements.

In December 2007, the Financial Accounting Standards Board ("FASB") issued SFAS No. 141(R) Business Combinations ("SFAS 141(R)"). SFAS 141(R) states that all business combinations (whether full, partial or step acquisitions) will result in all assets and liabilities of an acquired business being recorded at their fair values. Certain forms of contingent consideration and certain acquired contingencies will also be recorded at fair value at the acquisition date. SFAS 141(R) also requires acquisition costs be expensed as incurred and restructuring costs will be expensed in periods after the acquisition date in accordance with the requirements of FASB Statement 146, Accounting for Costs of Exit or Disposal Activities. SFAS 141(R) is effective for financial statements issued for fiscal years beginning after December 15, 2008. Earlier adoption is prohibited. We do not expect the adoption of this standard to have a material impact on our consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements-an amendment of Accounting Research Bulletin No. 51 ("SFAS 160"). SFAS 160 requires a company to clearly identify and present ownership interests in subsidiaries held by parties other than the company in the consolidated financial statements within the equity section but separate from the company's equity. It also requires the amount of consolidated net income attributable to the parent and to the noncontrolling interest be clearly identified and presented on the face of the consolidated statement of income; changes in ownership interest be accounted for similarly, as equity transactions; and when a subsidiary is deconsolidated, any retained noncontrolling equity investment in the former subsidiary and the gain or loss on the deconsolidation of the subsidiary be measured at fair value. SFAS 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Earlier adoption is prohibited. We do not expect the adoption of this standard to have a material impact on our consolidated financial statements.

Critical Accounting Policies and Estimates

Our financial statements are prepared in accordance with accounting principles generally accepted in the United States. To apply these principles, we must make estimates and judgments that affect our reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. In many instances, we reasonably could have used different accounting estimates and, in other instances, changes in the accounting estimates are reasonably likely to occur from period to period. Accordingly, actual results could differ significantly from our estimates. To the extent that there are material differences between these estimates and actual results, our financial condition or results of operations will be affected. We base our estimates and judgments on historical experience and other assumptions that we believe to be reasonable at the time and under the circumstances, and we evaluate these estimates and judgments on an ongoing basis. We refer to accounting estimates and judgments of this type as critical accounting policies and estimates. Management believes there have been no material changes during the three months ended March 31, 2008 to the critical accounting policies reported in the Management's Discussion and Analysis of Financial Condition and Results of Operations section of our Annual Report on Form 10-K filed with the Securities and Exchange Commission on August 28, 2007.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk. Our exposure to interest rate risk relates primarily to our cash and cash equivalents and short term investments. At March 31, 2008, we had unrestricted cash and cash equivalents totaling $98.6 million and short-term investments totaling $28.2 million. These amounts were invested primarily in money market funds, commercial paper, investment-grade corporate bonds, U.S. government agency issues and municipal auction rate securities, and are held for working capital purposes. We do not enter into investments for trading or speculative purposes. We considered the historical volatility of short term interest rates and determined that it was reasonably possible that an adverse change of 100 basis points could be experienced in the near term. A hypothetical 1% (100 basis-point) increase in interest rates would have resulted in an immaterial decrease in the fair values of our marketable securities at March 31, 2008.

Foreign Currency Risk. As we conduct business in multiple international currencies through our worldwide operations, we are affected by fluctuations in foreign exchange rates of such currencies. Fluctuations in exchange rates can positively or negatively affect our revenue and profits. The majority of our products sold outside North America are manufactured by our Dutch subsidiary, which has the euro as its functional currency. Our Spanish subsidiary, which operates a marketing office in Barcelona, Spain, also has the euro as its functional currency. Our Swiss subsidiary, which operates a manufacturing research and development facility in Winterthur, Switzerland, has the Swiss franc as its functional currency. Our Dutch, Spanish and Swiss subsidiaries translate their assets and liabilities at current rates of exchange in effect at the balance sheet date. The resulting gains and losses from translation are included as a component of accumulated other comprehensive income on the balance sheet. All other international subsidiaries have the U.S. dollar as the functional currency and transaction gains and losses and remeasurement of assets and liabilities denominated in currencies other than the U.S. dollar are included in other income (expense), net on the statement of income. In addition, our subsidiaries have intercompany accounts that are eliminated in consolidation, but that expose us to fluctuations in foreign currency exchange rates. Exchange rate fluctuations on short-term intercompany accounts are also reported in other income (expense), net on the statement of income. We had net foreign currency transaction gains included in other income of $0.7 million for the three months ended March 31, 2008. We are not currently party to any derivative financial instruments as hedges against currency fluctuations.

We considered the historical trends in currency exchange rates and determined that it was reasonably possible that a fluctuation in foreign exchange rates of 10% for all currencies could be experienced in the near term. If the foreign currency exchange rates fluctuated by 10% at March 31, 2008, the fair value of our net monetary assets denominated in currencies other than the U.S dollar would have fluctuated by $2.1 million. A similar fluctuation in foreign exchange rates at March 31, 2007 would have resulted in an increase/decrease of $1.2 million in the fair value of our net monetary assets denominated in currencies other than the U.S. dollar.

Our Dutch subsidiary maintains a credit facility with ABN AMRO Bank N.V. pursuant to which it has borrowed 6.2 million euro. At March 31, 2008, we had short-term borrowings related to current portion of long-term debt denominated in euros. The carrying value of these short-term borrowings approximates fair value due to their short period to maturity. Assuming a hypothetical 10% increase or decrease in the euro to United States dollar period end exchange rate, the impact to the fair value of these short-term borrowings would be immaterial. The potential increase or decrease in fair value was estimated by calculating the fair value of the short-term borrowings at March 31, 2008 and comparing that with the fair value using the hypothetical period end exchange rate.

ITEM 4. CONTROLS AND PROCEDURES

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2008. The term "disclosure controls and procedures," as defined in

Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of March 31, 2008, our chief executive officer and chief financial officer concluded that, as of such date, the Company's disclosure controls and procedures were effective at the reasonable assurance level.

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the fiscal quarter ended March 31, 2008 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

ITEM 1A. RISK FACTORS

We caution you that the following important factors, among others, could cause our actual results to differ materially from those expressed in forward-looking statements made by us or on our behalf in filings with the Securities and Exchange Commission, press releases, communications with investors and oral statements. Any or all of our forward-looking statements in this Quarterly Report on Form 10-Q and in any other public statements we make may turn out to be wrong. These statements can be affected by, among other things, inaccurate assumptions we might make or by known or unknown risks and uncertainties or risks we currently deem immaterial. Many factors mentioned in the discussion below will be important in determining future results. Consequently, no forward-looking statement can be guaranteed. Actual future results may vary materially from those contained in forward looking statements made in this Quarterly Report on Form 10-Q and in our public statements. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Risks Related to Our Business

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

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

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

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

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

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

Since our products and services are sold primarily through our websites, the success of our business depends upon our ability to attract new and repeat customers to our websites in order to increase business and grow our revenues. For this reason, a primary component of our business strategy is the continued promotion and strengthening of the VistaPrint brand. In addition to the challenges posed by establishing and promoting our brand among the many businesses that promote products and services on the Internet, we face significant competition in the graphic design and printing markets from printing suppliers who also seek to establish strong brands. If we are unable to successfully promote the VistaPrint brand, we may fail to increase our revenues. Customer awareness of, and the perceived value of, our brand will depend largely on the success of our marketing efforts and our ability to provide a consistent, high-quality customer experience. To promote our brand, we have incurred and will continue to incur substantial expense related to advertising and other marketing efforts.

