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EDITED TRANSCRIPT

CMPR - Cimpress NV Corporate Analyst Meeting - Investor Day - New York

EVENT DATE/TIME: AUGUST 05, 2015 / 12:30PM GMT

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PRESENTATION

Meredith Burns - *Cimpress N.V. - VP of IR*

Hello, everyone, and welcome to Vistaprint's -- oh, my goodness. Welcome to Cimpress' -- I didn't update my script. Welcome to Cimpress' 2015 Investor Day. That is the only mistake that will happen today. My name is Meredith Burns, Vice President of Investor Relations -- or maybe not for long (laughter). I would like to welcome our guests in attendance here in New York as well as those on the webcast who were unable to join us in person today.

So our presentations will begin in just a few moments after I finish a couple of quick announcements. First I'd like to introduce today's presenters. Robert Keane is our President and Chief Executive Officer. He founded the Company in 1995 and has been the driving force behind our long track record of profitable growth by creating a disruptive approach to a highly fragmented market and by building a winning Company culture. Robert will present twice today, first to open up the event and second to discuss our most of world business.

Trynka Shineman is President of the Vistaprint business unit. Trynka joined the Company in 2004 and has been instrumental in helping us grow in various marketing and operations roles, including Chief Customer Officer and Executive Vice President of Global Marketing before assuming her current position. She's been instrumental in crafting our strategy, the Vistaprint strategy to improve our customer value proposition.

Next on the end is Don Nelson. Don is our Chief Operating Officer and is responsible for building our mass customization platform that you keep hearing us talk about all the time. Don joined the Company in 2006 and has helped shape our success by bringing together people, process and technologies to support our audacious goals. Prior to joining the Company he served as Chief Information Officer at Sapient.

And last but definitely not least is Ernst Teunissen, our Chief Financial Officer. He is responsible for finance and corporate strategy. He joined the Company in 2009 as the Vice President of Strategy. Prior to that Ernst was a technology and telecom investment banker first with Deutsche Bank and then with Morgan Stanley. He began his career in strategy consulting at Monitor Group. Ernst will also present twice today, first on our upload and print businesses in Europe and second on capital allocation.

For those of you here in New York, if you have questions for any of our presenters we are actually going to hold a Q&A session after all of the presentations are over. If you have been here before that is how we typically do it. So please hold them until the end of the session.

Just a couple of housekeeping items for you. First, the restrooms are located outside of the room past the stairs, past the elevator and then hook all the way around to the left and then you will see them. It sounds complicated but you will find them -- if you need them.

Next, if you need to leave the room, please do so at the back of the room. We discovered earlier today that if you use this door over here you will get locked out. And third, please turn off -- or turn your mobile devices to silent mode.

And then for those of you who are here in the room, if you haven't had a chance to check out our product samples in the back of the room, I absolutely encourage you to do so when we are done with the session. Not only do they include great products that are produced across all of the Company, but there also are some substrate samples there from some of the newer acquisitions that we've done in Europe which will really give you a feel for the breadth of the types of products that we offer to our customers.

So, with that I would just like to say that during today's event we are going to make statements about our expectations for the future. Our actual results may differ materially from these statements due to risk factors that are outlined in detail on this slide, but even in more detail in our SEC filings which I definitely encourage you to read.

Some of the people who put those documents together are here in the room and they work really hard on them. And so, please do read them, they are excellent documents. With that I would like to turn the presentation over to Robert.

Robert Keane - *Cimpress N.V. - President & CEO, Chairman-Management Board*

Thank you, Meredith, and welcome, everyone. It is great to have a lot of you back, I see a lot of familiar faces and I'm certain -- quite a new faces in the room as well.

So as Meredith said, I am Robert Keane I am the founder and CEO of Cimpress. We have a lot to talk about today. What we're going to do is go through the agenda or the people in the order that Meredith spoke about, but let me speak a little bit about what each of us are going to be covering and what you will be hearing today.

I will start off talking about the fact that we look out at our market and at adjacent markets and see a very large opportunity. And as I expressed in the letter I sent out to all of our investors, we have very clear priorities in terms about how we are going to go about that opportunity or achieving that opportunity and taking advantage of that opportunity both strategically and from a financial objective perspective.

Number two, Trynka is going to talk about the fact that Vistaprint is very successfully moving towards the higher expectation customer segment which we have spoken about for several years. This is something that has taken us longer than we expected to get to, but we are really happy with where we are going.

Number three, Ernst, when he talks, he's going to speak about the recent acquisitions that we've made in Europe. And it really serves as a case study for the vision of what we have as a Company in that it illustrates the operational scale we have starting to acquire in Europe, but also the very focused major both geographic and customer type focus of the various brands.

Next, when Don speaks you will see that MCP, the mass customization platform, which is something we only announced a year ago and it is a multi-year development project, is already starting to come online. We have some things which will be coming online in the very near-term, in the month, that are starting to allow us to take advantage of this unprecedented scale that we believe we can drive towards.

MoW, or most of world, we are making some great material investments in those markets. We believe we are laying foundations for a multi-decade value creation and I will get into a little bit more about that.

And then very importantly, when Ernst comes back for his second talk, will talk about our focus on per share fundamental value creation and our increasing conviction that a rigorous capital allocation approach to creating value is the best approach for us.

So what does Cimpress do? And we use a term which in academic circles has been around for almost two decades, but is relatively unknown which is the idea of mass customization. And this is producing with the reliability, with the quality and the affordability of mass production, small individual orders where each and every one of those orders embodies a very personal relevance and is done so in a physical media that resonates with people.

Now traditionally there has been a curve in economic production, or in production economics that say, if you look at the vertical scale you have unit costs, in the horizontal scale the volume of a given product which is produced, and the orange line on this slide illustrates the reality, that under traditional business models if you had very low volume produced of a given product the unit cost was very high. On the other hand, if you had very high volumes produced you could have very high quality product for very low cost.

What mass customization does is it uses the reach and the power of the Internet and, importantly, of computer software management through the entire value chain to play, in the lower left-hand corner, by radically reducing setup costs and therefore reducing the cost per unit even though the individual products are produced on low volume.

So we first applied this in the business card market and then in the small printing market overall. And what is interesting about that market, it is really one of the last bastions in the world economy of Job Shop economics, or certainly in the developed world.

This -- these pictures are real pictures of real small -- typical small competitors in the printing and the sign shop or the shirt embroidery business. And if you look at data you see that 50% of the commercial printing establishments in the US, and it is very similar data in Europe, have four or less employees. And about 90% have 50 or less employees, 49 or less employees. So this is an industry which is defined by small Job Shop economics.

That is a tough industry to be in. And you actually see that the number of North American print service providers -- or again, the same thing is happening around the world -- is actually declining. And then you may ask the question, why does Cimpress want to be in a business with declining competition. Because the answer is that we believe there is a lot of consolidation happening.

Now we on the right have a chart here which talks about e-commerce shipments that are growing over that same exact period at 11% CAGR. Like so many things in the economy, the Internet is allowing us and others to totally change how things are done.

Now this chart on the right talks about e-commerce for print overall. The vast majority of this production is actually for large-scale print, as is the vast majority of print production overall.

You think of an automated data exchange between a large consumer goods company for their packaging out to their printing equipment and their printing suppliers, that would all be done via e-commerce today or most of it would be. On the other hand, we focus on the very small orders which create a subset of these $30 billion that we see happening online.

This slide is a slide I have now shown three times; this is the third time I have shown these at investor presentations. First time four or five years ago and last year I showed the same thing, which is we do believe that scale matters in this business, that scale is the single biggest driver of competitive advantage. And we intend to continue to grow in scale, not just for scale's sake, not just for size sake, but rather because we believe it differentially -- we can compete with differential competitive advantages if we are bigger.

And you see that we have a 20-year history as a Company. This slide talks about that the 10 years since we went public the first time and our sales have consistently grown every year -- they have grown in the first 8, 10 years predominantly through organic growth, if not exclusively. And then the last few years we have combined organic growth with M&A.

Now the Cimpress of today is very successful. The Cimpress of 5 and 10 years ago, i.e. the Vistaprint was successful. But if through some magic time travel you can go back in time and today's Cimpress could compete against the 5 year ago Vistaprint or the 10 year ago Vistaprint, that prior Company just wouldn't have an ability to compete against ourselves today.

Now we were doing a lot of good things then, but we see in every aspect of our value chain from our marketing to our supply chain and supplier negotiation power through automation, through technology development that scale drives competitive advantage.

So as we look out to the future we need to look at what our addressable market is, our TAM. And we see a very large hyper fragmented market. We think about that market as a three-dimensional space where you think of product on one axis, geography on another axis and customer type on another. And if you look at what we have done traditionally, we focused on the North American, the European and about 5 years ago the Australian market from a geographic perspective.

From a customer perspective since we have gone public we have focused predominantly on what we call micro businesses, these are small businesses with 10 employees or less and they are predominantly one or two employee businesses, the vast majority of them having less than five employees.

And we do certainly have other markets, but that has been where we have developed our value proposition. And specifically over the last several years, starting in 2012 fiscal year, we started doing much more deep customer understanding and research which allowed us to understand the sub segments within the micro business segment.

And we today talk about three broad segments, what we call price primary, which is the PP, the orange colored document here; the HE or higher expectations, the gray middle segment; and the locally focused segment. So Trynka is going to talk about the movement of the Vistaprint brand towards higher expectations and the upward and print market certainly serves the locally focused both directly but also even more so through resellers.

The third dimension is the type of products we offer. And again, we started in the lower left-hand corner with business cards, we do things like flyers. But signage, logo apparel, promotional products are all products which people purchase on a regular basis in the small business space.

So if you look at those three dimensions of product geography and customer, we don't have precise market size estimates. But we still believe it is approximately a $30 billion market when you look at the dimensions shown here, which is roughly 60 million businesses with less than 10 employees between Australia, Europe, New Zealand and North America.

And they spend -- those 30 million small businesses spend on average about $500 marketing their business. You multiply those two together they're 60 times -- 60 times 500 to get the $30 billion rough approximate estimate.

Now one of the things that is happened over the last several years and one of the things which is our move to Cimpress and the broader look is to -- that we take in the market -- today in the addressable market is say, how can we extend the capabilities that we built in that original lower left-hand corner of that last cube I just showed you and bring it into other markets beyond where we are currently?

And this market that I just described is a big market, but right next to it there are many other markets. And if you take this blue cube in order to compare it to other markets, we see that certainly there are markets like the consumer market to the left, the SMB or small/medium business, think of a 10 to maybe 250 or 500 person business, and there is corporate markets.

We have about 25%, 30% of our business in the consumer market already. We have increasing amounts of customers especially in our upload and print who are buying the same products for SMB and corporate customers. So that radically increases the overall size of the market we can address.

Importantly we see a whole series of other products that our fastest growing European companies are getting into, things like packaging and textiles and magazines and catalogs. Now in each of these cases we are not -- and we are definitively not trying to compete in the major markets for 10,000 units of something, which there are many good competitors out there.

Rather we're trying to, once again, apply that concept of mass customization for very small quantities relative to traditional printers. Large compared to the Vistaprint brand, but small compared to traditional suppliers. And then the most of world component, which comes in the back, adds yet another dimension for long-term growth.

So we look at here and say there is a lot of opportunity. And it spans well beyond the traditional business card and cross sell approach that we have had. In the past there are enormous traditional markets, they are undergoing disruptive innovations because of the Internet, because of mass customization and Cimpress is in the lead of that transformation.

So this is an intentionally simplified diagram, but our strategy looks at two broad components. The top is the mass customization platform, and these are different shapes but they are broadly the similar color, they are trying to do the same basic economic and technological trick of mass customization. Don again is going to talk quite a bit about that.

But then we take those capabilities to market via a portfolio of very focused brands. There are many companies in the world ranging from Accor which owns Sofitel the hotel we are in here today and many other brands. Have a common back end in their supply chain to the Volkswagen group who produces products from Skoda to Volkswagen to Porsche and many other brands yet uses a common supply-chain to many other industries.

This idea of a common unified operational capability set brought to market via differentiated brands is a well-established strategy. What has prevented that from happening in our industry is that, unlike those other industries, we have to customize every single product for every single customer.

And it has only been through the advent of the Internet and the investment in the technology that we've built that we have been able to apply this proven technology -- this proven strategic approach of a multi-branded house and common back end to the custom products business.

So as we go after this large market we wanted to be with our shareholders and with our debt investors very clear about what our priorities are. And as I have been speaking about for the last few minutes, strategically speaking it is clearly to be the world leader in mass customization. We believe we are right now, but we would like to defend and extend that position.

Economically what we are very clearly focused on is the intrinsic value per share. And what do we mean by that? We are looking at per share discounted cash flow, we are not looking at free cash flow. Now free cash flow has last year been very strong, we had $144 million in free cash flow last year and we had 34 -- just under 34 million shares, it is about a $4.25, $4.26 cash flow per share, that is up from about $2.64 in fiscal 2011. And that's a CAGR of 13%. On an absolute basis that is -- it has grown from $119 million to $144 million.

But importantly, we believe that the profit which we are reporting in a traditional accounting view radically understates the true profit capability of this business. And so, in the letter that I wrote and the presentation that Ernst will be giving today, what we are trying to do is peel back the heavy levels of investment we're making across the business. Be very clear to you as investors why we think we are making those investments, how we to make future returns well above our cost of capital. But the underlying profit is between X and Y.

And we think that is a much more accurate approach to how we internally look at intrinsic value per share. And so we'd like to be very clear with the shareholders and give a lot more detail on that so you can make your own estimate of whether or not you have the same or a different view.

So in that capital allocation has a very large part to play in that pursuit of intrinsic value per share. It is an area which frankly we have not been advocates or followers of our entire life of the Company, it is something which we have built an increasing focus over the last five years.

And today we really are very much true believers. It influences every single thing we do as a Company. And certainly in every Board meeting and in every executive planning strategies meaning we start now from a capital allocation perspective. So we want to let you understand how important it has become to us.

It results in a portfolio of investments where capital for us is fungible across M&A, share repurchases and a whole series of discretionary growth investments in our existing business. Obviously capital could also be allocated to debt reduction and to dividends. We do not plan on giving dividends out in the foreseeable future, but we understand that obviously is another use of capital.

So how do we take that and apply the capital we have in the most efficient way? We are looking to have a very rigorous and structured approach to that. We have various -- we understand, as the orange arrow to the bottom of this slide indicates, that there are lower risk and higher risk investments.

As we get to a lower risk investment we lower our hurdle rate. That lower hurdle rate is definitively above our WACC. And the higher risks have a higher -- correspondingly higher rate when we look at whether or not we want to make an investment.

We have had a lot of positive response to the shareholder letter, we have had a lot of negative response to the shareholder letter. And one of the things that I think has been a surprising misconception or misinterpretation, and I just want to correct now. We in no way are disillusioned to think that returning our WACC is a good thing. We think returning our WACC is a churning of capital that does nothing to create shareholder wealth.

And we said in the letter at the Board level at the computation committee level we are actively talking about how to incorporate the cost of capital as a hurdle which is where we start creating value in the computation systems of the executives including myself.

So we seek to deliver returns well above WACC, not just above or at WACC. And another question we had is, well, does this mean we don't care about making money in the near-term? It is true that we care first and foremost about what we said, which is intrinsic value per share.

But we do have debt guardrails in our covenants we take very seriously. And we also believe that it is important to operate within the executional bandwidth we have as a Company and we do believe there is opportunity to deploy capital in the future which we need to keep as dry powder. So those create a guardrail in terms of what we actually expect to see. And again, Ernst is going to speak in more detail about what that means.

So, I want to thank you very much for your initial attention. I think one of the most exciting components of this story is the transformation of the Vistaprint brand. And for those of you who have been with us since our IPO, or even since five years ago, I think when you see the presentation that Trynka will talk about today, it is very hard not to see this shift in the true intrinsic value of this brand. So, Trynka.

Trynka Shineman - *Cimpress N.V. - EVP & President, Vistaprint Business Unit, Director-Management Board*

Thank you, Robert. I'm Trynka Shineman, I am President of the Vistaprint business unit. And I want to talk to today about the progress that we are making in repositioning the Vistaprint brand.

Four years ago we announced our intent to invest in creating more value for our customers and in that period of time we have done significant market research to understand the sub segment of the micro business market and how we need to better to adjust their needs.

We have made investments to improve the value of our products, to change our pricing and to reinvent the way we go to market. And we think ultimately these elements come together to position the Vistaprint brand to accelerate growth in the future.

So what I'm going to talk about today is give you a reminder of our strategy. I am going to talk about some of the examples of progress that we have made against that strategy just this past year. And then I will talk about the results that we are seeing and why we are confident that we are on the right track in positioning ourselves well for the future. And then I will wrap by just touching upon what that means for this year.

So I want to start by talking about the strategy. And the way we start our strategy is with an in-depth understanding of the micro business market. Robert touched upon this in just a few minutes ago.

We segment the micro business market into three parts: the price primary segment; higher expectations; and locally focused. Vistaprint is focused on our price primary and higher expectation customers which represent about 40% of the micro business market at large. Price primary customers is the segment that Vistaprint was traditionally centered around.

This is a segment of customers that care primarily about the price that they are paying. They want the least expensive product in the market. This means that they don't care a lot about the quality or selection. And if the price is right they are willing to work with a -- less of a service offering and with less bells and whistles in other parts of the experience.

Higher expectation customers, on the other hand, are more discerning buyers. These are customers that are more valuable, which I will talk about in a minute. And they also have more needs regarding the selection of products and the types of products they are buying as well as the way in which they buy them, so the services that they expect as they go through the process.

As we move forward our primary strategy is centered around this customer insight. And our goal for the Vistaprint brand is to re-center our target on higher expectations, but also to widen our bull's-eye to make sure that we do this without alienating the price primary customer as we move forward.

I want to talk a little bit more about these segments. These segments are very similar in terms of the industry, their tenure, the number of employees, these are all micro business customers. There is about the same number of micro business price primary and higher expectation customers. So in terms of the market size the number of customers is very similar.

But one key difference is that higher expectation customers spend about five times more on printed marketing materials. And so, when you take a look at this it means that they're a much more attractive customer than price primary in the long-term.

The other thing that we look at is we look at the percent of their buying online today. And what you can see here on the left is that price primary customers are primarily purchasing online, they are doing that because that is the way for them access the lowest prices. And Vistaprint has the dominant position in this market. In fact, in many ways this is a market that we believe Vistaprint created.

Higher expectations is open to buying online but they have some reservations. They want to make sure that they have confidence and assurance that what they are going to buy is of high quality and they want to make sure that they have the service offering that enables them to create a product that they are proud to use.

And so, our goal is to create a value proposition that attracts and moves the higher expectation customer purchases online, like we have done for price primary in the past. And I will talk about how we are going to do that.

So overall the strategy from a segment perspective is to defend our price primary segment, which is the majority of our business revenue today, but expand our higher expectations -- this is an area where we are seeing rapid acceleration in our growth. And again, I will go through what that looks like later.

We also look at her strategy from a product perspective. Robert talked about traditionally how Vistaprint was really focused on business cards and business cards has been a great market for us. But moving forward what we want to do is move from offering individual products to really establishing credible positions in some the key product categories in this market.

As an example, if you think about the signage market, which is one that we will be addressing moving forward. [In the past] when we introduced signage we would have introduced two banners, two car door magnets, two lawn signs and that was sufficient to meet the needs of our price primary customer.

But as you think about higher expectations, they want to purchase a range of products, they need more selection, they need to understand that the company they are purchasing from is credible. And so our goal is to really expand our offerings in marketing materials, signage and promotional products, apparel and gifts to make sure that we are meeting the needs of the higher expectation customer.

So moving forward we are moving from this position of individual products that help customers try or experience a category to really offering more of a full service offering across the breadth of the category.

As you think about the category I want to share a little bit of information on the market size and the addressable market that we will be looking at moving forward. This shows the relative market size of business cards versus marketing materials, promotional products, apparel and gifts and signage. What you can see -- one thing to note is that market -- each of the three new categories that we are targeting in the future are four to five times the size of business cards.

You can look at this on a spectrum. So, on the left you see business cards, this is the smallest market. It is the most penetrated for Vistaprint and we also have the highest awareness. In fact, if you talk to customers and you say who do you think of when you think of business cards, most customers are going to say -- or actually micro businesses will say Vistaprint. We are very well known for business cards today in the market.

On the far right you see the other extreme signage which is the largest of these markets. This is the space where we are least penetrated from a market share perspective today. And it also has the lowest awareness. So when you ask customers who they think of when they think of signage, Vistaprint is not a company that today comes to mind.

But the good news is when we talk to customers and we say, how open are you to buying these products from Vistaprint? They are very excited about the offering and really see these products as something that Vistaprint can credibly offer to them in the future. So it talks to the opportunity that we have.

As we think about the target customer segments and the target products that we are going after we talk about how we are going to do that, so how we are going to win in the market to ensure that we grow in these spaces.

There's four aspects that we talk about, the combination of which we believe creates a compelling proposition for higher expectations. The first is value. Value is something that Vistaprint has historically been known for and moving forward value continues to be very important.

But as we move forward we want to think about value not as just the cheapest, lowest quality product, the budget product in the market, but making sure that we have products that are good, better and best in premium quality in the market and that we have a good price on all of these, so really a great value.

Value, we also talk about the way in which we get to our price and we talk about the role of promotion, which creates -- promotion is really important for us. I will talk about some of the changes we have seen there. But promotion is important to get trial in the category. But we know that if we promote too much, even if the value is great we are creating a perception that we are cheap. And so, this is something that we need to really watch for as we move forward.

We are also focused on creating a great, simple do-it-yourself experience to help customers be able to create the products that they are proud to use online. And we know as we move into higher expectations that we need to complement our do-it-yourself experience with design services and other value added services. This is something that we are expanding significantly as we move forward.

And finally, there's something that we talk about which is a reputable provider. As you think about higher expectations, one of the key differences that they have in the market is the reputation of the Company they work with is really important for them to make the purchase. They want to have confidence in buying online.

They want to understand that they are working with someone that is relevant to them, that is talking to them in a way that they might talk to their customers. So the professionalism, the way in which we communicate, but also the products that we are offering need to represent to them that we are reputable and that we are right for them as they move their products online. So it's the combination of these four elements that we believe when done well will enable us to win in the markets that we are addressing.

That is a very high level summary of our strategy. And what I want to do is talk about over the past year the progress that we have made. I will give some examples and show some data too on the progress over the past four years. You can see the tremendous progress that we have made in executing towards this strategy.

I'm going to talk first about our products. So, as we move from individual products to product categories, there is a lot of investment that we have been doing. This year there were two key product categories where we significantly improve the value proposition that we are offering.

The first is signage. So as I mentioned, we launched signage in the past, what we called signage. We had a couple of banners, a couple cards or magnets and a couple lawn signs. Again, fine for price primary but insufficient as we think about the size of the category and that opportunity and the size of the higher expectation segment.

This is the first category where we have been able to leverage the beginning of our platform strategy. We required a lot of know-how and expertise from some of the European upload and print companies that we brought into the portfolio last year and were able to leverage that to expand our offering in signage this year.

As a specific illustration, we more than doubled the amount of banners that we offer now to customers as we improved and increased the number of sizes, the aspect ratio that we offer, the finishes and also improved the quality of the production across the board with the introduction of these companies.

As we address the signage offer, we are also looking at how do we uniquely address the challenge that customers have in buying actually large format products online to how do they design those well online, how do they understand what the right size is for them when they are trying to see and understand the aspect ratio when they are purchasing online.

And so, we have also had a lot of innovation in our website user experience helping customers find and select the right products so that when they get them they better meet their needs. We are seeing great progress here. Just in Q4 alone our signage category grew 22%. We are continuing to invest and expect to grow in the 20% range also this year.

The next category I want to talk about is our decorative apparel and promotional products category. This past year -- this is a really early category for us that we are just now getting into. One of the things that is important about this category, and distinct about this category, is just the breadth of SKUs that you need to credibly offer these categories. And you can see some of the examples of these in the back of the room.

This year we introduces 38,000 SKUs to Vistaprint. This is a tremendous investment and required a lot of work from an R&D perspective and customer user experience to ensure that we had the ability to navigate and select products. But also uniquely many of the SKUs that we offer are available in a quantity of one, which uniquely addresses the micro business needs able to get into these categories but just purchase one versus purchasing dozens that they might have needed to in the industry before.

We are just getting started here. We saw about $1 million in revenue in Q3, but we are ramping quickly to $3 million in Q4 and we expect to do over $20 million this year as we continue to integrate this experience more closely into the Vistaprint site.

So I also want to talk about the aspects of how we win and the progress that we have made. I'm going to start by talking about value. And specifically I'm going to focus a lot on the [promotionality] and the cross sell and how we have changed our model.

I think many of you that have been with us for more than a couple years know about the reinvents that we have been doing across our markets, really changing the way that we go to market, changing our pricing strategy and also the way we promote and discount and talk to customers.

This was really important in that going out to customers with a free business card offer, cross-selling and up selling different options, some of which didn't have a lot of value for customers and then charging a lot for shipping was ultimately a process that worked for price primary but wasn't creating the foundation for a long-term relationship with higher expectations. And we knew that we needed to make radical changes.

So what you can see here is that we reduced our proportionality by over 30% over the past three years. We are still very promotional and we and intend -- we believe that that is an important aspect of what we offer as we balance between price primary and higher expectation customers. But we are promoting in ways that are more logical to customers. 25% off or 40% off, not 80% off or free.

You can see from some of the feedback that we heard from customers that the discount approach and the go-to-market approach that we had before was creating questions about the quality of the products that we were offering. And so, we believe we are sending a stronger foundation.

At this point the reinvents -- we have done the heavy lifting on the reinvents across all of our markets and we are starting to anniversary these changes in our top markets and they are returning to growth to replace with the progress here and we are looking forward to moving on to the next step.

The other part of the reinvents that we addressed is about the revenues that we received from cross-selling, so on site cross sell, this is -- so when they are actually going through the order process and also the amount we were charging for shipping, which we felt was not sustainable or setting a good foundation for the future.

And you can see as we have done the reinvents and we continue to look at our customer experience, we have reduced both the percent of sales from our cross sell as well as shipping as a percent of total bookings, which is very important.

These -- while we have done this you can see from the numbers that we have actually increased our average order value. We have done this because instead of talking about free products and then bringing them to the process.

What we are doing is we are presenting the breadth of products that we have upfront. We are talking about the higher quantities of products that we have, which we think better resonate with the higher expectation market.

So we see customers opting into higher quality products and we see overall that they are pleased with the results with what Vistaprint has to offer.

The other thing we are focused on is improving our simple experience online. We continue to make progress and improve our design studio. Our goal is to introduce something that is incredibly future rich yet easy to use. This is really hard for our micro business customer who might be a plumber or a retail store owner, they are not graphic designers. And so, this is the challenge that we have.

So we continue to make progress that gives them confidence that what they are going to receive is something that they will be proud of. But in addition what we have done is we have better -- we have elevated and emphasized our phone number, really making sure customers know that we are there to help and you can see that at the bottom of the screen.

We have done that as we have continued to expand the services that we are offering. This past year we scaled our design recreation services. This is a service we were just launching this time last year. We called this service SNAP-2-3 where a customer takes a snapshot of a business card, they send it to us, they email it to us, we re-create it so that they can edit and order this on the Vistaprint site and they can order it the next day.

We've Scaled this and we continue to maintain our strong quality offering here. You can see some examples of actual documents here on the screen. Now thousands of customers are leveraging this service every month.

We have also expanded our value added services. We have two examples, we talk about template alteration, so if someone is working with a template that Vistaprint offers we are giving them the opportunity to call us and ask for changes whether it is a change in the color, a change in removing a background in a design, or even things that are a little bit more custom.

So the example at the bottom here on the bottom left is a tree, you can see the tree template. And this woman, her business is called Cat in a Tree Production. She called us and she said, I love the tree but I would love to have a cat in the tree which the team implemented there, you can see the little black cat.

On the right-hand side we are also helping with execution and production work. So there is an example a customer sent us a skin of an illustration they did and they said I want this as a business card. And so we leveraged our recreation services to make it happen. We are making changes to uploads, we are helping with things like knocking out backgrounds. And these are really important service offerings to help our customers create products that they are proud of.

As we think about reputable provider, certainly the things that we are doing on pricing, on our product offering and our services help to create more of a better reputation and build the reputation of Vistaprint. But there is also some things that we are doing explicitly to address the reputation and help to remove the barrier to purchasing online.

We know from our research that 70% of respondents require a satisfaction guarantee to consider shopping with an online provider. And of course this is something that we are trying to address. Vistaprint has always stood behind our products, we have always had a very liberal guarantee, but this year what we did is we actually took credit for it and we really elevated it and brought it to the front. You can read this in more detail, but we say we stand behind everything we sell 100% every time, any reason or we will make it right.

With this, with training and customer service and empowering our agents to really make it right for customers, we are seeing strong increases in our customer satisfaction scores. This is a customer service score that explicitly measures how easy it is for a customer to get their issue resolved. Because we not only want to resolve the issues, but we want to do so in a way that is incredibly easy for customers.

You can see several years ago that 3 out of 4 customers thought that it was easy to work with Vistaprint and that they were getting what they needed. Now you can see we are close to 9 out of 10 customers feeling that way. And this is one of the -- actually the key measure that we use for our customer service today.

There is a customer they contacted us a week ago who ordered a document in the UK and unfortunately it did not arrive in time. He had a meeting in DC and he was really worried about being able to represent himself at the meeting. And so, the agent that he talked to, one of the European agents called the manufacturing team in North America, we were able to get the order, ship it to him and have it arrive in a hotel in DC in time for his meeting.