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

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

We produce all of our printed products internally at our facilities in Windsor, Ontario, Canada and Venlo, the Netherlands. We seek to ensure that we can satisfy all of our production demand from our facilities, including at periods of peak demand, while maintaining the level of product quality and timeliness of delivery that customers require. If we are unable to meet demand from our own facilities or to successfully expand those facilities on a timely basis to meet customer demand, we would likely turn to an alternative supplier to supplement our production capacity. However, an alternative supplier may not be able to meet our production requirements on a timely basis or on commercially acceptable terms, or at all. If we are unable to fulfill orders in a timely fashion at a high level of product quality through our facilities and are unable to find a satisfactory supply replacement, our business and results of operations would be substantially harmed.

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

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

- demand for our services and products;

- our ability to attract visitors to our websites and convert those visitors into customers;
- our ability to retain customers and encourage repeat purchases;
- business and consumer preferences for printed products and graphic design services;
- shifts in product mix toward lower gross margin products;
- investment decisions by management made in relation to our performance against targeted earnings per share levels;
- our ability to manage our production and fulfillment operations;
- currency fluctuations, which affect not only our revenues but also our costs;
- the costs to produce our products and to provide our services;
- our pricing and marketing strategies and those of our competitors;
- improvements to the quality, cost and convenience of desktop printing;
- costs of expanding or enhancing our technology or websites;
- compensation expense and charges related to our awarding of share-based compensation; and
- a significant increase in credits, beyond our estimated allowances, for customers who are not satisfied with our products.

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

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

The graphic design and printing markets are intensely competitive and we may be unsuccessful in competing against current and future competitors, which could result in price reductions and/or decreased demand for our products.

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

- self-service desktop design and publishing using a combination of (1) software such as Microsoft Publisher, Microsoft Word and Broderbund PrintShop; (2) desktop printers or copiers and (3) specialty paper supplies;
- traditional printing and graphic design companies;
- providers of technologies, such as websites, e-mail and electronic files, which may act as a substitute for printed materials;
- office supplies and photocopy companies such as Office Depot, FedEx Kinko’s and Staples;
- wholesale printers such as Taylor Corporation and Business Cards Tomorrow International; and
- other online printing and graphic design companies.

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

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

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

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

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

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

Many customers access our websites by clicking through on search results displayed by search engines such as Google and Yahoo!. Search engines typically provide two types of search results, algorithmic and purchased listings. Algorithmic listings cannot be purchased, and instead are determined and displayed solely by a set of formulas designed by the search engine. Purchased listings can be purchased by companies and other entities in order to attract users to their websites. We rely on both algorithmic and purchased listings to attract and direct a substantial portion of the customers we serve. Search engines revise their algorithms from time to time in an attempt to optimize their search result listings. If search engines on which we rely for algorithmic listings modify their algorithms, this could result in fewer customers clicking through to our websites, requiring us to resort to other more costly resources to replace this traffic, which, in turn, could reduce our operating and net income or our revenues, prevent us from maintaining or increasing profitability and harm our business. If one or more search engines on which we rely for purchased listings modifies or terminates its relationship with us, our expenses could rise, our revenues could decline and our business may suffer. The cost of purchased search listing advertising is rapidly increasing as demand for these channels continues to grow quickly, and further increases could have negative effects on our profitability. In addition, many of our competitors purchase the term "VistaPrint" and other terms incorporating our proprietary trademarks from Google and other search engines as part of their search listing advertising. European courts have, in certain cases, upheld the rights of trademark owners to prevent such practices in certain European jurisdictions. However, U.S. courts have not sided with the trademark owners in cases involving U.S. search engines, and Google has refused to prevent companies from purchasing trademarked terms belonging to other parties. As a result, we may not be able to prevent our competitors from advertising to, and directly competing for, customers who search on the term "VistaPrint" on U.S. search engines.

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

We depend primarily on e-mail to market to and communicate with our customers. Various private entities attempt to regulate the use of e-mail for commercial solicitation. These entities often advocate standards of conduct or practice that significantly exceed current legal requirements and classify certain e-mail solicitations that comply with current legal requirements as unsolicited bulk e-mails, or 'spam'. Some of these entities maintain 'blacklists' of companies and individuals, and the websites, Internet service providers and Internet protocol addresses associated with those companies and individuals, that do not adhere to what the blacklisting entity believes are appropriate standards of conduct or practices for commercial e-mail solicitations. If a company's Internet protocol addresses are listed by a blacklisting entity, e-mails sent from those addresses may be blocked if they are sent to any Internet domain or Internet address that subscribes to the blacklisting entity's service or purchases its blacklist.

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

Interruptions to our website operations, information technology systems, production processes or customer service operations as a result of natural disasters, errors in our technology, capacity constraints, security breaches or other causes could damage our reputation and brand and substantially harm our business and results of operations.

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

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

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

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

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

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

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

Many of the images, illustrations, and fonts incorporated in the designs and products we offer are the copyrighted property of other parties used by us under license agreements. If one or more of these licenses were to be terminated, the amount and variety of content available on our websites would be significantly reduced. In such event, we could experience delays in obtaining and introducing substitute materials and substitute materials might be available only under less favorable terms or at a higher cost, or may not be available at all.

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

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

The development of our business since the launch of the VistaPrint.com website in April 2000 has been attributable to organic growth, but in the future we may choose to undertake acquisitions to further expand our business, which may pose risks to our business and dilute the ownership of our existing shareholders.

Our business and our customer base have been built through organic growth. Key components of our business strategy include, among others, expanding our customer base, targeting additional markets and business opportunities, and expanding our product and service offerings. To execute our expansion strategy, we expect that we will selectively pursue acquisitions of businesses, technologies or services in order to expand our capabilities, enter new markets, or increase our market share. We do not have any experience making acquisitions. Integrating any newly acquired businesses, technologies or services is likely to be expensive and time consuming. To finance any acquisitions, it may be necessary for us to raise additional funds through public or private financings. Additional funds may not be available on terms that are favorable to us, or at all, and, in the case of equity financings, would result in dilution to our shareholders and, in the case of debt financings, may subject us to covenants restricting the activities we may undertake in the future. If we do complete any acquisitions, we may be unable to operate the acquired businesses profitably or otherwise implement our strategy successfully. If we are unable to integrate any newly acquired businesses, technologies or services effectively, our business and results of operations could suffer. The time and expense associated with finding suitable and compatible businesses, technologies or services to acquire could also disrupt our ongoing business and divert our management's attention. Future acquisitions by us could also result in large and immediate write-offs or assumptions of debt and contingent liabilities, any of which could substantially harm our business and results of operations.