This is the type of experience that we want to offer our customers, where if we don't get it right the first time, which we do more and more and more often, we want to make sure that we are making it right for them so that they are able to meet their needs. And we hear stories about this now all the time, it is very exciting.

The other thing that we are doing from a reputation perspective is we are really investing in our channels to ensure that we are being more brand forward, that we are leveraging our channels to build product awareness and credibility across different categories and not just on business cards. And you can see some examples of the recent creative.

This past year we rebranded our website but we have also gone through and overhauled all of our creative. You can see examples here in our emails and on TV that we are talking about flyers and marketing materials, really emphasizing specific categories and specific products beyond business cards. We are talking about higher quantities, which is actually quantities more suited to the micro business market.

In addition we are using some of our channels to talk specifically about the brand attributes, the Vistaprint offers, variety, value service, our guarantees. And we are doing this in broadcast TV broadcast but also online display and I will talk about that more in a second.

While we are doing this it is important to note that we are doing this while also retaining our relevance to price primary. So at the same time as we are introducing more variety, more premium options, more choice on the website we are also introducing lower quantities, ensuring that we have prices where price primary customers can continue to access the value and can continue to buy with Vistaprint.

And what we see from our data is that we are doing a good job maintaining our business in the price primary market while growing -- rapidly accelerating higher expectations. This is something that we continuously look at to make sure that we are staying in check as we move forward.

So across these though, whether we are talking to higher expectations or price primary, we are trying to do so in a way that strengthens our brand. This is the Vistaprint conversion funnel; we get this from our brand tracker data. And we ask customers about their awareness of Vistaprint, the consideration, the purchase rate and also their repeat purchase and loyalty with Vistaprint.

What you can see as a couple things. One, we have very high awareness and consideration. And when you compare us to the market Vistaprint is up there if not better than anyone in the market on these attributes. But you can also see that we have a precipitous drop off between consideration and purchase.

And when you compare us to other companies in the market what you will see is that they have lower awareness and consideration but they don't have that strong drop off before a purchase and repeat purchase.

And one of the insights that we had this year was -- this has a lot to do with our go-to-market approach. So awareness and consideration are driven by attributes of an organization like value for money, lowest price and convenience, really rational attributes, things that are easily measured and also aspects that we have talked a lot about in our marketing in the past.

But as you think about the actual purchase and the repeat purchase, particularly for higher expectation customers, there are softer attributes that become more important: reliability, the relevance for my business and the confidence that they have in the business and its ability to meet their needs.

And so, we are focusing on really leveraging and building our brand across all of our communications. But then also explicitly doing brand specific communications as well. And I think one of the big changes this year is the development of our first brand broadcast TV commercial which I am going to share with you now.

(Video in progress).

You can see that is quite a different approach to marketing than we have had in the past. We have this ad -- this is the 3 minute version that you can see on YouTube where we have had over 1 million views. I encourage you to take a look at some of the comments that our customers are leaving to see how it is resonating with them.

And a couple things to notice -- clearly it positions Vistaprint as beyond business cards really with the range of products that we offer. But it also positions us in a way that creates credibility and confidence with these businesses about the quality that we can offer them.

So I want to talk about this past year we've made an incredible (inaudible), incredible progress continuing to execute on our strategy. And I want to talk about why we are confident, what we are seeing in the results that make us confident that we are on the right track. I'm going to start by talking about perceptions coming off of the ad.

We know that we are able to change customer perceptions at Vistaprint and this is really important. We did a survey following the ad asking how does the ad make you feel about using Vistaprint in the future. And you can see that price primary customers on the left and higher expectation customers on the right are much more likely or somewhat more likely, so 56% to 66%, to use Vistaprint in the future.

Interestingly, while we see a movement in price primary that is significant, in higher expectations that movement is even more -- as this is a segment that cares more about these softer elements than the price primary.

The other thing as you think about our advertising overall that we've been able to do as you think about our communication strategy, the offer strategy and the products that we are focused on is we are able to acquire a higher value customer. So while the number of customers that we are acquiring is similar to the numbers we were acquiring a few years ago, you can see the percent of customers that are high-value has increased significantly over time.

At the same time our ad spend as a percent of total bookings has been declining. This shows that we are able to create a higher quality customer base but do so while also showing leverage in the business.

Our customer loyalty is also growing stronger. We measure loyalty using Net Promoter Score which is an industry metric. And you can see how Net Promoter Score has increased across each of our top six markets over the past four years. We are very excited about these results and we know that this means that we are building both a higher-quality and a more loyal customer base moving forward.

In addition to seeing this in the data we are hearing this from our customers. They are telling us that they value the changes that we have made. Now my impression of Vistaprint is real people are there to help. It is so much better than when I bought cards years ago and the site is much better than when I last visited. So customers are noticing the changes and they like the direction that we are taking the Company. It is working for them as well.

And we see this in what they are telling us, but we also see this of course in the revenue. As we continue to -- as we progressed and changed and reinvented the markets we are starting to lap that and anniversary that in all of our major markets and you can see the growth rates here.

What we are seeing is in the US, also UK and Australia is that we are close to double-digit growth. In Canada we've continued to be up of 20% growth for the past six quarters. In fact our average for last year was 29%. Interestingly, Canada is the most penetrated of our markets but it is also our highest growing market. And so, it speaks to the opportunity that we have and the fact that we are nowhere near our market saturation as we move forward.

Germany and France are markets that are newer that have gone through the reinvention and the changes more recently. In Germany we are pleased to say that we have returned to growth in that market after a long period where we were in a negative decline as we really reset the value proposition. In fact, not only were we growing the last two quarters, but our average across the year was slightly positive and we expect it to go up from here.

In France we are just now -- we have just now anniversaried the reinvent, but last year we were in the low-single-digit growth, but we expect now that we have lapped that change in July, that we will start to see that accelerate as well. So we are happy with the performance in each of our focus markets.

We are also seeing strong growth in our focus product categories which says that we are creating an offer that resonates with the market. Postcards and flyers grew 21% last year. Signage for the year grew 14%, [although] 22% in Q4. So we are seeing that rapid acceleration.

And business cards was also a double-digit growth product for us. And we expect these trends to more or less continue this year with 20%-plus growth in signage and also marketing materials and close to 20% -- close to 10% growth in business cards.

And finally and most importantly, we look at the value of our customer base. And this is really important because it speaks to the long-term and the underlying metrics in the business. One of the ways we measure that is something we call our gross profit dollars per customer. This looks at the customers who were active in the last two years and the gross profit that they generated this past year. And a couple of things to know.

First of all in North America we continue to grow this and it as grown over time. The second, in Europe you can see that this metric actually dipped in fiscal year 2013. We were seeing this dip and this is the time in which we pulled back on our advertising and accelerated our move to the reinvents to ensure we put were positioning ourselves to strengthen the market moving forward which we are now seeing.

Things that factor into this metric is the quality of the customers that we are acquiring, it is average order value, the frequency of purchase, but also our repeat rate. And we are really pleased that across all of our major regions that we've seen our repeat rate grow this year. We think that that bodes very well for the future.

So I just want to touch on our fiscal year 2016 priorities. We have incredible progress, we are seeing the results we want, and so we are moving forward and continuing to execute on the strategy that we have set out. This year we are going to continue to expand our product categories with a focus on signage and a continued focus on promotional products, apparel and gifts.

We are making some changes to our technology architecture to ensure that it is a platform that is developed, we're able to introduce new products more rapidly than we are today. So we have some work to do around scalability. We are also going to continue to improve our customer set experience and also to invest in our design and value added services.

So in summary, what you see is we feel really confident in the strategy. We have a good understanding of the market. We are executing well against the strategy. And we are seeing the results not only at the top line, but also in the underlying metrics in the business: our customer satisfaction, the growth of the high-value customers, and our overall strength of the customer base.

So moving forward we are very confident that we are positioning the Vistaprint brand for growth in the future. With that I would like to turn it to Ernst to talk about the upload and print market.

Ernst Teunissen - *Cimpress N.V. - EVP & CFO, Director-Management Board*

Thank you, Trynka. Good morning, everyone. Over the last 16 months we have invested about EUR300 million of our cash in six different companies in Europe in what we call the upload and print area. And this morning I would like to tell you a little bit more about what these companies are and, importantly, how we are thinking about creating value from these acquisitions that we have made.

So our M&A objectives in general cascade from our overall strategy that we have at Cimpress, to build a portfolio of brands and that contribute but also leverage the platform that we are creating. We look for companies with a distinct value proposition and/or a strong presence in geographic markets where we are less represented. This expands our ability to address the full potential of our TAM.

But we also look for two-way opportunities to leverage our platform. The acquisitions contribute additional scale and often bring unique product capabilities, I will talk about that a little bit more, but we can also use the scale that we already have to their benefit.

We create value through the careful selection of acquisition opportunities. We see a lot of acquisition opportunities at the moment and we are very picky. This careful selection includes an analysis of the synergy we can create from the business importantly. But of course also includes what price we have to pay versus a standalone valuation that we have to -- that we assess.

So the combination of a good base valuation for a standalone business and synergy potential is really driving our expectation for high IRRs from these acquisitions.

So these are the six acquisitions that we actually completed over the last 16 months. And one of them is really hot off the press. To the right a company called Tradeprint in the United Kingdom we just acquired. It is a relatively small business compared to some of the others on this list.

Its trailing 12-month is about [$15 million], GBP10 million of revenue. We are not disclosing detailed financial numbers on the company, but we are very happy to add Tradeprint to our portfolio. It provides a strong position in the UK in this upload and print area.

Though I will spend much of the presentation talking about this collection of six companies as a group and how they are different as a group from for instance the Vistaprint business model, there are important differences between them which I will try to highlight as well.

One important difference is the geographic reach that they have. You see by the flags at the bottom that they are strong in different markets in Europe and we have carefully selected this portfolio to cover a wide area of countries in Europe.

I will start by describing the customers served by the upload and print business. And you have just heard Trynka talk about the Vistaprint customers and you will be able to compare and contrast a little bit. They are different compared to the typical more do-it-yourself customer at Vistaprint.

Our customers in the upload and print space are sometimes local printers themselves that go online for part of their needs. They are copy shops, they are graphic designers working for small businesses, they are agencies and they are also graphically savvy employees at small or sometimes somewhat larger companies.

So this means that they are less attracted to the template driven Vistaprint sites and much more to professional interface that allows them much more flexibility and allows them broader selection options on product as well as customization of the product.

So like our Vistaprint business, these are all 100% online. So they are 100% online businesses. And there is some, but there is little overlap actually, between the customers they serve online with that.

So you see that here on this graph you recognize the price primary and higher expectations and home and family customers that Vistaprint is currently covering. And these upload and print operators cover to some extent also these higher expectation customers, but importantly cover the locally focused customers, which is a segment that the Vistaprint brand doesn't extend to.

And like our traditional business, this portfolio actually leverages the same type of economics. What is very important to understand is that although they serve potentially a little bit higher value customers, larger customers, the order size is with Vistaprint actually quite small. It is a little larger than for Vistaprint, on average the order value for upload and print companies is about EUR100, about $110, so a little higher than Vistaprint, but still quite a small order.

So the difference really is the frequency of ordering and the number of orders that they make which make them a larger customer. Why that is important is that it means that on the economics of actually producing and supplying these small orders is actually very, very similar to our base Vistaprint business and we reap the same economics that we do there.

So here is the illustration of the difference in breadth as well as depth that we have with these new upload and print providers versus our Vistaprint brand. Before we acquired Pixartprinting and Printdeal for instance in 2014 we had about 600 SKUs between the Vistaprint and the Albumprinter brands. And by buying that -- by buying these two companies overnight we tripled that number of SKUs. So it gives you an indication of how much more variety gets offered to these more sophisticated -- sophisticated customers.

You also see at the bottom right here it's not just variety, it's sometimes infinite variety. So you see here an example for a large format at Pixartprinting where the customer can actually specify the exact dimensions that they would like to have for these large format products.

The economics are also distinct and different. And here I want to differentiate between two different models even within our upload and print portfolio. One is a unique focus on resellers only. So our Exaprint brand, but also our new Tradeprint brand in the UK, have closed sites that are uniquely for selected resellers and with specific discounts and deals for Gold members, etc.

It is a very different model -- a more open model that you see in for instance Pixartprinting. These pure resellers have high order frequency per year, over 20 orders per year; AOVs that are similar to the other business, 100 to 150; and high bookings per customer, about EUR2,000 customer which is much higher than elsewhere in our portfolio.

The upload and print that are more direct still have a reseller component but also sell directly to end customers for about 50% to 70% of their business depending on the Company. And they will have order frequency of about five times per year which is substantially higher than in our Vistaprint brand which is one to two times, but average order values that are similar and therefore slightly smaller customers in terms of revenue per customer.

In this slide I deviate a little bit from the comparison that I've done between upload and print and Vistaprint, because I am comparing here a P&L of -- on the right-hand side of a typical upload and print company that we have acquired and the now total combined P&L of Cimpress, which includes Vistaprint but is obviously not exclusive to Vistaprint, it contains everything else as well.

But if you compare across you see some of the differences in the models of these new companies we have acquired and the business that we have been traditionally. I want to call out two specific blocks of costs here and as COGS and advertising, external marketing.

So if you look at the average for Cimpress, which is heavily influenced by Vistaprint of course, our COGS are about 40% leading to a gross margin of 60%, and our external marketing spend is 22%.

If you look at these upload and print players you see a very different profile. They have relatively high COGS, 65%, that is because they often provide wholesale prices, but then they have very low marketing spend because they sell to much more professional players that don't get accessed through page search or mass TV. They really get access in trade shows and in much more targeted advertising channels.

So you see low advertising as a percent of revenue. And then the P&L finally leads to an attractive but a very different profit level compared to the overall Cimpress business.

I said in my opening slide that one of the key things we look for is can these businesses that we acquire add scale to our total overall Cimpress platform. And I want to illustrate here what exactly kind of scale we are talking about with these acquisitions in Europe.

So what you see on the graph on the right, you see two graphs. The left-hand one is the now distribution of revenue between our traditional Vistaprint business in Europe and these new acquisitions, these six new acquisitions that we have made. And so, you see we have -- we are now roughly 50-50 in terms of revenue. So we have added -- we doubled our scale in terms of revenue with these acquisitions.

But then very interestingly, on the previous slide I showed how much higher COGS as a percent of revenue is for these new businesses. So if you look at the now -- the current mix of COGS you see that these new acquisitions represent 70% or more than doubled actually the total COGS that we had in Europe. And that provides a tremendous amount of opportunity because scale really matters in this business.

We have largely left alone the production of operations of these acquisitions for now while we continue to build our mass customization platform. But hopefully this gives you a bit of an indication about how this increase of scale in Europe might provide us with opportunity to optimize production and supply chain in the future.

A little geographic fact -- we have huge opportunity with these acquisitions and not the multiple plants we have acquired across Europe to optimize our supply chain. And so, for instance we have a strong plant with Pixartprinting in Venice. And although London seems far away in the scale of the United States -- or the North American continent, it is the same difference as Nashville to New York. So it is a relatively small distance for sharing different production platforms.