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

We are highly dependent upon the continued service and performance of our senior management team and key technical, marketing and production personnel including, in particular, Robert S. Keane, our Chairman, President and Chief Executive Officer, Janet Holian, our Chief Marketing Officer, Wendy Cebula, our Chief Operating Officer, and Harpreet Grewal, our Chief Financial Officer. None of these executives is a party to an employment agreement with VistaPrint, and therefore may cease their employment with us at any time with no advance notice. The loss of one or more of these key employees may significantly delay or prevent the achievement of our business objectives. Although we have generally been successful in our recruiting efforts to date, we face intense competition for qualified individuals from numerous technology, marketing, financial services, manufacturing and e-commerce companies. We may be unable to attract and retain suitably qualified individuals, and our failure to do so could have an adverse effect on our ability to implement our business plan.

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

We have rapidly grown to approximately 1,300 permanent employees as of March 31, 2008. As of March 31, 2008, we also had over 210 temporary employees. As of March 31, 2008, we have website operations, offices, marketing, manufacturing research and development and production facilities and customer support centers in Bermuda, the United States, the Netherlands, Spain, Jamaica, Switzerland and Canada. Our growth, combined with the geographical separation of our operations, has placed, and will continue to place, a strain on our administrative and operational infrastructure. Our ability to manage our operations and growth will require us to continue to refine our operational, financial and management controls, human resource policies, reporting systems and procedures in at least seven countries and we expect the number of countries and offices from which we operate to continue to increase in the future.

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

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

We have a limited history of managing operations in multiple countries. From 2001 to 2004, all of our business was conducted from one facility located in the United States and from our website operations in Bermuda. Since that time, we have expanded our business to include operations in seven different countries. For example, we operate printing facilities in Venlo, the Netherlands and Windsor, Ontario, Canada, a customer support, sales and service, and graphic design center in Montego Bay, Jamaica, website operations in Devonshire, Bermuda, a marketing office in Barcelona, Spain, a manufacturing research and development facility in Winterthur, Switzerland, and technology development, marketing, finance and administrative operations in Lexington, Massachusetts, United States. We have localized websites to serve many additional international markets. For the three months ended March 31, 2008, we derived 38% of our revenue from our non-United States websites. We are subject to a number of risks and challenges that specifically relate to our international operations. Our international operations may not be successful if we are unable to meet and overcome these challenges, which could limit the growth of our business and may have an adverse effect on our business and operating results. We also have limited experience in confronting and addressing the risks and challenges we face in operating in several countries. These risks and challenges include, among others:

- fluctuations in foreign currency exchange rates that may increase the United States dollar cost of, or reduce United States dollar revenue from, our international operations;
- difficulty managing operations in, and communications among, multiple locations and time zones;
- local regulations that may restrict or impair our ability to conduct our business as planned;
- protectionist laws and business practices that favor local producers and service providers;
- failure to properly understand and develop graphic design content and product formats appropriate for local tastes;
- restrictions imposed by local labor practices and laws on our business and operations; and
- failure of local laws to provide a sufficient degree of protection against infringement of our intellectual property.

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

For the three months ended March 31, 2008, we derived 62% of our revenue from sales to customers made through our United States website. We produce printed products for our United States customers at our Windsor, Ontario facility. Restrictions on shipping goods into the United States from Canada pose a substantial risk to our business. Particularly since the terrorist attacks on September 11, 2001, the United States government has substantially increased border surveillance and controls. We have from time to time experienced significant delays in shipping our manufactured products into the United States as a result of these controls, which has, in some instances, resulted in delayed delivery of orders. The United States also has in the past imposed protectionist measures, such as tariffs, that limit free trade. If the United States were to impose further border controls and restrictions, impose quotas, tariffs or import duties, increase the documentation requirements applicable to cross border shipments or take other actions that have the effect of restricting the flow of goods from Canada to the United States, we may have greater difficulty shipping products into the United States or be foreclosed from doing so, experience shipping delays, or incur increased costs and expenses, all of which would substantially impair our ability to serve the United States market and harm our business and results of operations.

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

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

As of March 31, 2008, we held 16 issued United States patents, two issued European patents and one issued French patent and we had more than 40 patent applications pending in the United States and other countries. We intend to continue to pursue patent coverage in the United States and other countries to the extent we believe such coverage is justified, appropriate, and cost efficient. There can be no guarantee that any of our pending applications or continuation patent applications will be granted. In addition, there could be infringement, invalidity, co-inventorship or similar claims brought by third parties with respect to any of our currently issued patents or any patents that may be issued to us in the future. For example, administrative opposition proceedings asking the European Patent Office to reconsider the allowance of our European patent relating to certain downloadable document design programs and methods were filed in 2005 and remain pending. Any such claims, whether or not successful, could be extremely costly, could damage our reputation and brand and substantially harm our business and results of operations.

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

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

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

The cost to us of any litigation or other proceeding relating to intellectual property rights, even if resolved in our favor, could be substantial, and the litigation would divert our management’s efforts from growing our business. Potential adversaries may be able to sustain the costs of complex intellectual property litigation more effectively than we can because they have substantially greater resources. Uncertainties resulting from the initiation and continuation of any litigation could limit our ability to continue our operations or may prevent or delay our acquisition by a third party.

If any parties successfully claim that our sale, use, manufacturing or importation of technologies infringes upon their intellectual property rights, we might be forced to pay damages and attorney’s fees. Additionally, if we are found to have willfully infringed a third parties’ patent, we may be liable for treble damages and a court could enjoin us from performing the infringing activity. Thus, the situation could arise in which our ability to use certain technologies important to the operation of our business would be restricted by a court order.

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

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

For instance, in May 2007, VistaPrint Technologies Limited, our wholly-owned subsidiary, initiated litigation in the United States District Court for the District of Minnesota alleging infringement by 123Print, Inc. and Drawing Board (US), Inc. of certain U.S. patents owned by VistaPrint Technologies Limited, and since that time has expanded the lawsuit to include Taylor Strategic Accounts, Inc., a related party to 123Print, Inc. and Drawing Board (US), Inc., as an additional defendant. The defendants have denied the infringement allegations and asserted counterclaims for declaratory judgment of invalidity, unenforceability and non-infringement of the patents. Similarly, in July 2006, VistaPrint Technologies Limited filed a patent infringement lawsuit against print24 GmbH, unitedprint.com AG and their two managing directors in the District Court in Düsseldorf Germany, alleging infringement by the defendants of one of our European patents. In response to VistaPrint Technologies Limited's infringement claim, print24 GmbH filed a patent nullification action against us in June 2007 in German Patent Court in relation to the same European patent at issue in our infringement lawsuit against print24 and its co-defendants. On July 31, 2007, the District Court in Düsseldorf ruled in VistaPrint Technologies Limited's favor on the underlying infringement claim against print24 and its co-defendants, granting all elements of our requested injunction and ordering the defendants to pay damages for past infringement. The Düsseldorf District Courts's ruling went into effect in early September 2007. print24's nullification action against us in German Patent Court remains outstanding.