And why is that helpful? Partly because some plants maybe have lower cost of producing certain products. But it may also offer us an opportunity to optimize the shipping speed being closer to our customers.

So turning to synergy and how we think about synergy. We think about synergy really on three levels, and you see them here illustratively shown, in terms of quick wins, longer-term COGS savings and then longer-term revenue savings. We expect the biggest value not to come from the quick wins but from the longer-term COGS savings, but also from revenue savings.

So what are these kind of savings? Quick wins with COGS reductions we see examples here in both directions. So we see Cimpress benefiting sometimes, but very often see these upload and print businesses benefit from us. Examples have been a lowering of consumable costs for our recent acquisitions, Druck and Exagroup, through better negotiation or negotiation with -- from a larger base. And also lower prices for equipment purchases that we have done for these businesses just in the last few months.

Next we really hope to get to these longer-term COGS savings. Examples of how we can do this is to shift production for instance from one location to another to a more cost-efficient facility. An example of this is the Printdeal manufacturing in the Netherlands which we moved to our existing facility in Venlo. And although we have in this first past year, we've see significant integration costs, we expect long-term to be this great benefit.

The third category is also the longer -- the more longer-term category and is related to the platform that Don is going to talk about after this. By exposing the full product catalog that we have at Cimpress to all of these businesses that we acquire, and from these business that we acquire to everyone else, we see a real opportunity for everyone to very quickly introduce new products and new product capabilities that weren't there before. So that is revenue, not just cost-saving, that is revenue -- opening of new revenue opportunities.

So in summary, we are just at the beginning of really of a multi-year journey in the upload and print space, but we are very pleased with where we are right now. These six acquisitions, we have owned them between 16 months and three days, but what we are seeing so far is very, very pleasing to us.

They are doing better than we expected them to do in terms of their revenue performance and the management teams are strong and we see them really on track to delivering the value that we hope them to deliver. But we have just begun to really ramp up the integration activity and that is going to be a big focus for us in the upcoming years, creating those synergies that I showed on the previous three pages.

So these investments I think are a good case study of the kind of value we can create with a combination of the platform and these front-end brands enabled by an M&A strategy. We are focused on upload and print. Obviously in the last 16 months our activity, our M&A activity has been in this space. But it doesn't necessarily only apply to that space. And we believe as we go forward into the future there will be other areas where we can apply the same kind of value creation. With that I give to Don.

Don Nelson - *Cimpress N.V. - EVP & President, Mass Customization Platform, Director-Management Board*

Thank you, Ernst. My name is Don Nelson, I lead the MCP organization. And this morning I am going to start off with a quick video that will give a good overview as to what the mass customization platform is. And then the core of my presentation will focus on aspects of the value that we deliver from the platform and I will also begin to cover some other aspects of how we will deliver the platform. So with that I'm going to kick off with a video.

(Video in progress).

We began with a business model that tightly coupled the Vistaprint front end website with a single manufacturing and supply chain back end. We did really well at optimizing our manufacturing and supply chain to manufacture the small number of core products that we produce for Vistaprint at our Windsor, Venlo and Deer Park facilities.

As we evolved our M&A strategy we acquired businesses with different customer value propositions and products. These companies were a lot more nimble than the platform that we had built for Vistaprint and in some cases these companies had deeper production knowledge and deeper product knowledge in areas that we did not.

This created an opportunity for us to learn from our newly acquired companies and apply those best practices across the breadth of the network and begin a concept of creating a global mass customization platform.

This is a journey that I will refer to as at the transition from what I will call single use, which is built by one company for the exclusive use of one company into what I will call multi-use, which is this concept where we build something once to support many different business units and many different customer facing needs.

In our multi-view future we need to be both highly automated and highly flexible, we saw that interest the differences between the Vistaprint brand and the upload and print brands. We also need to have an ability to serve a wide variety of customer needs from micro-businesses using template driven design to graphics professionals with deep design and deep product knowledge.

We also need to be able to move from a very small number of highly optimized products to a large number of highly customized products, including concepts such as variable sizing where you can literally choose any size that you want or any shape that you want.

If you wanted a large-format banner and you wanted it cut like a daisy we would be able to do that, whereas traditionally, as Trynka was speaking with the Vistaprint brand, we might have gone to market with just two or three or four different banner sizes and one substrate. We also need to be able to do custom finishing for the needs of graphics professionals as they design very robust products.

We are building the world's mass customization platform and we believe that this platform actually could take us on the order of about five years to build from concept all the way through the full delivery of this. But we are focused on delivering value along the way and we will continue to increase competitive advantage as we go.

So this is not a scenario where we build for five years and suddenly some shrink wrap solution exists. Over the course of the years, even now and even into the next fiscal year, we have significant value that we are delivering on this platform.

But it's very much a play like with Amazon where Amazon took on the order of 8 to 10 years to actually build their core platform from the point at which they started until the point where they have the significant platform advantages today. We see a similar challenge for us as we invest for the future to actually build the world's mass customization platform.

We also need to understand the unique competitive landscapes, products and service needs of the portfolio of business units. So already we have many, many different business units that we need to be able to support and many different brands and then brands even within business units.

And in order to do that and do that well we need to adapt our mass customization platform to meet each BU's unique demands while we optimize to provide the lowest cost through in sourced and outsourced production. In doing this we create competitive advantage that is greater than what any one individual business unit could create on their own and creates the ability to respond more rapidly to their individual customer needs and changing market dynamics.

One of the key values -- one of the key areas of value that MCP can provide our business unit partners is around lower costs. And certainly you have heard that through many of the presentations so far this point, the importance of being able to lead through lower costs.

Historically optimized, as I said, for a very small number of customer segments and a very small number of products. But we are in the process of evolving -- of understanding an evolving set of customer needs as we acquire more and more businesses and we need to optimize our network according to those needs. We need to design our network and optimize our network for the needs of the future as opposed to the past.

And as Cimpress grows we are learning from our new businesses about ways to optimize to lower cost and we are sharing best practices where applicable across the breadth of the network.

Some of the cost reductions -- some examples that we have had from the last fiscal year. We were able to move more than -- remove more than $6 million from a supply-chain savings efforts just within our Windsor and Venlo facilities. As Ernst spoke about, we consolidated that Printdeal manufacturing operations into our Venlo plant which provided for significant operational efficiencies and significant cost savings as part of that deal.

We are also able to utilize outsourced production to provide swing capacity to enable us to optimize around our holiday peaks. Those of you who have been here for several years, we have talked in the past about the significant ramp that we have around holiday with regards to products such as holiday cards and calendars and things of that nature.

We see significant spikes in our plants on the order of 5 to 7 times volume that we might see in some of our plants, 2 to 3 times in others of our plants as these volumes hit us in a very compressed period of time in the November and December timeframe.

Our ability to leverage outsourced providers allows us to create swing capacity during those periods of time, that allows us to minimize the amount of capital that we need to deploy in order to purchase production equipment for what would be for a very short number of weeks. And then we will sit idle what could be for months until the overall growth of the Company has caught back up and we can leverage that it equipment.

So this is a big area of focus for us as we think about the future and the balance of what we choose to produce ourselves internally within our own network as well as externally associated with the network with third-party outsourced providers, manufacturing providers.

As we build and optimize the network we do have a significant challenge which is we have a very sizable production footprint today. And we have right now more than 1,800 manufacturing employees working across 12 production facilities and more than 1.5 million square feet of production space around the world.

Our plants are located in areas such as Canada, as a result of the acquisition Ernst spoke to a few minutes ago, and Scotland as well as the Netherlands, France, Italy, Brazil, Australia, Japan, India and Austria to name most of them.

We produce more than 46 million unique items over the course of the year, that has resulted in more than 25 million shipments to customers over the course of FY15. And we produced more than 5.9 billion business cards in FY15, which is essentially almost enough for us to hand one out to every single person on the planet.

We have a proven record in our ability to translate this type of scale into competitive advantages. And I think our results that we have talked about so far have proven that to date. And we believe that we are only at the beginning of building the world's mass customization platform.

Talk for a minute here on this slide around optimizing our network design overall. So as we acquire new businesses and their production facilities we have to continue to evaluate how we build and optimize our overall plant and supply-chain network.

We need to do that in a way that balances areas such as unit cost and shipping cost and shipping speeds. And we have to be able to keep optimizing the network to support more and more companies as they continue to join Cimpress. And in addition to the companies the value propositions that -- customer value propositions that they bring with them.

So if we look at the horizontal axis of this graph here you see on the left-hand side -- you'll see on the right-hand side one of the paths that we could take through this is to build a large number of plants that are very close to our customers.

This could significantly reduce things such as shipping costs, but at the same time increase our expenses -- increase our fixed cost expenses and our inventory carrying costs as a result of having many more plants necessary in order to produce them.

Now the customer value proposition for this type of decision around optimization model could allow us to do same day delivery in every major metropolitan area in Europe or in North America and could be a very, very power offering that our business units could bring to market.

We could also choose to optimize on the other extreme, or on the left-hand side of the axis, where we could choose to actually build a very small number of very large plants. And in this case we could have much lower costs and inventory costs but incur much higher shipping costs as almost by definition any one plant is further away from any one of our customers.

And either we would have a path of extremely expensive shipping to do something next day or a complete inability to do something same day for our customers. And so, here you see the interplay of what could be the customer value proposition that we need to support with a desire to have an optimal -- a desire to have an optimal, optimal plant network and supply-chain that can support it.

There is no right answer. But as we -- but we know that the optimal range, we can actually see that and actually see where we should start to move and we will continually tune in order to try to get there.

But having an optimal plant network is only half the battle. To claim the full competitive advantage we need to aggregate a large volume of orders from our portfolio of brands. And we also need the software portion of the platform to optimally route the orders across our plant network.

And our software -- this software will give us the ability to have a layer of abstraction between the business units and the actual plant network, which is important. Because it will allow us to continually to the plane network, the balance of in sourcing and outsourcing, the location and the size of plants, where products are produced and how they are produced -- completely abstracted from the actual business units that are purchasing from the platform.

So as we optimize on the back end from a platform supply-chain perspective it is completely isolated from the business units that access it on the front end, which allow us to continually tune on the back end while the business units on the front can start to access that value and tune their customer value proposition.

So it is very much moving away from this concept that you saw in the video of a tightly coupled kind of vertical integrated platform that we have at Vistaprint, which has this one-to-one relationship of plants and business unit -- everything tightly, tightly integrated. Here you see us abstracting away the various layers and services of platform in order for us to accelerate the optimization that we can bring.

Conformance is a critical portion of our mass customization strategy. Our business units will determine how they go to market and will define the product specifications for the products that they will sell to their customers. Within MCP we will need to consistently deliver products that conform to these specifications regardless of production location and regardless of whether or not this is in sourced or outsourced from a production perspective.

This is important, as we heard from -- Trynka speak that what she has seen within the Vistaprint brand is that 70% of customers now look for some form of a satisfaction guarantee.

One of the upload and print companies that Ernst had on his list that he spoke about, druck. AT, actually is a bit of the inverse of the rest of the model that many of the views are following in that they use an invoice model. So whereas Vistaprint will take the money and produce the product and then guaranteed the satisfaction, at druck. AT they produce the product, ship the product and then the customer only pays if they are satisfied.

So you begin to see in these types of models the importance that conformance can actually bring from an overall strategy perspective, because if the business unit is continually concerned about where or how you actually produce on the back end, essentially your platform strategy starts to degrade over time.

Because you will be forced into only producing certain things in certain factories or one thing in one factory you will lose the opportunity to leverage outsourcing for swing capacity or the opportunity to produce in certain plants to drive certain customer value or overall to optimize around cost.

So conformance is an absolutely critical aspect of what we are focused on from a platform perspective. And we define performance as the consistent delivery against product specifications regardless of geography or filler that actually creates the products.

So no matter where in the network we deliver it, we expect that a business unit will know that we have achieved the product specifications that they have set for that and that internally will meet their customer expectations as that is delivered to their customer.

So this is a relatively simple example, but to some degree it is complex in nature -- in implementation, which is customers expect to receive their orders when we told them that they would arrive. And that is a major part of the brand promise that many of our business units have with their customers. And we see this as a conformance area for the platform.

In some places you might look at this and say, well, it is just outbound logistics, you just need to tune that. What we see really is this connection from the customer, through the business value proposition, through the business unit to the platform, all the way out to our outbound logistics providers and our need to be able to consistently be able to deliver on expectations here.

So we are off to a great start with respect to what we have done here in FY15 and we reduced the percentage of late deliveries by 20%. And while our on-time deliveries have always been in the mid to upper 90s, a small amount of improvement that we can drive here across 25 million shipments can have very significant impacts overall from a platform perspective through things like the reduction of shipping costs and expedited shipping to increasing customer satisfaction and improved BU brand and customer value proposition.

So this is something really important for us to consider within MCP is what we do and how we do it actually impacts how the business unit's brand is perceived by the customer. And so we feel that we have this -- while we do not own the customer, the BU owns the customer, we feel that we are part owners of the promise that was made to those customers. And we see that promise as really being extended through to the customer through conformance.

One of the areas that we have to be able to deliver on is a massive increase in selection that can be delivered from the platform. And we define selection as far more than just the number of products or SKUs that we offer. For us selection includes what we refer to as selection options and attributes of a product. So these could be sizes, substrates, color specifications, packaging types, delivery speeds, document proofing, payment methods and the like.

And then within any of these we could have wide ranges of types of selection options. So, for example, delivery speeds could be everything from same day to next day to air shipments to three or seven days. Payments could be everything from [cost of] from cash on delivery to invoice to credit to direct debit and things of that nature.

Packaging could be kind of budget packaging in an insulated sleeve all the way up to extremely high end premium packaging, could be options of branded or white label. But what we see is the need for us to have literally tens of thousands of products available within the platform with millions of selection options that are available.

And coming from a previous time where we might have had a relatively small number of products in the low hundreds going to tens of thousands with millions of options you might ask, why. Why do we need to go to that far of an extreme? And it is really simple in that regard and very, very powerful. Which is as varied as Vistaprint is from our upload and print business units, we on the platform cannot force to be used to all sell the same products.

There is no need to have that variation of brands, there is no need to be able to target those customer segments that are new to the Company to have different value propositions if it is the exact same product that you ship and sell on the back end.

But what we see from and MCP perspective is tremendous commonality around the types of products that they offer and the [similarness] of that product that allows us to achieve scale advantage on the back end, explode product selection and be able to deliver that variation up through the business unit so they can have very distinct and unique propositions out in the marketplace.

So that is one of the powerful aspects of it. And when you look at the list of companies that we have acquired in Europe, they have their reseller model, they have their direct model, they have very different relationships with their customers. They compete largely in the same region but they compete for a different customer segment.

In many cases they compete with different product sets, they compete in different fashions. And MCP needs to be able to enable that consistently in the future and really help them march more towards the distinct aspects that they need as opposed to trying to have a homogeneous system where everybody is the same everywhere.