We sell our products and services primarily through our websites and our inability to acquire or maintain domain names for our websites could result in the loss of customers which would substantially harm our business and results of operations.

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

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

We do not collect or have imposed upon us sales or other taxes related to the products and services we sell, except for certain corporate level taxes and value added and similar taxes in certain jurisdictions. However, one or more jurisdictions or countries may seek to impose sales or other tax collection obligations on us in the future. A successful assertion by one or more governments, including any country in which we do business or sub-federal authorities such as states in the United States, that we should be collecting sales or other taxes on the sale of our products could result in substantial tax liabilities for past sales, discourage customers from purchasing products from us, decrease our ability to compete with traditional retailers or otherwise substantially harm our business and results of operations.

Currently, decisions of the United States Supreme Court restrict the imposition of obligations to collect state and local sales and use taxes with respect to sales made over the Internet in the United States. However, implementation of the restrictions imposed by these Supreme Court decisions is subject to interpretation by state and local taxing authorities. While we believe that these Supreme Court decisions currently restrict state and local taxing authorities in the United States from requiring us to collect sales and use taxes from purchasers located within their jurisdictions, taxing authorities could disagree with our interpretation of these decisions. Moreover, a number of states in the United States, as well as the United States Congress, have been considering various initiatives that could limit or supersede the Supreme Court's position regarding sales and use taxes on Internet sales. If any state or local taxing jurisdiction were to disagree with our interpretation of the Supreme Court's current position regarding state and local taxation of Internet sales, or if any of these initiatives were adopted to address the Supreme Court's constitutional concerns and result in a reversal of its current position, we could be required to collect sales and use taxes from purchasers. The imposition by state and local governments of various taxes upon Internet commerce could create administrative burdens for us and could decrease our future revenue. A substantial amount of our business is derived from customers in the European Union, whose tax environment is also complex and subject to changes that would be adverse to our business.

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

Due to our dependence on the Internet for most of our sales, regulations and laws specifically governing the Internet and e-commerce may have a greater impact on our operations than other more traditional businesses. Existing and future laws and regulations, including the taxation of sales through the Internet, may impede the growth of e-commerce and our ability to compete with traditional graphic designers and printers, as well as desktop printing products. These regulations and laws may cover taxation, as well as restrictions on imports and exports, customs, tariffs, user privacy, data protection, pricing, content, copyrights, distribution, electronic contracts and other communications, consumer protection, the provision of online payment services, broadband residential

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

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

Because of our focus on automation and high volumes, our operations do not involve, for the vast majority of our sales, any human-based review of content. Although our websites' terms of use specifically require customers to represent that they have the right and authority to reproduce a given content and that the content is in full compliance with all relevant laws and regulations, we do not have the ability to determine the accuracy of these representations on a case-by-case basis. There is a risk that a customer may supply an image or other content that is the property of another party used without permission, that infringes the copyright or trademark of another party, or that would be considered to be defamatory, hateful, racist, scandalous, obscene, or otherwise offensive, objectionable or illegal under the laws or court decisions of the jurisdiction where that customer lives. There is, therefore, a risk that customers may intentionally or inadvertently order and receive products from us that are in violation of the rights of another party or a law or regulation of a particular jurisdiction. If we should become legally obligated in the future to perform manual screening and review for all orders destined for a jurisdiction, we will encounter increased production costs or may cease accepting orders for shipment to that jurisdiction which could substantially harm our business and results of operations.

We derive a portion of our revenues from offers made to customers by third parties who have had their business practices challenged in the past, and if the business practices of these third parties are challenged in the future, our reputation could be adversely affected and we may lose revenue.

For the three months ended March 31, 2008, we derived approximately 6.7% of our revenues from order referral fees paid to us by third party merchants for customer click-throughs, order fulfillment and other forms of co-marketing arrangements. Some of these third party offers are for memberships in discount programs or similar promotions to customers who have purchased products from us and we receive a payment from the third party for every customer that accepts the promotion. Certain of these membership discount programs have been the subject of consumer complaints and litigation alleging that their enrollment and billing practices violate various consumer protection laws or are otherwise deceptive. For example, various state attorney generals have brought consumer fraud lawsuits against certain of these third party merchants asserting that they have not adequately disclosed the terms of their offers and have not obtained proper approval from consumers before billing the consumers' bank account or credit card. Some consumers have brought individual or class action complaints alleging similar misconduct. We have from time to time received complaints from customers regarding these programs. Claims or actions that may be brought against us in the future relating to these relationships could result in our being obligated to pay substantial damages or incurring substantial legal fees in defending claims. These damages and fees could be disproportionate to the revenues we generate through these relationships, which would have an adverse affect on our results of operations. In addition, through these relationships, we offer promotions and memberships that are branded as VistaPrint promotions and memberships which could result in an increased likelihood of our becoming involved in litigation or claims brought against these third party merchants. Even if we were successful in defending against these claims, such a defense may result in distraction of management. In addition, customer dissatisfaction or a termination of these relationships could have a negative impact on our brand, revenues and profitability.

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

We regularly offer free products and services as an inducement for customers to try our products and services. Although we believe that we conspicuously and clearly communicate all details and conditions of these offers—for example, that customers are required to pay shipping and processing charges to take advantage of a free product offer—we have in the past, and may in the future, be subject to claims from individuals or governmental regulators in the United States and other countries that our free offers are misleading or do not comply with applicable legislation or regulation. For example, one of our subsidiaries and our predecessor corporation were named as defendants in a class action lawsuit initiated in 2004 alleging that the shipping and handling fees we charged in connection with our free business card offer violated sections of the California Business and Professions Code that limit the amount that may be charged for shipping and handling in connection with a prize or gift. In addition, customers and competitors have filed complaints with governmental and standards bodies in other jurisdictions claiming that customers were misled by the terms of our free offers. Our free product offers could be subject to additional challenges in the future. If we are subject to further actions in the future, or if we are compelled or determine to curtail or eliminate our use of free offers as the result of any such actions, our business prospects and results of operations could be materially harmed.

We expect that future developments in our business will result in a decline in the percentage of total revenues derived from third party referral programs and/or a decline in the absolute dollar value of such revenues. These declines could adversely affect our results of operations.

Historically we have generated a portion of our revenue from order referral fees, revenue share and other fees paid to us by third party merchants for customer click-throughs, distribution of third-party promotional materials and referrals arising from products and services of the merchants we offer to our customers on our website. Over the next several years, we expect that a number of factors will contribute to a reduction in the amount of such referral fee-based revenues as a percentage of our total revenues and/or in the absolute dollar amount of such revenues. In particular, we expect such declines for membership rewards programs. Contributing factors include, among others: expected increases in non-U.S. product revenues that generate less membership rewards-based referral revenue on a percentage basis than our U.S.-based product revenue; the anticipated transition from partners that generate membership rewards-based referral revenue to partners that generate referral revenue by offering strategic business products and services to our small business customers; and anticipated future decisions to devote more of the space on our web sites to internal product and services offerings, which we expect will reduce the amount of space we allocate to referral fee-based offerings, particularly membership programs. If these alternative revenue sources generate less revenue or net income than we anticipate, our results of operations could be adversely affected.

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

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

In addition, under current credit card practices, we may be liable for fraudulent credit card transactions conducted on our websites, such as through the use of stolen credit card numbers, because we do not obtain a cardholder's signature. To date, quarterly losses from credit card fraud have not exceeded 1% of total revenues in any quarter, but we continue to face the risk of significant losses from this type of fraud. Although we seek to maintain insurance to cover us against this risk, we cannot be certain that our coverage will be adequate to cover liabilities actually incurred as a result of such fraud or that insurance will continue to be available to us on economically reasonable terms, or at all. Our failure to limit fraudulent credit card transactions could damage our reputation and brand and substantially harm our business and results of operations.

We are subject to payment-related risks.

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

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

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

Risks Related to Our Corporate Structure

Non-Bermuda tax authorities may tax some or all of VistaPrint Limited's income, which would increase our effective tax rate and adversely affect our earnings.

VistaPrint Limited is organized in Bermuda and conducts business through operations within Bermuda. Bermuda does not currently impose income taxes on our operations. Management services for VistaPrint Limited are provided to VistaPrint Limited by employees of our United States subsidiary, who are all based in the United States. We have endeavored to structure our business so that all of our non-Bermuda operations are carried out by our local subsidiaries and VistaPrint Limited's business income is, in general, not subject to tax in these non-Bermuda jurisdictions, such as Jamaica, the United States, Canada, Spain, Switzerland or the Netherlands. VistaPrint Limited has filed tax returns on the basis that it is not engaged in business in these non-Bermuda jurisdictions. Many countries' tax laws, including but not limited to United States tax law, do not clearly define activities that constitute being engaged in a business in that country. The tax authorities in these countries could contend that some or all of VistaPrint Limited's income should be subject to income or other tax or subject to withholding tax. If VistaPrint Limited's income is taxed in jurisdictions other than Bermuda, such taxes will increase our effective tax rate and adversely affect our results of operations.

United States corporations are subject to United States federal income tax on the basis of their worldwide income. Non-U.S. corporations generally are subject to United States federal income tax only on income that has a sufficient nexus to the United States. On October 22, 2004, the United States enacted the American Jobs Creation Act of 2004, or the AJCA. Under the AJCA, non-U.S. corporations that after March 4, 2003 complete the acquisition of substantially all of the properties of a United States corporation and that meet certain ownership, operational and other tests are treated as United States corporations for United States federal income tax purposes and, therefore, are subject to United States federal income tax on their worldwide income. The amalgamation of our predecessor U.S. corporation with VistaPrint Limited occurred in April 2002. The AJCA grants broad regulatory authority to the Secretary of the Treasury to provide regulations as may be appropriate to determine whether a non-U.S. corporation is treated as a United States corporation. We do not believe that the relevant provisions of the AJCA as currently enacted apply to VistaPrint Limited, but there can be no assurance that the United States Internal Revenue Service will not challenge this position or that a court will not sustain any such challenge. Furthermore, at various times during the last few years there have been legislative proposals in the U.S. Congress which, if enacted into law, would retroactively change the March 4, 2003 AJCA measurement date to March 20, 2002. A successful challenge by the Internal Revenue Service, or a change of the March 4, 2003 date in the AJCA to an earlier date, could result in VistaPrint Limited being subject to tax in the United States on its worldwide income, which would increase our effective rate of tax and adversely affect our earnings.

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

We operate pursuant to written intercompany service and related agreements, which we also refer to as transfer pricing agreements, among VistaPrint Limited and its subsidiaries. These agreements establish transfer prices for printing, marketing, management, technology development and other services performed for VistaPrint Limited. Transfer prices are prices that one company in a group of related companies charges to another member of the group for goods, services or the use of property. If two or more affiliated companies are located in different countries, the tax laws or regulations of each country generally will require that transfer prices be the same as those between unrelated companies dealing at arms' length. With the exception of our Dutch operations, our transfer pricing procedures 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 of these countries were to successfully challenge our transfer prices as not reflecting arms' 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 income from a lower tax jurisdiction to a higher tax jurisdiction would result in a higher tax liability to us. In addition, if the country from which the income is reallocated does not agree with the reallocation, both countries could tax the same income, resulting in double taxation. Changes in laws and regulations may require us to change our transfer pricings or operating procedures. If tax authorities were to allocate income to a higher tax jurisdiction, subject our income to double taxation or assess penalties, it would result in a higher tax liability to us, which would adversely affect our earnings.

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

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

We may 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 common 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 common shares. Under the PFIC rules, unless U.S. holders make an election available under the Internal Revenue Code of 1986, as amended, such shareholders would be liable to pay United States federal income tax at the then prevailing income tax rates on ordinary income plus interest upon excess distributions and upon any gain from the disposition of our common shares, as if the excess distribution or gain had been recognized ratably over the shareholder's holding period of our common shares.

We believe that we were not a PFIC for the tax year ended June 30, 2007 and we expect that we will not become a PFIC in the foreseeable future. However, whether we are treated as a PFIC depends on questions of fact as to our assets and revenues that can only be determined at the end of each tax year. Accordingly, we cannot be certain that we will not be treated as a PFIC for our current tax year or for any subsequent year.

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

Each "10% U.S. Shareholder" of a non-U.S. corporation that is a "controlled foreign corporation," or CFC, for an uninterrupted period of 30 days or more during a taxable year, and that owns shares in the CFC directly or indirectly through non-U.S. entities on the last day of the CFC's taxable year, must include in its gross income for United States federal income tax purposes its pro rata share of the CFC's "subpart F income," even if the subpart F income is not distributed. A non-U.S. corporation is considered a CFC if one or more 10% U.S. Shareholders together own more than 50% of the total combined voting power of all classes of voting stock of the non-U.S. corporation or more than 50% of the total value of all stock of the corporation on any day during the taxable year of the corporation. A 10% U.S. Shareholder is a U.S. person, as defined in the Internal Revenue Code, that owns at least 10% of the total combined voting power of all classes of stock entitled to vote of the non-U.S. corporation. For purposes of determining whether a corporation is a CFC, and therefore whether the more-than-50% and 10% ownership tests have been satisfied, shares owned include shares owned directly or indirectly through non-U.S. entities and shares considered owned under constructive ownership rules. The attribution rules are complicated and depend on the particular facts relating to each investor. For taxable years in which we are a CFC for an uninterrupted period of 30 days or more, each of our 10% U.S. Shareholders will be required to include in its gross income for United States federal income tax purposes its pro rata share of our subpart F income, even if the subpart F income is not distributed to enable such taxpayer to satisfy this tax liability. Based upon our existing share ownership, we do not believe we are a CFC.