So in prior years we would have rolled out only a handful of products, middle of the Bell curve products, a term we've used in the past, that we would be able to scale to the sale of millions and millions of these. We would go to market with one mug, two pens and these were all produced in highly automated production lines and produced with a strategy that worked for many, many years with Vistaprint.

But we need to move across many dimensions of product launches today, including improving quality for our existing products that will be used by new business units to meet new customer expectations, launching new products, expanding our global offering within our existing product sets, enabling a global roll out of products across many geographies around the world, and moving product quantities both down to no minimum quantities as well as up into higher quantities in the thousands as we start to look at SMBs and corporate and things of that nature.

So in the past year we have had a significant success around many of these dimensions, we launched 2,500 new products which is reflective of almost 10 times that in the number of SKUs, so on the order of 30,000 SKUs that were associated with those products. 570 of those products had no minimum order quantities.

And what is interesting about that is if you look at some of the branded textile products in the back, those are no minimum order quantities for products that are not available elsewhere in the industry in quantity of one. So that is truly a unique value proposition that we have been able to create, being able to take products down to a quantity of one.

We continue to launch more and more large-format and banner sizes as Trynka mentioned as a key category for the Vistaprint business unit and seeing both significant growth associated with that.

So we are basing our software portion of the platform around micro services. And to accomplish this we are decomposing our software into what we will refer to as the smallest unit of services that we can make available to our development teams and our business units. This enables greater flexibility and nimbleness and overall speed from our software delivery.

We have made great progress in this particular area and we have already started to connect many of our new business units to the platform. And already in the next couple of months we will start to see the flow from MCP from our existing manufacturing facilities across these BUs in areas such as T-shirts and business cards and flyers and stickers and things of that nature which will be produced centrally through MCP and then sold through the business units.

Overall from a network perspective we seek to do two things. One of which is to have any merchant be able to purchase from any fulfiller within the network. The other piece of that, which is also important, is to have any fulfiller in the network be able to support for any merchant in the network.

And what is powerful about this aspect is that when any fulfiller joins the network, or we bring into the network, 100% of their product set will be available to all of the other BUs within that network. So this is another aspect of product explosion that we think could be on the horizon, which is when we acquire a company or a fulfiller or a set of products we add them to the network, all of the BUs will be able to purchase from that.

One of the ways that we see is impactful here of moving across the network in this fashion is we're actually investing to bring our large format signage offering, particularly from what we're seeing from Pixartprinting and the expertise they have in that area across all the business units around the world in FY16 and beyond. So that is an example of how we can move forward with that.

Safety is always first within MCP. With close to 2,000 manufacturing employees and the different languages and cultures and the plants that we have all over the world, it's something that we have to remain very focused on. And I'm proud to say over the past year we have reduced significant injuries. Those were injuries that required a visit to a doctor or the need to see a hospital or medical professional by more than 25%. So this is a big focus for us as we add more and more fulfillment centers to the overall network.

We have also invested significantly in the past fiscal year to create a product organization capable of scaling to tens of thousands of products. We created a global manufacturing organization that can integrate all of these fulfillment centers around the world and be able to deliver consistently around the world. And we reorganized our technology organization around micro services to increase our speed and our nimbleness.

This is all also part of a big focus that we have around culture which is focused on both creating an environment for the best people that we have today, but also our need to be able to acquire people -- to hire people around the world and integrate people from acquired companies into MCP around the world.

So culture remains a very large focus for us as we think of what it means to be a part of MCP, what it means to be a part of Cimpress, and what it means to invest from an MCP perspective to make many, many different business units successful in the future.

So in closing, I just want to be able to speak at a very high level which is MCP succeeds when our merchants and our business units succeed. Ultimately we are in this B2B2C type of relationship where we produce for a business unit who in turn produces for their customers.

And our business units and merchants succeed when they can find the lowest cost, when they can find the highest conformance and that they can get every product on time to specification in any geography around the world. And then finally when they have an expanded selection offering that is in the millions of selection options.

And with that I will turn it over to Robert to speak about most of the world.

Robert Keane - *Cimpress N.V. - President & CEO, Chairman-Management Board*

Thanks, Don. So if I step back before going into this presentation and just describe what we've been talking about today you can think of a spectrum from near-term to longer-term. And clearly we have a very good business which we operate every day and the teams around the Company work on investments that -- we have many investments we are not talking about today or in the investor communications we sent that are very quick within 12-month payback, that is probably -- that is one end of the spectrum.

Then we have spoken about what we are doing in the Vistaprint business unit for a really core $1-billion-plus brand and healthy business and how we are repositioning that. And the changes we are doing in MCP which are the back end of that traditional Vistaprint. And so those are more midterm and certainly things that we are very excited about in terms of where we are allocating our investments.

Further out is what Ernst spoke about which are some of these major amounts of capital we've deployed into the M&A with the belief that as we build up the platform we will be able to avail ourselves of significant competitive advantages, not just cost, inclusive of cost, but also many other things as well.

And furthest along the spectrum is what I would like to talk to you about now which is most of world. And we intentionally use the term most of world at Cimpress because when you are talking about something which is the vast majority of something, rather than saying rest of we think it is better to say most of.

So in a slight internal joke of not taking -- not losing perspective on how big the world outside North America and Europe is we talk about most of world. That being said, it is a long term investment and it is on that left hand -- or one end of the spectrum I just spoke about.

So, what are our objectives in these investments? First of all we want to build foundations in what are indisputably very large and growing markets, places like India, Brazil and China obviously being very different from each other and extremely different on the economic development scale in Japan. But from our perspective these are all large market opportunities for us.

We are looking to hire and develop very strong local leaders and teams, we are looking to retain our heritage of entrepreneurial risk and innovation and speed. Very importantly, we have learned from what we have done in the Vistaprint brand and look back to where we in retrospect, I personally and we as a Company, wish we had invested in 1999 to 2005 and beyond in the value proposition first and foremost. And so, we are ensuring that we are delivering an incredible customer value in these countries and to do so via a differentiated value chain.

We are differentiating from local country -- one country to another, but we are also leveraging the capabilities of the Company. We look at this as a portfolio of four different investments that are inherently high risk, but also high potential reward. And with that portfolio view we are taking a long-term commitment.

So I will quickly go through the four different countries one after another and talk about the objectives here as -- I'll use the various countries as illustrations of these various objectives.

Cimpress India, or we sell under the Vistaprint name, is a very exciting opportunity for us. We are doing wonderful things in the Vistaprint brand today in North America, Europe, Australia. But when we launched in India we intentionally went right way to what I would refer to as an aspirational brand. We did not want to try to compete in a price market in India.

The local management team, which was a very small startup company we bought several years ago, it was adamant that was not the right way to go. And I think it was right because it was just not -- in retrospect we learned in China we could not win in a price war.

And so, we are certainly not a luxury good, but we are positioned as a very high quality business in terms of service, in terms of the quality of the products, the guaranteed on-time delivery and other aspects. We are testing our retail stores where we can have a high touch service. We are focusing a lot on the newer products like our embroidery product line.

And on the lower left-hand corner you see a picture of our production facility in India. Certainly we do not have anywhere near the level of automation we have in the more developed countries because of the cost of labor in India being so competitive. But other than that, if you walk around facility the way we have safety systems, the way we have training, the way we have software systems running the products, it looks and feels like you have just stepped out of our Australian or a smaller portion of our Dutch or Canadian facilities.

The next one is Japan. Obviously totally different market. The picture here is a picture of a facility where we are investing very heavily, we are opening up in the next one month or so, starting shipping to our Japanese customers. Up until now we've built a $5 million to $10 million business in Japan shipping from Australia.

Now a lot of people say, well, gee, Australia is kind of over there, but it is in the same longitude, but it is a little bit like serving us here in New York from Buenos Aires, it is a very long way to ship business cards in one of the most service sensitive markets in the world.

So we are -- obviously want to go well beyond business cards, but we are starting with a production facility that will allow us to do that for whatever the products in very, very rapid delivery. We are starting off this year moving to order today get it tomorrow and we have plans in Japan to move it to same day delivery in Tokyo.

And on the upper left-hand corner you see a picture of our retail store. We have done a joint venture in Japan. We are 51% owners, the 49% owner is a company by the name of Plaza Create who has about 600 stores throughout Japan and they have excellent customer service.

And will be going with a bricks and clicks model where customers can seamlessly move back and forth between ordering online or off-line, picking up in-store or delivering to home, returning are getting help in-store or online and via telephone. So again, very much addressing the high service and high quality needs of the Japanese market.

Totally different market yet again, Brazil, we have invested here. We have just under 50%, we have 49.99% of Printi, a Company which is doing very well and beating all of our expectations in terms of growth rate and the speed at which they're moving on a trajectory towards profitability.

Here the team which started this, again two entrepreneurs who started the business are bringing the European upload and print business model to Brazil. Brazil is in many ways a troubled economy, but it is also a very inefficient economy in many ways. And there are many layers of distribution between the traditional printers and then through distributors or resellers and salespeople which create a lot of opportunity for disintermediation of those layers.

But unfortunately in Brazil those layers each come with some degree of -- often come with some degree of [graft] or payoffs or -- and it is very frustrating for the customers. And e-commerce in print we feel it is picking up very quickly because it is a very transparent, easy model for a customer to not have to deal with all those hassles of that model.

And we importantly see that the price levels in Brazil are at least as high as they are in Europe or North America, yet the cost structure we can build there is materially below that. So we are very happy with this business growing well over 100% on a per year.

China, obviously we had a failure in China, we invested and lost $18 million in our first try. We are going to be going back in. We are not doing a lot this year, we are preparing this year with recruiting and setting our first operational steps. We don't expect to really be going to market until 2017 fiscal. But we are spending some money there, about $2 million, in our upcoming FY16 to prepare to go back in, building the team and developing the capabilities.

We are incorporating lessons we learned from our prior experience. We are -- in retrospect this is maybe stunningly obvious, but what we attempted to do was to play the price game in China. We looked to the success the Vistaprint had had coming in at the lowest price producer and lowest price in the market in the 1999 to 2008 time period and in many ways tried to replicate that.

We invested with a Company that was growing very fast, incredibly fast using that type of approach and going also a lot through wholesale markets. The problem is that very quickly degenerated into a price war which if I (inaudible) from what I learned in China is foreign companies don't win price wars in China.

And again, it may be stunningly obvious in retrospect, but today we are doing a lot to position us very much along the lines of success we have had in India as not a luxury but as an aspirational brand focused on service, on product quality, reliability and the like.

And importantly, we were never in a position -- we really liked, and I still personally like the founder of the team there in China, but we never got ourselves to the point where we were willing to use our technology in China. So because of that we went in and tried to have everything developed there. And it just didn't ever get to the quality of the technology. We see in India an enormous advantage of having that technology there. So we will be back in trying there.

So in summary these are four vastly different countries, each as different from each other as each of them are different from Europe or the United States. But they have enormous potential. We see this as a long-term investment this year. We are reducing our NOPAT by about $30 million because of these investments. That $30 million includes the fact that we are about 50% ownership of Japan and Brazil and we consolidate those at 100%. But it is still a major investment.

They are growing rapidly off a very small basis. What we are most happy about is we have incredibly high customer satisfaction rates and we think that is a key building block for the future. We certainly seek to build a high-growth business for the long-term with differentiated and defensible business models. Our objective is to exceed $100 million in revenues.

To put that in perspective, that is about the size of where we were when we went public 10 years ago. And we would like to get there within the next five years. And if that is successful we would then be in a position where we would have a foundation and momentum for much growth beyond that in the decades to come.

So with that I would like to switch over to our last presentation today which is Ernst coming back to speak about capital allocation.

Ernst Teunissen - *Cimpress N.V. - EVP & CFO, Director-Management Board*

Thanks, Robert. In this presentation I want to cover in more detail how our capital allocation has evolved and what the specific impacts are for fiscal year 2016. And I will give some additional detail on top of the materials that you have seen last week.

Specifically I will cover four different topics, firstly a brief history of the last five years and how we have deployed capital over the last five years and also what impact that has had on our profits and cash flows. I want to give some thoughts on how to potentially model our business in our current strategy. And finally, implications on our communications evolution.

This slide was already presented by Robert this morning so I won't go through it in detail. But I would like to double-click on this last point, the guardrails that we have in our investment approach.

It is a very logical question to ask if you hear us talk about maximizing for intrinsic value per share, maximizing for long-term value potentially at the expense of short-term cash flows. It is a very logical question and some of you have actually asked that question in the last few days is does that actually mean that how far down your profits would go in any given year is actually completely open ended. And the answer to that is no, it is not open ended. We have some very important constraints and I want to provide some more detail on that.

First very important is we have substantial indebtedness that we have taken on both through our bank facility as well as the high yield offering. And we are subject to covenants which we take very seriously and we want to take very safely in the margins of. We have also publicly said that we are targeting a debt to EBITDA ratio of up to three times. We said that we might temporarily go over for the right opportunity, but three times is about what we target.

But moreover above that, we do want to have the flexibility to take advantage of opportunities that present themselves in the M&A market like we have done over the last 16 months, or potentially in the -- by doing share buybacks. So just above and beyond our existing debt we do want to keep some flexibility. And then there is execution and how much we can handle as an organization as well which constrains us.

So in conclusion, although our approach in theory indeed could lead to an open ended level of organic growth investment and an open ended level of reduced profitability, we will limit ourselves to these above considerations.

This is a graphic display of what Robert just covered in the beginning of his presentation about MoW. We have calculated our own cost of capital as 8.5% and we are defining hurdle rates well above that cost of capital obviously for different projects. And we do that really depending on the risk and the period of payback that is required for these investments.

And as Robert said before, there is a category which we believe is relatively safe and relatively proven investment because we have done it time and time before and the paybacks are very -- relatively short. So advantages of that are investments in or advertising in Vistaprint where we know it doesn't fully pay back within the same year but we have good visibility to when it will payback. But it is also purchasing or replacing equipment that doesn't immediately payback in the first year, but we know is very good payback.

So we see here on this chart we apply a hurdle of 10% plus for that. In practice actually these sort of proven investments that you see in this category in practice return significantly higher -- significantly higher than that. So it is in many cases somewhat a theoretical hurdle.

The middle bucket here is, as Robert described, it's a little bit more medium term and in our assessment more medium term -- medium level of risk. And we apply a hurdle of about 15%. That is not 15% for every project, we look at every project differently. But about 15% I think is what you would look at.

So we do that for -- that is the kind of return we want from our acquisitions, but also for significant technology investments for the future, product introductions, completely new product introductions and our investment in the platform. And then in emerging markets or in very new business models that have -- that take a much longer time to pay back we apply even 25% return hurdles.

So a little retrospective of what we have been doing over the five years. What we have seen is a very substantial shift in our investment profile. And so, if you look at the period of fiscal year 2009 to 2011, shortly after we went public in 2007, you could characterize -- from a capital allocation perspective, you could characterize that period as one where we spent relatively little on investments focused on creating longer-term growth and longer-term value.