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

We are incorporated under the laws of Bermuda, and over 90% of our assets are located outside of the United States. It may not be possible to enforce court judgments obtained in the United States against us in Bermuda or in countries, other than the United States, where we have assets based on the civil liability provisions of the federal or state securities laws of the United States. In addition, there is significant doubt as to whether the courts of Bermuda and other countries would recognize or enforce judgments of United States courts obtained against us or our directors or officers based on the civil liabilities provisions of the federal or state securities laws of the United States or would hear actions against us or those persons based on those laws. The United States and Bermuda do not currently have a treaty providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not based solely on United States federal or state securities laws, would not automatically be enforceable in Bermuda. Similarly, those judgments may not be enforceable in countries other than the United States where we have assets.

Bermuda law differs from the laws in effect in the United States and may afford less protection to shareholders.

Our shareholders may have more difficulty protecting their interests than would shareholders of a corporation incorporated in a jurisdiction of the United States. As a Bermuda company, we are governed by the Companies Act 1981 of Bermuda. The Companies

Act differs in some material respects from laws generally applicable to United States corporations and shareholders, including provisions relating to interested directors, mergers, amalgamations and acquisitions, takeovers, shareholder lawsuits and indemnification of directors. In addition, our bye-laws provide that in the event any governmental authority imposes any liability upon us in respect of any shares registered in our share register, dividends, bonuses or other monies paid to a shareholder or in other circumstances, including liabilities resulting from the death of the shareholder, failure by the shareholder to pay any taxes or failure to pay estate duties, the shareholder will fully indemnify us from all liability arising in connection therewith.

Under Bermuda law, the duties of directors and officers of a company are generally owed to the company only. Shareholders of Bermuda companies do not generally have rights to take action against directors or officers of the company, and may only do so in limited circumstances. Directors and officers may owe duties to a company's creditors in cases of impending insolvency. Directors and officers of a Bermuda company must, in exercising their powers and performing their duties, act honestly and in good faith with a view to the best interests of the company and must exercise the care and skill that a reasonably prudent person would exercise in comparable circumstances. Directors have a duty not to put themselves in a position in which their duties to the company and their personal interests may conflict and also are under a duty to disclose any personal interest in any material contract or proposed material contract with the company or any of its subsidiaries. If a director or officer of a Bermuda company is found to have breached his duties to that company, he may be held personally liable to the company in respect of that breach of duty. A director or officer may be liable jointly and severally with other directors or officers if it is shown that the director or officer knowingly engaged in fraud or dishonesty. In cases not involving fraud or dishonesty, the liability of the director or officer will be determined by the Bermuda courts on the basis of their estimation of the percentage of responsibility of the director or officer for the matter in question, in light of the nature of the conduct of the director or officer and the extent of the causal relationship between his conduct and the loss suffered.

Our bye-laws provide that we will indemnify our directors and officers in their capacity as such in respect of any loss arising or liability attaching to them by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which a director or officer may be guilty in relation to us other than in respect of his own fraud or dishonesty, which is the maximum extent of indemnification permitted under the Companies Act. Under our bye-laws, each of our shareholders agrees to waive any claim or right of action, other than those involving fraud, against us or any of our officers or directors.

Anti-takeover provisions in our charter documents and under Bermuda law could make an acquisition of us, which may be beneficial to our shareholders, more difficult and may prevent attempts by our shareholders to replace or remove our current management.

Provisions in our bye-laws may delay or prevent an acquisition of us or a change in our management. In addition, by making it more difficult for shareholders to replace members of our board of directors, these provisions also may frustrate or prevent any attempts by our shareholders to replace or remove our current management because our board of directors is responsible for appointing the members of our management team. These provisions include:

- a classified board of directors;
- the ability of our board of directors to issue undesignated shares without shareholder approval, which could be used to institute a "poison pill" that would work to dilute the share ownership of a potential hostile acquirer, effectively preventing acquisitions that have not been approved by our board of directors;
- limitations on the removal of directors; and
- advance notice requirements for election to our board of directors and for proposing matters that can be acted upon at shareholder meetings.

In addition, the foregoing factors may prevent or delay our acquisition by a third party, even though such transaction may be in the best interests of our shareholders.

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

(a) Not applicable.

(b) On September 29, 2005, our registration statement on Form S-1 (Registration No. 333-125470) was declared effective for our initial public offering, pursuant to which we offered and sold 11,518,320 common shares, of which 5,500,000 were sold by us and 6,018,320, were sold by certain of our shareholders, at an initial public offering price of $12.00 per share. We received net proceeds of approximately $61.4 million (after underwriters' discounts of $4.6 million). We incurred additional, related expenses of approximately $1.6 million, resulting in proceeds, after expenses, to us of approximately $59.8 million.

As of March 31, 2008, we had not utilized any of the net proceeds from the offering. We intend to use the net proceeds to fund construction and expansion of our printing facilities and other operations, possible acquisitions and investments, and working capital, capital expenditures and other general corporate purposes. Pending these uses, we have invested the funds in short-term investment grade and government securities.

(c) Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

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

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

10.1*	Amendment No. 1 to Executive Retention Agreement by and among VistaPrint USA, Incorporated, the Registrant, and Robert S. Keane dated as of March 31, 2008
10.2*	Amendment No. 1 to Executive Retention Agreement by and among VistaPrint USA, Incorporated, the Registrant, and Wendy Cebula dated as of March 31, 2008
10.3*	Amendment No. 1 to Executive Retention Agreement by and among VistaPrint USA, Incorporated, the Registrant, and Janet F. Holian dated as of March 31, 2008
10.4(1)*	Transition Agreement by and among the Registrant, VistaPrint USA, Incorporated, and Anne S. Drapeau dated as of April 3, 2008
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.

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* Management contract or compensatory plan or arrangement

(1) Previously filed with the Securities and Exchange Commission as an Exhibit to the Registrant's current Report on form 8-K filed on April 7, 2008 and incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: April 30, 2008

VISTAPRINT LIMITED

By: /s/ HARPREET GREWAL

Harpreet Grewal
Chief Financial Officer
(Principal Financial and Accounting Officer)

Table of Contents

EXHIBIT INDEX

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* Management contract or compensatory plan or arrangement

(1) Previously filed with the Securities and Exchange Commission as an Exhibit to the Registrant's current Report on form 8-K filed on April 7, 2008 and incorporated herein by reference.

<u>Amendment No. 1 to Executive Retention Agreement</u>

THIS AMENDMENT NO.1 TO EXECUTIVE RETENTION AGREEMENT (the “Amendment”) by and among VistaPrint USA, Incorporated, a Delaware corporation (the “Company”), VistaPrint Limited, a Bermuda corporation and sole shareholder of the Company (“VistaPrint Limited”), and Robert S. Keane (the “Employee”) is made as of March 31, 2008 (the “Effective Date”).

WHEREAS, the Company, VistaPrint Limited and the Employee are party to that certain Executive Retention Agreement dated as of December 1, 2004 (the “Retention Agreement”); and,

WHEREAS, the Board of Directors of VistaPrint Limited and the Board of Directors of VistaPrint USA, Incorporated has approved the amendment of the Retention Agreement and all other outstanding and future retention agreements of VistaPrint Limited and VistaPrint USA, Incorporated, in order to provide for greater transferability of the rights under such retention agreements to certain permitted transferees and to reflect certain developments with respect to Internal Revenue Code Section 409A, including the safe harbor provisions thereof; and

WHEREAS, the parties desire to amend the Retention Agreement as set forth herein.

NOW, THEREFORE, as an inducement for and in consideration of the Employee remaining in its employ, the Company and VistaPrint Limited agree with the Employee that the Retention Agreement be and hereby is amended as set forth herein.

1. All references in the Retention Agreement to options, restricted share units, restricted stock awards, or other equity awards of VistaPrint Limited (collectively, “Awards”), and all provisions related to such Awards and the benefits obtained by the Employee with respect to the treatment of such Awards, shall be deemed to apply equally to: (i) Awards held directly by the Employee and (ii) Awards transferred by the Employee to permitted transferees under the terms of such Awards, including, without limitation, Awards transferred by the Employee to any immediate family member, family trust, family partnership or family limited liability company established solely for the benefit of the Employee and/or an immediate family member of the Employee; such that, without limiting the generality of the foregoing, all rights and benefits of and to the Employee arising from or relating to the treatment of such Awards under the terms of the Retention Agreement shall be deemed to apply equally to any such Awards transferred to and held by such permitted transferees, including, without limitation, all rights and benefits relating to the acceleration of vesting of Awards, the extension of the period for exercising Awards, and the payment to the Employee of a Gross-Up Payment to compensate the Employee for Excise Taxes owed by the Employee due to the Employee’s receipt of Contingent Compensation Payments resulting from a Change in Ownership or Control (all such capitalized terms having the meanings given such terms in the Retention Agreement).

2. The definition of “Good Reason” in the Retention Agreement shall be deleted in its entirety and replaced by the following definition, in order that the “good reason” termination right will fall within the safe harbor definition under Internal Revenue Code Section 409A regulations, such that the payment of lump-sum severance to the Employee upon termination without cause or termination for good reason will not be subject to a 6-month deferral period:

> “Good Reason’ means the occurrence, without the Executive’s written consent, of any of the events or circumstances set forth in clauses (a) through (d) below. Notwithstanding the occurrence of any such event or circumstance, such occurrence shall not be deemed to constitute Good Reason if, within 30 days of the Notice of Termination (as defined in Section 3.2(a)) given

by the Executive in respect thereof, such event or circumstance has been fully corrected and the Executive has been reasonably compensated for any losses or damages resulting therefrom. If the Company does not fully correct such event or circumstance during this 30-day period, the Notice of Termination for Good Reason given by the Executive shall become effective.

(a) a material diminution in the Executive's authority, duties or responsibilities in effect as of the Effective Date;

(b) a material reduction in the Executive's annual base salary as in effect on the Effective Date or as the same was or may be increased thereafter from time to time except to the extent that such reduction affects all executive officers of VistaPrint Limited and its subsidiaries to a comparable extent;

(c) a material change by the Company in the geographic location at which the Executive performs his principal duties for the Company; or

(d) any action or inaction by the Company that constitutes a material breach of this Agreement."

3. Clause (a) of Section 6.1 ("Successors") of the Retention Agreement shall be modified to add the word "material" directly in front of the word "breach."

4 All other terms and conditions in the Retention Agreement, not amended above, will remain in effect. Alterations to this Amendment will not be valid unless agreed to in writing by the parties hereto.

5. This Amendment is governed by the internal laws of the Commonwealth of Massachusetts, without reference to conflicts of laws or choice of laws rules.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first set forth above.

VISTAPRINT USA, INCORPORATED

/s/ Lawrence A. Gold
By: Lawrence A. Gold
Title: Secretary

VISTAPRINT LIMITED

/s/ Janice Richardson-Trott
By: Janice Richardson-Trott
Title: Secretary

EMPLOYEE
/s/ Robert S. Keane
Robert S. Keane
Address: ______________________

Amendment No. 1 to Executive Retention Agreement

THIS AMENDMENT NO.1 TO EXECUTIVE RETENTION AGREEMENT (the “Amendment”) by and among VistaPrint USA, Incorporated, a Delaware corporation (the “Company”), VistaPrint Limited, a Bermuda corporation and sole shareholder of the Company (“VistaPrint Limited”), and Wendy Cebula (the “Employee”) is made as of March 31, 2008 (the “Effective Date”).

WHEREAS, the Company, VistaPrint Limited and the Employee are party to that certain Executive Retention Agreement dated as of January 3, 2007 (the “Retention Agreement”); and,

WHEREAS, the Board of Directors of VistaPrint Limited and the Board of Directors of VistaPrint USA, Incorporated has approved the amendment of the Retention Agreement and all other outstanding and future retention agreements of VistaPrint Limited and VistaPrint USA, Incorporated, in order to provide for greater transferability of the rights under such retention agreements to certain permitted transferees and to reflect certain developments with respect to Internal Revenue Code Section 409A, including the safe harbor provisions thereof; and

WHEREAS, the parties desire to amend the Retention Agreement as set forth herein.

NOW, THEREFORE, as an inducement for and in consideration of the Employee remaining in its employ, the Company and VistaPrint Limited agree with the Employee that the Retention Agreement be and hereby is amended as set forth herein.

1. All references in the Retention Agreement to options, restricted share units, restricted stock awards, or other equity awards of VistaPrint Limited (collectively, “Awards”), and all provisions related to such Awards and the benefits obtained by the Employee with respect to the treatment of such Awards, shall be deemed to apply equally to: (i) Awards held directly by the Employee and (ii) Awards transferred by the Employee to permitted transferees under the terms of such Awards, including, without limitation, Awards transferred by the Employee to any immediate family member, family trust, family partnership or family limited liability company established solely for the benefit of the Employee and/or an immediate family member of the Employee; such that, without limiting the generality of the foregoing, all rights and benefits of and to the Employee arising from or relating to the treatment of such Awards under the terms of the Retention Agreement shall be deemed to apply equally to any such Awards transferred to and held by such permitted transferees, including, without limitation, all rights and benefits relating to the acceleration of vesting of Awards, the extension of the period for exercising Awards, and the payment to the Employee of a Gross-Up Payment to compensate the Employee for Excise Taxes owed by the Employee due to the Employee’s receipt of Contingent Compensation Payments resulting from a Change in Ownership or Control (all such capitalized terms having the meanings given such terms in the Retention Agreement).

2. The definition of “Good Reason” in the Retention Agreement shall be deleted in its entirety and replaced by the following definition, in order that the “good reason” termination right will fall within the safe harbor definition under Internal Revenue Code Section 409A regulations, such that the payment of lump-sum severance to the Employee upon termination without cause or termination for good reason will not be subject to a 6-month deferral period:

> “Good Reason’ means the occurrence, without the Executive’s written consent, of any of the events or circumstances set forth in clauses (a) through (d) below. Notwithstanding the occurrence of any such event or circumstance, such occurrence shall not be deemed to constitute Good Reason if, within 30 days of the Notice of Termination (as defined in Section 3.2(a)) given

by the Executive in respect thereof, such event or circumstance has been fully corrected and the Executive has been reasonably compensated for any losses or damages resulting therefrom. If the Company does not fully correct such event or circumstance during this 30-day period, the Notice of Termination for Good Reason given by the Executive shall become effective.