We had a very strong focus on executing on relatively short-term priorities, not surprising, we were growing very quickly. And we had a very strong focus on delivering certain EPS growth every year. And so that provided quite a natural constraint in how much we were investing really for the future. So this is a period in which we actually build up quite a bit of cash on our balance sheet.

In the last three years, the fiscal year 2012 to 2015 period, four years really, you see the very different pattern. So we started to invest very significantly starting in fiscal year 2012, significantly in organic long-term investments. And in parallel we did M&A in total of about $660 million in that period.

So a substantive increase from the very small few million dollar activity that we had in the period before. And we bought back $400 million of our shares in that period as well. So a very elevated level of internal organic investment but even more pronounced and more importantly external investment as well.

So why we did that change, why the change from that period of relatively little investment for the future to this period now. Firstly, we realized around that point, around that time in fiscal year 2011 that we had -- we were actually under investing in our future.

And that we saw a very large potential market from mass customization that Robert talked about and we believe that opportunity was very big. And that the way we were approaching it through a previous incarnation with a more limited offering from the Vistaprint brand we were limiting ourselves to a slice that we were actually saturating. So we -- and we call that slice the price primary customer now, as Trynka talked about it before. So that really changed.

And so, we started investing in larger amounts for other avenues of future value. And this is a picture of the investments we made in M&A and share repurchases over time. You see that we deployed about $1.1 billion of capital over the last five years in these two categories, about $470 million in share repurchases and $660 million in M&A. The $660 million is not equal to the cash we have spent so far, it also includes some future obligations that we have.

So you see substantial amounts. The heaviest level of share repurchases was in fiscal year 2012 and into fiscal year 2013; this was the time where our shares were trading in the [$30s]. And the largest periods of investment in M&A have been firstly in fiscal year 2012, the Webs and Albumprinter acquisitions, and then more recently in 2014-2015 our investments in the European upload and print space that I just talked about.

So what that has meant for our balance sheet in the last five years is quite impactful as well. So we were in a position of cash in fiscal year 2011 and through deployment of this $1.1 billion of capital that I showed you on the previous chart we have been able to fund that partly with the free cash flow we were generating, we generated $470 million of free cash flow from our operations in that timeframe. But we complemented that with the issuance of both bank debt and high-yield debt in parallel.

So I will now -- so that was the external investment that we made, $1.1 billion in M&A and in share repurchases. I will now say more about the organic investments we have made, the investments that actually show up in our P&L and our cash flow statement.

These -- I will use NOPAT here in these graphs. That is our operating income, our GAAP operating income corrected for mostly M&A-related expenses that we back out like changes to our earn outs which flow through our P&L and amortization of intangibles. But also it adjusts for cash taxes rather than GAAP taxes, so it gives you a more complete picture of our true operating performance.

Now the first slide is showing NOPAT in that definition for Cimpress as a whole from fiscal year 2011 to fiscal year 2015. You see that we took down our profitability in this period in fiscal year 2012 and 2013 and then started to increase again. But even using NOPAT, which is sort of adjusted from a GAAP operating income doesn't really reflect the true underlying cash flow generation potential of our core in these numbers.

And so, what I will do in the following sequence of slides is I will make some -- I will back out and add back certain things to show this NOPAT picture in different ways.

The first adjustment here is I am taking out the NOPAT impact of the European M&A that we have done. And so, what you see if you toggle back and forth between the two is you see that has a very similar pattern but has lowered our NOPAT in the last few years, these acquisitions have been accretive to NOPAT for us.

If you -- then one more step, what I do is as we talk about these categories of major long-term investments last week, and they are in the projects that you heard about today, it is in the platform, it is an Columbus, our significant investment and soft goods and apparel product line and it is an MoW, the MoW countries, as well as integration of the acquisitions that we have made.

So if you take that historically and then you toggle back and forth between the previous page and this page where it has back is you see what you could call the underlying core of the business without these. In fact, there are other long-term investments which we identified here as well that could have made that NOPAT even higher in fiscal year 2014 and 2015. But if you just take out those major investment projects, this is the profile that it would have looked like.

Now there is still -- even with that pattern you still see this dip. You see NOPAT coming down and then going up even when taking out these investments. And that was really in the period of fiscal year 2012 and 2013 where we were making significant investments in our Vistaprint brand repositioning that Trynka has talked about.

So it was a period in which we increased our advertising, but it was very importantly a period in which we invested significantly in our customer value proposition. And that was partly through the expense lines, it was through higher COGS, higher customer service, more technology spend.

And very importantly we incurred significant headwinds that we talked about before. As we went through this, we lost business from customers that were previously attracted to the offering and we purposefully moved away from them.

It is in hindsight with a lot of moving parts and changes in our value proposition and different headwinds, very difficult to say what our NOPAT would have looked like if we had not invested in the Vistaprint brand. And so we have not backed that out here. But it did make a clear short-term impact with what we think very important long-term gain.

So that was absolute profit level, so let's look at margins as well. So you see on this graph both for NOPAT and for free cash flow the margin expressed as a percent of the revenue in the period. So this is for -- this is what -- actually it was without making any corrections to it. So you see that same pattern that you see in absolutes also in the margins. And you see that after the period 2012 to 2015 our NOPAT and our free cash flow margin is still below fiscal year 2011 which was the period where we started many things.

However, if you start to make some corrections and take out the same positive impact from M&A and the impact from these major investment areas and you look at that underlying performance, you see actually the margin rebound is much higher and you see actually that we are now at a higher -- both cash flow and NOPAT margin than we were in fiscal year 2011.

So I want to talk about returns on invested capital. So this is a graph on the left of how our returns on invested capital have moved expressed as NOPAT over our invested capital, our balance sheet capital. And again, this is a metric that is obscured by the true underlying performance of some of these investments in a couple of important ways.

So one other very rational logical question to ask us is, so will that investment -- where -- how can I see that in terms of an improved return on invested capital or how can I see it in a very high NOPAT -- much higher NOPAT than you are showing today? And there are three answers with that, three reasons why the true return on the capital that we have deployed over the last three to five years is actually ahead of us and is not yet in these GAAP financials.

The first is our European M&A. So our European M&A is growing very quickly, growing very significantly and will show increased return on our invested capital and then with the purchase price that we have over time and their NOPAT as a percentage will go up. And for some companies we are actually currently investing in integration. Printdeal in the Netherlands is a good example. So NOPAT as a percent of invested capital is -- growth is ahead of us still for these.

Vistaprint, we are still in the middle of a turnaround. We expect more positive outcomes from that. But then last but maybe most impactful are our big investments in MoW, Columbus and the platform are currently not yet in the phase where they actually are showing a positive contribution to NOPAT. They reduce our NOPAT as I just showed on the previous slides. And so we expect them in the future to start contributing positive NOPAT and therefore positive contribution to NOPAT as a percent of invested capital. But they don't do that just today.

In the shareholder letter that Robert wrote last week and published and was also in our presentation slides and our earning slides last week, we identified some of these big investments in fiscal year 2015. And we gave some forward-looking views on how those investment levels would evolve in fiscal year 2016, how much we are spending. And we did that in two main buckets.

We had a bucket of what we call the major organic investments and we had a bucket of other discretionary investments. And I will today provide a little bit more detail on what is actually underneath there.

So what you saw in the materials we provided last week was this first category of major investments where we said on a free cash flow basis we invested in fiscal year 2015 about $80 million in these four big areas. And we expect that to grow to $110 million in fiscal year 2016. So those numbers you recognize from the materials. What is new here on this slide is some bucketing below that.

So if you look at a rough split between those, we spent about 20% on the building -- building our platform, and investment -- increased investments in that. Roughly 40% on building our position in Columbus, but 30% in most of world and about 10% and post-merger integration activities. And if we look to next year we see that split roughly the same but with a few changes -- most of world is going up as a percentage where spending significant CapEx for instance in Japan.

What is important to note about the MoW category is that we own about 50% of Japan and Brazil but we fully consolidate both entities. So whenever we say cash flow impact or CapEx for these businesses it is actually on a 100% basis although economically we contribute about half.

Then we also presented last week this category of the (inaudible) other organic investments which is a large number, $175 million. And I'll provide some breakdown here as well. First you see that about 10% of that was spent on broadening the selection that Don spoke about. So Columbus is one area where we increased the selection that was on the previous page. In addition to that we are expanding selection in many other areas. And you see here what the relative contribution is.

And then you see two blocks you see put together 60% of our spend in this category is around Vistaprint. And the largest of them is in advertising. So the definition here is this is spend and ad -- spend in advertising that doesn't return back in the same year it means it has a negative impact on our free cash flow in that first year. Obviously we do make that investment because it has positive cash flow in the following years. But that is what it represents.

And then technology, Trynka presented the changes that we are making to our site, the changes we are making by adding new product categories to our site, those investments in technology are in this bucket here.

Then we [expended] some production and capacity and also replaced some capital that has a longer than 12-month payback period, represented together about 20% of the $175 million and then there is various other buckets.

Our total CapEx is not represented here; there is a further $26 million that we spent in fiscal year 2015 that we deem to pay back faster in capital expenditure or is much harder to quantify, which is in this other bucket of $26 million which is not contained in either of those two.

So we don't provide a detailed breakdown of how we see this category -- these categories develop next year. But we have said that we expect on a free cash flow basis that these investments will grow ahead of revenues largely driven by more CapEx in MoW, in Japan in particular, and driven by CapEx investments for -- in parts of the businesses that are growing very quickly.

The following page, two pages does the same for NOPAT, so this was the cash flow view -- and this is the NOPAT view. You will see a roughly similar bucketing here. MoW represents a slightly smaller percentage in NOPAT than it did on the previous page in free cash flow for the same reasons of investment in Japan that I talked about.

And here you see the split for -- in NOPAT for these category of other investments. In total they will grow roughly in line with revenue. The CapEx impact that I talked about, which had made free cash flow growth a little faster than revenue, is not here in NOPAT and it grows roughly in line with revenue. You see on the NOPAT level again Vistaprint being very impactful, you see the other categories below.

In the shareholder letter we also explained our increased use internally of a concept that we call steady-state free cash flow is a better way of looking at our true cash flow generation. And a better measure to look at true cash flow generation than traditional measures are, than GAAP measures are or even non-GAAP measures as EBITDA or free cash flow are.

And so, we are focused on that. It is for us an emerging methodology and so we are not putting a lot of precision on it, but it is a metric that we want to become more and more precise about with you as time progresses.

This slide shows the same numbers that you already saw in the communications of last week. It is just presented in a graphic format. And it builds from our free cash flow as delivered in fiscal year 2015, making certain adjustments. We add some pro forma cash flows that we had from the acquisitions we just made very recently to make it fully comparable as a full-year number.

But we also take out some inflow we had from working capital assuming that in a steady-state. You wouldn't have much inflow from working capital because by definition you are not growing.

And then we -- say we add back these major organic investments of $80 million. And so we say we are not precisely sure about what our steady-state cash flow will be, how much cash flow we could generate if we didn't invest and just kept at the same level. But we do believe these major organic investments are truly incremental and not really to support the current business. And so we would add them back in a steady-state cash flow. So then you get to the $210 million on this graph.

And then we say there is this other bucket then of $175 million of free cash flow in these diverse organic investments and I just went through the list of them, 60% Vistaprint and in other investments. And here we say, well, we know that not all of them are needed for steady-state free cash flow, but some of them are.

And an example is, for instance, advertising in Vistaprint. Some of that advertising we spend has a number payback period, is actually needed to offset churn we have in our existing base. But other parts of advertising in Vistaprint are truly for growth. And there are many, many examples as you go through the different categories.

So we say we put a range around it and said somewhere in between zero and $175 million of that discretionary capital is needed for steady-state and the rest is needed for growth. And so, hence we came up with a fairly admittedly broad but a first marker for you of where we believe our steady-state free cash flow lies somewhere between those two points of $210 million and $385 million.

So as we go forward we intend to refine our views on this, this is the first time that we are publish a metric like this and we are going to spend more time on this internally and we will update you on our evolving views on free cash flow -- on steady-state free cash flow.

The reason why we find it such an important metric is: one, it is laying bare the true potential -- the cash flow potential of the business view if you look through the long-term investments we are making. But we also believe it is a good metric to use in modeling our business and modeling the true value of our business, the intrinsic value of our business, it's one that we are using internally.

And here are some thoughts I guess how to potentially approach modeling our business, it's what we do, but potentially approaching modeling our business with the information that we provide to you.

First point to make here is that our business has evolved and is a lot more complex than a single Vistaprint brand or a single business model even, as you saw illustrated earlier with the very different P&L mix between these new acquisitions that we have and our traditional business.

So our first observation here is it is harder than before to model Cimpress really as a single integrated model. And so, the business model composition differences really at a minimum would lead you to report to model in our two reported segments which is we report our Vistaprint business unit as a separate segment, both revenues and operating income, in our Q's and K's and other business units in another category at a minimum that will be useful. Maybe it's even more useful to break out MoW in a separate model and model that.

But additionally we think it is helpful to model separately and we do that as well, model separately some of these big initiatives that we have -- the impact of Columbus, the impact of the platform for instance and the returns we expect from those in the future.

And then so on the right is very illustrative -- a way to use steady-state in evaluations to say so if I, through looking at what Cimpress is presenting me in where they spend the money and do I really judge those to be necessary for growth or necessary for stability of the business, you can also with the information provided on previous pages come to your assessment of what you think is a true underlying cash flow capability of the business.

And value that -- value that by applying a perpetuity value to that steady-state cash flow. And then layer on top of that all the investments that we are making and the expected return profile that we would see for them.

So this is what we do internally. We internally do traditional long-term modeling where we say, hey, this is what each business is going to have in revenues and profits over time and we do analyses like this as well where we zoom in on the specific contributions of large investments that we are making.

So the fact that we are changing how we think about capital allocation and how we think about talking about intrinsic value and value we create from investments with you. Comes some changes in how we want to communicate to you in this upcoming year.

So one thing that we have done since we have gone public is talk about geographies with you. We talked about how did North America do, how did Europe do, how did Asia-Pacific do and then MoW do and we reported every quarter growth trends and revenue by these geographic entities.

We have in the past year already in our Q's and our K shifted to reporting different operating segments in Vistaprint business unit segment and all other segment as I just said, as well as a bucket of corporate costs and expenses.

And so, there -- and that we think is a much more helpful way of looking at our business and actually the way we look at our business and Robert has structured his direct reports and is looking at our financial results. So going forward in fiscal year 2016 we will no longer talk about regions, we will really talk about performance of these segments in our communication with you.

The other changes, historically we have had multiple -- fairly detailed metrics that originally described the performance of Vistaprint, AOV, number of orders, number of customers, revenue by customer, COCA. And over time as we were making acquisitions we made an attempt of actually aggregating in these acquisitions. We (inaudible) Albumprinter and so put them into these metrics that we showed you.

What we are finding is that the way our business is evolving internally is no longer really aligned with some of those metrics that we give out. And it is not really how Trynka for instance talks about her performance anymore. And so, you saw her use very different metrics today, you saw her talk about gross profit per customer and net promoter scores and other things.

And so, and on top of that the integration of all our entities into these same metrics and try to make them single metrics for the business makes less and less sense as well because the mix shift in the business is going to drive more about -- of the difference in AOV or order growth than the actual underlying performance of each of those businesses.

So we (inaudible) differently as well. We want to talk about each operating segment differently and talk about the two drivers in the quarter of why the business went the way it went in the way we talk about it internally more than the traditional metrics that we have provided.

The third is one that Robert has highlighted in his shareholder letter quite extensively is to move to a different type of forward-looking guidance, away from the very specific revenue guidance for the fiscal year and EPS guidance for the fiscal year, which we then updated quarterly, to an annual guidance for our investments, the ones made and the ones we are going to make and our outlook on past and future returns of these metrics. And a longer view on revenue growth rates that we have provided and -- rather than the very specific what is going to happen in the next 12 months to these growth rates.

We believe that is going to help you get a better picture of the underlying performance of the Company. We do recognize that not providing specific revenue and specific EPS guidance is also making projecting the specific year more complicated for you.

Lastly, we have had EPS as a key metric, we reported on GAAP and non-GAAP EPS most importantly in terms of profit measures. We -- in the upcoming year we -- on a quarterly basis we want to shift to NOPAT in the definition that we have given last week. For reasons that were given last week we think that is a better operating profit measure than the GAAP EPS and the non-GAAP EPS that we have had so far. So we are shifting to that.

On an annual basis, as I just said before, is we think an even better way of looking at our underlying performance is on a sort of steady-state free cash flow or backing out some of these investments that I have done before. That we won't do on a quarterly basis, but that we will continue to do on an annual basis.

So in conclusion, we are deploying significant amounts of capital to capture what we believe is a very large market opportunity. And that I hope has been a consistent theme throughout all these presentations that you saw today. As our cash flows and profits are suppressed by this deployment of capital in the near-term, we exclude discretionary items in the slides that I showed you to maintain a good view of what our underlying free cash flow is and what our progress is in underlying free cash flow generation.

We have a process that puts much scrutiny and debate internally on our growth investments. We have a rigorous process that we've set up and which we review from every business unit, their proposals for investment for the long-term. And we debate the merits of those cases in terms of expected return. We also apply hurdle rates well in excess of our cost of capital.

And finally, we aim to give you extensive and detailed information on these levels of investments in the future so you can make your own analysis of our underlying profitability investments. We have done that today and we'll continue to do that in the future. With that I give it to Robert.

Robert Keane - *Cimpress N.V. - President & CEO, Chairman-Management Board*

So thank you, Ernst and as we finish up just want to summarize once again what we hope you have heard today, which is we really do see this as having a very large opportunity. Vistaprint is moving the right direction. We are excited about European M&A as a case example of what we can do with this strategy. MCP is a big investment but one we are very hopeful for. And MoW is also a major investment with what we expect to be long-term value creation.

So in the end it all comes down to our last point on the slide which is our commitment to driving per share intrinsic value. So with that I would like to open it up to questions and answers. We have about 30 minutes left. And Meredith, I see you in the back with a microphone. Just so we -- because we are (inaudible) so we can get everyone on to the webcast. So let me take -- Youssef.

QUESTIONS AND ANSWERS

Youssef Squali - *Cantor Fitzgerald - Analyst*

Thank you very much for this very great presentation I thought. But there are a lot of moving parts. And so my first question is around looking at the business going forward from the outside looking in.

So I understand how you guys are running the business internally. Unfortunately we are not going to have access to the level of detail that you guys have. And looking at trying to model the business the way, Ernst, you suggested is going to be somewhat tricky if we are to look at it on a quarter-on-quarter basis.

I think it makes a lot of sense to look at it that way if you are looking at it over the next two, three, five years. Shorter-term, what are the key metrics that you guys want us to look at as a gauge of your progress? Is it NOPAT? Is it -- what is it?

Ernst Teunissen - *Cimpress N.V. - EVP & CFO, Director-Management Board*

It will be NOPAT, we will report NOPAT. But importantly, it will be in the discussion of the results of these different businesses that we have. So we will continue to report our progress that we are making in the Vistaprint brand, continue to report on the progress we are making in all our other brands and continue to report on how the investments that we have announced to make, how they are progressing as well. So we will give you insight into that.

I do agree with you, it is going to make it incrementally harder for you to predict the next quarter. In fact, it is incrementally harder for us too to project the next quarter. And we think for a true measure of how we are doing it is more important to look at how our investment is going and how our business is going and what is the longer-term potential for the business.

Youssef Squali - *Cantor Fitzgerald - Analyst*

Okay. And then on the upload and print market, that is obviously a newer segment for you. I don't know if I missed this, but have you guys sized that market and the growth rate that you are seeing in that market? And presently what is the -- your share of it?

Robert Keane - *Cimpress N.V. - President & CEO, Chairman-Management Board*

We don't have precise market estimates, but I think one of the things that happens in upload and print is because you are going to people who are graphically savvy who are creating -- it cracks open the vast majority of the market who do not want to use templates. And so, it also allows a huge explosion of product formats because you have a graphic designer working on this.

So the market is really much bigger than the what I will call a template driven approach. Vistaprint sells a portion of our business through that brand as an uploaded graphic design, but the predominant way we go to market is with templates.

So we think the market just in the under 10 employee business is bigger in an upload and print market in market potential. But when you look at how that can expand into the SMB and the corporate and other spaces we think it is significant -- it is even more significant.

Brian Fitzgerald - *Jefferies & Company - Analyst*

Brian Fitzgerald from Jefferies. As you guys do these upload and print acquisitions, and you have done several of them, do you feel like your ability to port them over to a common platform you are learning from this process and you are able to accelerate that process?

Robert Keane - *Cimpress N.V. - President & CEO, Chairman-Management Board*

We are learning. We are, one, recognizing that these are, as a couple of people mentioned, they are vertically integrated and just like we were in our traditional business. And ensuring that they continue to grow as we make the changeover is an important objective of ours. So we are not -- purposefully not trying to go too fast. They are very profitable high growth businesses for the most part. All of them are profitable but there are different levels of growth.

And we are still in the first 12 months of building out a platform capability. So things are starting to get connected today, this month and next month. There are a number of different things that Don alluded to that will be flowing across what we call the API layer, the application programming interface layer. And that is only going to accelerate over the next 12 and 24 months.

So, we are learning a lot as we pick each one of them up and we see a lot of similarities especially on the back end. But it is not something that we are being precipitous. So your question, are we accelerating that, no. Because we want to preserve the integrity of the business as we make this change.

Unidentified Audience Member

Hi, two-part question. The first part is obviously the emphasis is on driving intrinsic value per share. And just wanted to make sure we understand exactly how you are calculating that so we can attempt to do. So is that the modeling approach that you are discussing, Ernst? And also, I don't know if you want to get into this level of disclosure, but what do you calculate your intrinsic value per share is right now?

Ernst Teunissen - *Cimpress N.V. - EVP & CFO, Director-Management Board*

The answer to the universe question, right? There is two ways how we value our business and there is -- one way is look at it really on an integrated basis and say how do I project the cash flows of our business built up by different units like you would probably do in your models as well. And DCF that, apply a terminal value to the last year and DCF the cash flows.

The other way we are looking at this, which is much more in this intrinsic value -- in this steady-state analysis is say, okay, let's try to assess what is the steady state of this business and, as we have said, there is some judgment in there of what is required to say okay, this is a base free cash flow that I can predict will continue to be like that in the future. And apply a perpetuity value to that by dividing it by a WACC, for instance, taking off the debt.

And then say, okay, there is additional projects that the Company is doing and what is the per share value of those projects in my judgment and how do they add to that base level, which is what would the Company be worth if it just created a lot of profits but it was basically not growing in the future.

So, that is another way that we are looking at this business, it is a way to triangulate with what is otherwise an integrated business model and a DCF of an integrated business model.

Robert Keane - *Cimpress N.V. - President & CEO, Chairman-Management Board*

(Inaudible) when you look at what we refer to as steady-state, it is typically a truer reflection of the profitability of the business. And so, that becomes the base upon which we then add the future expected value of investments.

Ernst Teunissen - *Cimpress N.V. - EVP & CFO, Director-Management Board*

(Inaudible) your last question, so we do internally have an indication of what we believe is our intrinsic value or a range around what we think is our intrinsic value. And we use that as a guideline to make decisions around do we want to use our equity or cash for M&A for instance. Or would we want to do share repurchases in preference to doing M&A or internal investments? So it is an important metric, but we don't publicly disclose what we think that is that [evaluation].

Unidentified Audience Member

(Inaudible) on the second part of the question is, how do you view the intrinsic value per share in relation to the publicly traded -- your publicly traded stock price? And is that in indicator -- your calculation of intrinsic value in terms of how you should allocate your capital based on where the stock is currently?

Robert Keane - *Cimpress N.V. - President & CEO, Chairman-Management Board*

We said in the letter and it is very important, there are a lot of factors that go into whether or not we should use equity as currency or whether we should buy back equity as a use of capital. And I certainly would not ask -- I would ask you not to draw direct conclusions. We issued shares in example A, and we brought them back in B, and that meant we were above or below our internal estimate of intrinsic value.

We look at the opportunity cost of that and it is a more complicated question. But clearly we are stating through these presentations that we are confident that the underlying profitability of the businesses last year was at least $6.21 of free cash flow per share and we think it is higher because of what we call these diverse others a portion of which could go there.

And so, Ernst mentioned dividing by WACC, you could do that and that will get you a rough number as a baseline. So we -- you can get some indications of where we are, but again we think it is higher than the first adjusted one number. And after that I would just caution people to interpret any given use of capital or buyback of issuance as it is not an indication of what we think the intrinsic value is.

Chris Merwin - *Barclays Capital - Analyst*

Chris Merwin from Barclays. Just a few questions. In terms of the initial investment cycle in 2011, how did you -- I guess what would you say the return on those investments has been since you initially made them and how do you calculate that?

And then in terms of investments that you are making now, like what is the -- you obviously mentioned that you want to well exceed that cost of capital. But how do we think about the payback period? With the initial investments we saw the kind of acceleration I guess in 2014, what is the payback period on these investments?

And then last question is just on M&A. You are executing very well in a [roll up] strategy and obviously your capital is now being allocated more towards these investments in technology, advertising, etc. So what changed as it relates to your investment strategy there particularly around M&A? Thanks.

Robert Keane - *Cimpress N.V. - President & CEO, Chairman-Management Board*

I am going to do something I have never done in a presentation before -- well, two things, but other people answered all these questions. But I apologize, so I can step out of the room for 2 minutes and concentrate after coming back from the men's room on your other question. Because those are capital questions I am going to pass that to you, Ernst, and I apologize for stepping out. But I drank too much coffee this morning.

Ernst Teunissen - *Cimpress N.V. - EVP & CFO, Director-Management Board*

So as I showed on that slide we made, you saw the dip in NOPAT in 2012 and 2013. So even if you isolate for some other investments you see that dip in NOPAT. And we made that significant investment at the time in, as I said, not just expenses but also just in headwinds to our traditional business.

We saw in that period of time -- I don't know if you remember the stats. We saw in Europe, for instance, declining orders because we really started to spend less on advertising because some of these customers were really marginal. You saw that with this complete reinvent that we did that the first impact in a market was a reduction of revenue growth and in some markets negative growth like in Germany after it picked up again.

And so we feel that -- so we did incur negative impact on our profitability and our cash flows from all of those changes. But it is very difficult now to quantify, if you look at the Vistaprint business today, what would that have looked like if we hadn't made those investments. We believe it would have looked a lot poorer than today in terms of its competitiveness in the marketplace.

And so, it is only if you can answer that question, what would it have looked like if we hadn't done that, that you can truly answer the question what has the return been to date of those investments. And it is much more difficult than launching a new area like MoW or a new product line like Columbus or building a new platform capability.

So we believe it was absolutely the right investment to make. We believe it has created a Vistaprint -- I hope Trynka was able to convey that -- the Vistaprint brand that we believe is truly fit for the future and for -- to capture future growth. And we to believe that part of its strength today is -- or a lot of its strength today is because of those investments we made. It is not entirely satisfactory but it is (inaudible).

Unidentified Audience Member

(Inaudible - microphone inaccessible)?

Ernst Teunissen - *Cimpress N.V. - EVP & CFO, Director-Management Board*

Within M&A? Oh, and M&A.

Chris Merwin - *Barclays Capital - Analyst*

(Inaudible) tax rate on the investments. Just the second and third questions are just the payback periods on the investments you plan to make going forward. And then also the rationale behind why you obviously did so much M&A during the last 12 months and it seems like the focus from a capital allocation standpoint has shifted away from M&A and more towards these infrastructure type investments.

Ernst Teunissen - *Cimpress N.V. - EVP & CFO, Director-Management Board*

Yes. So I showed this line we said where our hurdle rates were different types of investments. It is also a good indication of the payback periods or how we look at it, in which year do you actually cross the line where you are paying back your cost of capital which is an indication of how quickly it pays back.

And so, it is a large range. If you go to one extreme, the MoW investments, we expect that category to not pay back, to not actually hit its return on capital for the next four, five years and then really start to create it.

If you look at other investments like the platform of Columbus it is nearer in. If you look at certain advertising investments that we are making it is very near in, although not in the same year. So it is really a spectrum in that sense.

Robert Keane - *Cimpress N.V. - President & CEO, Chairman-Management Board*

And the last part of your question [if I understand] you're saying why M&A instead of or --?

Chris Merwin - *Barclays Capital - Analyst*

(Inaudible - microphone inaccessible)?

Ernst Teunissen - *Cimpress N.V. - EVP & CFO, Director-Management Board*

So, we see M&A and the internal investments that we are making as extremely synergistic and have actually chosen over the last years to do them in parallel for a reason, which is that these new acquisitions that we have are a very important source of advantage for the platform that Don is talking about and vice versa.

The platform can really enable the value creation from those acquisitions. So we see in many ways that to make these M&A -- these acquisitions really successful, the investments in the platform and things like Columbus are very important. And vice versa, to make the platform very successful M&A really helps as well.

Matt Thornton - *SunTrust Robinson Humphrey - Analyst*

It is Matt Thornton at SunTrust. Ernst, you noted seeing good opportunity right now for M&A. I was wondering if you could maybe characterize where you are seeing more opportunity, whether that is in the upload and print category, whether that is in the core micro business facing category or even the consumer facing category.

And then just geographically, does that continue to be much more in Europe? Are you seeing opportunities outside of Europe, North America, if you can kind of characterize that? And then I have got one follow-up for Robert.

Ernst Teunissen - *Cimpress N.V. - EVP & CFO, Director-Management Board*

Yes, so we have focused in the last [60] months on this upload and print area and we have made all the investments in Europe. It doesn't mean that we haven't looked broader in upload and print. We have looked also in the United States and there are companies in the United States that fall into that category as well.

In that mix of looking at where is the right opportunity in terms of the strategic value, but also just the valuation that we had to pay. We ended up with these opportunities in Europe and we believe that the North America equally there are -- there is an upload and print market that we could look at.