(a) a material diminution in the Executive's authority, duties or responsibilities in effect as of the Effective Date;

(b) a material reduction in the Executive's annual base salary as in effect on the Effective Date or as the same was or may be increased thereafter from time to time except to the extent that such reduction affects all executive officers of VistaPrint Limited and its subsidiaries to a comparable extent;

(c) a material change by the Company in the geographic location at which the Executive performs his principal duties for the Company; or

(d) any action or inaction by the Company that constitutes a material breach of this Agreement."

3. Clause (a) of Section 6.1 ("Successors") of the Retention Agreement shall be modified to add the word "material" directly in front of the word "breach."

4 All other terms and conditions in the Retention Agreement, not amended above, will remain in effect. Alterations to this Amendment will not be valid unless agreed to in writing by the parties hereto.

5. This Amendment is governed by the internal laws of the Commonwealth of Massachusetts, without reference to conflicts of laws or choice of laws rules.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first set forth above.

VISTAPRINT USA, INCORPORATED

/s/ Robert S. Keane
By: Robert S. Keane
Title: President and CEO

VISTAPRINT LIMITED

/s/ Janice Richardson-Trott
By: Janice Richardson-Trott
Title: Secretary

EMPLOYEE

/s/ Wendy Cebula
Wendy Cebula
Address: ______________________

Exhibit 10.3

Amendment No. 1 to Executive Retention Agreement

THIS AMENDMENT NO.1 TO EXECUTIVE RETENTION AGREEMENT (the “Amendment”) by and among VistaPrint USA, Incorporated, a Delaware corporation (the “Company”), VistaPrint Limited, a Bermuda corporation and sole shareholder of the Company (“VistaPrint Limited”), and Janet F. Holian (the “Employee”) is made as of March 31, 2008 (the “Effective Date”).

WHEREAS, the Company, VistaPrint Limited and the Employee are party to that certain Executive Retention Agreement dated as of December 1, 2004 (the “Retention Agreement”); and,

WHEREAS, the Board of Directors of VistaPrint Limited and the Board of Directors of VistaPrint USA, Incorporated has approved the amendment of the Retention Agreement and all other outstanding and future retention agreements of VistaPrint Limited and VistaPrint USA, Incorporated, in order to provide for greater transferability of the rights under such retention agreements to certain permitted transferees and to reflect certain developments with respect to Internal Revenue Code Section 409A, including the safe harbor provisions thereof; and

WHEREAS, the parties desire to amend the Retention Agreement as set forth herein.

NOW, THEREFORE, as an inducement for and in consideration of the Employee remaining in its employ, the Company and VistaPrint Limited agree with the Employee that the Retention Agreement be and hereby is amended as set forth herein.

1. All references in the Retention Agreement to options, restricted share units, restricted stock awards, or other equity awards of VistaPrint Limited (collectively, “Awards”), and all provisions related to such Awards and the benefits obtained by the Employee with respect to the treatment of such Awards, shall be deemed to apply equally to: (i) Awards held directly by the Employee and (ii) Awards transferred by the Employee to permitted transferees under the terms of such Awards, including, without limitation, Awards transferred by the Employee to any immediate family member, family trust, family partnership or family limited liability company established solely for the benefit of the Employee and/or an immediate family member of the Employee; such that, without limiting the generality of the foregoing, all rights and benefits of and to the Employee arising from or relating to the treatment of such Awards under the terms of the Retention Agreement shall be deemed to apply equally to any such Awards transferred to and held by such permitted transferees, including, without limitation, all rights and benefits relating to the acceleration of vesting of Awards, the extension of the period for exercising Awards, and the payment to the Employee of a Gross-Up Payment to compensate the Employee for Excise Taxes owed by the Employee due to the Employee’s receipt of Contingent Compensation Payments resulting from a Change in Ownership or Control (all such capitalized terms having the meanings given such terms in the Retention Agreement).

2. The definition of “Good Reason” in the Retention Agreement shall be deleted in its entirety and replaced by the following definition, in order that the “good reason” termination right will fall within the safe harbor definition under Internal Revenue Code Section 409A regulations, such that the payment of lump-sum severance to the Employee upon termination without cause or termination for good reason will not be subject to a 6-month deferral period:

> “Good Reason’ means the occurrence, without the Executive’s written consent, of any of the events or circumstances set forth in clauses (a) through (d) below. Notwithstanding the occurrence of any such event or circumstance, such occurrence shall not be deemed to constitute Good Reason if, within 30 days of the Notice of Termination (as defined in Section 3.2(a)) given

by the Executive in respect thereof, such event or circumstance has been fully corrected and the Executive has been reasonably compensated for any losses or damages resulting therefrom. If the Company does not fully correct such event or circumstance during this 30-day period, the Notice of Termination for Good Reason given by the Executive shall become effective.

(a) a material diminution in the Executive's authority, duties or responsibilities in effect as of the Effective Date;

(b) a material reduction in the Executive's annual base salary as in effect on the Effective Date or as the same was or may be increased thereafter from time to time except to the extent that such reduction affects all executive officers of VistaPrint Limited and its subsidiaries to a comparable extent;

(c) a material change by the Company in the geographic location at which the Executive performs his principal duties for the Company; or

(d) any action or inaction by the Company that constitutes a material breach of this Agreement."

3. Clause (a) of Section 6.1 ("Successors") of the Retention Agreement shall be modified to add the word "material" directly in front of the word "breach."

4 All other terms and conditions in the Retention Agreement, not amended above, will remain in effect. Alterations to this Amendment will not be valid unless agreed to in writing by the parties hereto.

5. This Amendment is governed by the internal laws of the Commonwealth of Massachusetts, without reference to conflicts of laws or choice of laws rules.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first set forth above.

VISTAPRINT USA, INCORPORATED

/s/ Robert S. Keane
By: Robert S. Keane
Title: President and CEO

VISTAPRINT LIMITED

/s/ Janice Richardson-Trott
By: Janice Richardson-Trott
Title: Secretary

EMPLOYEE

/s/ Janet F. Holian
Janet F. Holian
Address: ______________________

CERTIFICATION

I, Robert S. Keane, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of VistaPrint Limited;
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 principals;

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

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

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

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

Date: April 30, 2008

/s/ ROBERT S. KEANE

Robert S. Keane
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Harpreet Grewal, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of VistaPrint Limited;
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 principals;

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

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

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

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

Date: April 30, 2008

/s/ HARPREET GREWAL

Harpreet Grewal
Chief Financial Officer

Exhibit 32.1

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

In connection with the Quarterly Report on Form 10-Q of VistaPrint Limited (the “Company”) for the fiscal quarter ended March 31, 2007 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned, Robert S. Keane, Chief Executive Officer of the Company, and Harpreet Grewal, 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: April 30, 2008

/s/ ROBERT S. KEANE
Robert S. Keane
Chief Executive Officer

Date: April 30, 2008

/s/ HARPREET GREWAL
Harpreet Grewal
Chief Financial Officer