In terms of beyond upload and print and some of the other bars in the total cube that Robert showed this morning, we do believe there are very attractive opportunities there as well. We have chosen to, for reasons of focus at least in the last two years, to create value from this particular segment which we believe is an attractive opportunity and therefore have gone for it first.

Matt Thornton - *SunTrust Robinson Humphrey - Analyst*

And then one -- I am not sure if you are there right person to answer (inaudible) Robert. But I was wondering if you would talk a little bit about the winding down of that Staples partnership, kind of what they are pivoting to, what their other alternatives are? And then why or why not you shouldn't be partnering with or essentially the back end for others like Office Depot, even an Amazon. Maybe you can kind of talk to those opportunities there.

Robert Keane - *Cimpress N.V. - President & CEO, Chairman-Management Board*

So as you mentioned, we have announced that we are facing down or winding down the Staples relationship we have had for quite some time. It has been a small single-digit percentage of our revenues, it is a higher percentage of our North American revenues. But it had a good solid accretive bottom-line impact.

So that was a situation where I firmly believe and the team believes if we had been willing to be much more aggressive on price we could have retained that business or I think widely recognized as logistically and technologically the best operations in that space. But it was something we just felt we had more significant opportunity elsewhere and so we didn't go down that path.

We said in the public announcement last week with earnings it is too early to announce specifics, but you have asked about some of these other areas. We think, without naming specific companies, there are some material opportunities there that could be quite a bit bigger than what we lost with Staples.

Certainly not in the next year, but if you go back to the intrinsic value and the long-term value, we think we have opportunity of using our platform strategy in a way which is more broad, that will allow us to create a lot of good partnership value. And over time certainly we will give updates as that moves forward.

Unidentified Audience Member

I just want to ask you a simple question which is, four years ago when you had this event you told us that your objective was to get to a $5 non-GAAP EPS number in the following fiscal school year. Your stock was up over 100% prior to the end of the earnings report LTM, you were executing very well on that plan.

The investor base was (inaudible) okay, it's a 20 multiple on the $5 number, that is how they were valuing it. They will evaluate it on the basis of what you had set out back in fiscal 2011. And so, my question is twofold. Why would you change a recipe that was working? And secondly, where are we on that trajectory to the $5.00 non-GAAP number that you told us about four years ago?

Robert Keane - *Cimpress N.V. - President & CEO, Chairman-Management Board*

So I think we have converted from -- and Ernst talked about a prior post IPO focus on EPS and today we really do believe that EPS is not the right number. In the end it is intrinsic value for share. But more near-term there is a cash flow component of that.

And so what we are trying to do -- and I will come back to the specifics of your question in a moment -- but is to break this down. And I think hopefully it is quite clear that we believe we are making over 6 -- the core business is making over $6 in cash flow -- not EPS but in actual cash flow per share currently. At that time we were talking about 2016, when I talk about the $6 which is the actual reported cash flow minus the major investments that was last year, 2015, not 2016.

Now we have gone from EPS, from cash flow, and it was a $5 and now it is a $6 number and there are different numbers and we got there very differently or many ways differently than we had. We had failures in China. We had great successes in our manufacturing investments and our technology investments.

Vistaprint I think will turn out to be the biggest success we had over that period, but it took us much longer. And today we still have material headwinds from the things that Trynka described today. Definitively reduce our near-term EPS or NOPAT or free cash flow, whatever metric you want to use.

So I think what happened is we look at -- we are evolving as a business. And I said in the opening remarks that we have become more enthusiastic supporters of the school of thought of capital allocation. 2011 we are just coming off of that.

And frankly as a founder and a CEO I think it was something where I came to the recognition and the entire management team came to the recognition that we were running the business in a way which focused very much on tactical near-term -- here I am talking about 2011, and before, tactical near-term payoffs and those of you who followed the stock back then, we often would say well if we over achieve on our EPS targets, which we pegged at 20%-25% per year, we would reinvest. But we would reinvest in short-term quarterly things which could be pulled back for the following year.

And so, there are similarities between 2011 which continue and today and that we are fundamentally committed that we should not leave all great investments to venture capitalists and other companies who are willing to invest, but rather take advantage of it ourselves. And what we are trying to do is, I would say to your question, what should you do looking forward.

I would say if you look at the profits of the underlying business, and Ernst peeled away multiple layers in his presentation. It is a strong healthy return on investments we made. We are pouring a lot of money into the business going forward and we think as owners of this business, I think and the Board thinks that as partial owners of course that that is going to create the greatest value going forward.

Unidentified Audience Member

Thank you for taking the question. So just so on the issue of steady-state cash flow, what is the free cash flow number we should start with? Is it the $130 million -- $144 million reported (inaudible).

Robert Keane - *Cimpress N.V. - President & CEO, Chairman-Management Board*

Ernst, correct me if I am wrong, but we reported last year $144 million under -- free cash flow is not a GAAP number. But if you take off our public numbers you get to $144 million of free cash flow.

We laid out how if you were to take off the major investments you get to $210 million. If you divide that by the 33.8 million shares. and correct me if -- that comes to $6.20 something. And we actually believe it is higher than that.

There is a portion which we tried to lay out in Ernst's presentation in my letter to shareholders which you can take that second category of diverse others and make your own. Clearly replacement CapEx is not a growth investment, other things are. And that is how we get to that free cash flow per share number.

Unidentified Audience Member

The question is, for me rolling a forward heading into next year should I start at $130 million in free cash flow? Which is the $144 million reported less the 14 adjustments?

Ernst Teunissen - *Cimpress N.V. - EVP & CFO, Director-Management Board*

If you roll it -- that is a different analysis if you roll it forward or not. Is what (multiple speakers).

Unidentified Audience Member

(Multiple speakers).

Ernst Teunissen - *Cimpress N.V. - EVP & CFO, Director-Management Board*

Part of that if you roll forward, yes. So part of that is taking the pro forma impact of the acquisitions we made in the last quarter. But the other thing we did there is we said there is part of the working capital cash inflow, working capital growth we have negative working capital as a benefit that we had from that is because we are growing.

So if you are rolling that forward and you assume you continue to grow there is still -- could still be an assumption of working capital. So it is not meant to be a starting off point for projecting the next year. So it (multiple speakers).

Unidentified Audience Member

So what should be the starting point?

Ernst Teunissen - *Cimpress N.V. - EVP & CFO, Director-Management Board*

(Multiple speakers)?

Unidentified Audience Member

What should be the starting off point that we should be using?

Ernst Teunissen - *Cimpress N.V. - EVP & CFO, Director-Management Board*

So if you look at our -- if you would look at our -- if you look at our cash flow statement you see what our working capital has been. There have been some one off factors in the year, we had some year-on-year variability that have made that larger. But you could look at our working capital over time and correlate that with our revenue growth.

Unidentified Audience Member

Okay, and just --.

Robert Keane - *Cimpress N.V. - President & CEO, Chairman-Management Board*

And I would say 2015, to your number, excluding major investments was $210 million. And divided out that is the $6.24. That was the finishing point by definition, I guess it is the starting point, and then you layer in how much money we are investing next year.

And Ernst has walked through, if you look at our free cash flow number what $25 million, $30 million, $40 million depending on the numbers you are looking at, NOPAT, free cash flow and so on, EBITDA, that will give you a sense of where it is going on the margin. But we also have underlying growth in the business in free cash and working capital movement.

Unidentified Audience Member

Okay. And then just is there any way you can help us quantify the Staples impact to the free cash flow calculation as well as the increase in tax rate to the cash flow calculation going forward?

Ernst Teunissen - *Cimpress N.V. - EVP & CFO, Director-Management Board*

So we haven't been specific but (inaudible) as we have said publicly before, it is a low-single-digit revenue number in our total Cimpress portfolio. And this is a profitable business, it is nicely profitable. So you could assume a healthy profit margin on that as the potential headwind. We have -- it is not -- we have some revenues into the year but it could be a significant headwind for the whole (inaudible).

Robert Keane - *Cimpress N.V. - President & CEO, Chairman-Management Board*

Historically we have said that that relationship is, on the contribution margin, roughly equal or even slightly better than our mix overall because we don't have marketing costs for that. So you can apply those historical comments we have made to the rough numbers we have given and it gives you an order of magnitude of the bottom-line cash flow. Again, there is some burn off, we are not stopped yet. But --.

Unidentified Audience Member

Okay, great. And the last question. The incremental, you said that diverse organic investments is (inaudible) faster than revenues. How much faster? Is there any way you can help quantify what the incremental spend will be in that bucket this year? Thank you.

Ernst Teunissen - *Cimpress N.V. - EVP & CFO, Director-Management Board*

Oh, yes, going ahead is we are not quantifying how much headwind, but it is going ahead it is because of these CapEx investments in Japan in growth CapEx.

Meredith Burns - *Cimpress N.V. - VP of IR*

The guidance that we gave was that on a NOPAT and EBITDA level that it would grow in line with revenue growth so not meaningfully changed the overall margin profile. But for that free cash flow you can assume that the major difference there is CapEx.

Unidentified Audience Member

Robert, just a follow up to the prior question. The baseline, correct me if I am wrong, but if you execute as you think you will, a year from now the baseline -- base steady-state free cash flow will be something greater than $6, whether it is $7 or $6.50 or $7.50, that is the first question.

Robert Keane - *Cimpress N.V. - President & CEO, Chairman-Management Board*

I think, yes, to be clear we believe it is higher than $6 (multiple speakers) on a public --.

Unidentified Audience Member

$6 to $11.50 a share. So --.

Unidentified Company Representative

(Inaudible - microphone inaccessible).

Unidentified Audience Member

Right. So but next year it is going to be -- just to pick a number $7 to $12.50.

Robert Keane - *Cimpress N.V. - President & CEO, Chairman-Management Board*

You are picking a number, I am not going to comment on it.

Unidentified Audience Member

I know, but in theory, I mean if you are growing your business, you are executing. And then the follow-up to that is so fiscal 2015 you spent somewhere between $2 and $7 per share on growth investment. And in fiscal 2016 that number is going to be more like $3.50 or $4 to $12.

So I guess my question is, that is a big number for fiscal 2015, what is the urgency to increase that number in 2016? What is the downside of going a little slower? And clearly there is a downside. So perhaps we can talk about it.

Robert Keane - *Cimpress N.V. - President & CEO, Chairman-Management Board*

Yes, so at the Board level and the executive team level, we go through an annual cycle which obviously finishes up with what we are doing starting July 1. And in the autumn leading up to December we look at all the opportunities and we did this much more explicitly last year than we had in the past. And we basically look at a number of factors.

But what the proposed potential capital allocation are, and some of them are kind of almost limitless, buybacks or could be limitless. And we said would could be -- very importantly operationally from a bandwidth perspective execute on with confidence. We know we will have some wins and we will have losses, but realistically.

And we also look at, and Ernst's team did a lot of analysis for myself and for the Board and the executive team on what are the multi-year cash flows we expect. And how much can we expect to have as capital available assuming we're not increasing or decreasing other sources -- and we are just using internally generated cash.

And so -- and then it is a judgment debate on how much do we go faster or slower. And we feel that the level of investments we are talking about here, which are broadly for the biggest component which are growing in line with revenues and the four major areas are growing faster.

But those are all very operationally within the limits of what we can do. And we think they have good returns on capital. And we think it leaves us enough bandwidth for other potential uses we see that are not yet identified. And, Ernst, I don't know if you want to give any other commentary on that?

Ernst Teunissen - *Cimpress N.V. - EVP & CFO, Director-Management Board*

Yes. I think it is -- the downside of not doing it is not being able to capture quickly enough on the market opportunity that we really see. And so, it is -- we could go slower on building the platform that Don talked about, we could go slower on rebuilding the Vistaprint brand, we could go slower on all these things. But we believe that the opportunity is now.

Meredith Burns - *Cimpress N.V. - VP of IR*

I think we have time for one or two or questions.

Vic Anthony - *Axiom Capital Management - Analyst*

Vic Anthony from Axiom. A few questions. One, so you are making these investments next year. Do you foresee the business getting back to s mid-teens organic growth rate and the timing on that? That is one. And then we're talking about steady-state, free cash flow NOPAT. How should we think about I guess the long-term margin profile of the business?

And third is just on mobile. I think I may have asked the same question last year. There was no mention of it this year again. I was just (inaudible) app (inaudible) app in the Google Play store, I don't see it. So just kind of just talk about the mobile opportunity for Vistaprint.

Robert Keane - *Cimpress N.V. - President & CEO, Chairman-Management Board*

So to your first point, and I definitely address this in the letter. If you look at the actual growth rate of the business, the organic growth rate of the business, we are now growing in double-digit organic growth rates in both Europe and North America. Vistaprint is not yet there, but that is excluding any acquisition we have not had for a full year prior comparable quarter.

The Vistaprint business, as Trynka said, is growing in the right direction. Europe is still the single digits and I think we talked about North America being in the low-double-digits. But we do believe that this -- Cimpress overall and eventually the Vistaprint brand itself can grow in the double-digit rate. And the last quarter was that case -- we were doing that organically excluding non-lapped acquisition.

Your question on the free cash flow or the capability of the business, the long-term capability. What we are trying to do is to say that in an ideal world we will forevermore have great opportunity to deploy capital well above our cost of capital and that we will forevermore create value.

So what we are trying to do is peel away the layers of the onion and show what we are now making in our business and give a bracket and then let you make your own judgments of how far above that -- or how far into that bracket you believe we are.

But we believe that is what the business is making right now. And the investments obviously roll into our overall P&L, but those are intentional discretionary growth investments that we try to give as much color as we can on.

Vic Anthony - *Axiom Capital Management - Analyst*

The last question was on mobile.

Robert Keane - *Cimpress N.V. - President & CEO, Chairman-Management Board*

Trynka, do you want to take that? Because upload and print doesn't really use mobile. It is way too complicated to do Adobe and design on your phone. So --.

Trynka Shineman - *Cimpress N.V. - EVP & President, Vistaprint Business Unit, Director-Management Board*

Yes, so, we have made and bought of progress in mobile in the past year as we have changed some of the technology regarding our checkout. So you can actually get through the site relatively seamlessly on a mobile device. That said, we don't think it is sufficient so we think we are the best in the industry but relative in the DIY space, I (inaudible) we are really the best or the worst, so there is a lot of improvement there.

So we continue to look at mobile. I think we are experimenting in the app space right now. We are going to continue to look at the use of mobile as customers browse across devices to complete their purchase. So we have made progress, we think we have more work to do moving forward.

Unidentified Audience Member

Can you help us quantify the impact of FX in 2015? So you guys reported $4.31 in non-GAAP EPS. What that number have been without -- at constant FX using today's FX rate?

Ernst Teunissen - *Cimpress N.V. - EVP & CFO, Director-Management Board*

So last year we came out to be on a Y level about FX neutral and it was because we had some hedges in place. We had a $7.5 million realized hedging gain last year which offset some operational headwinds that we had.

As we look into the next year and you look at the year on year, you see again obviously headwinds from the most important currencies that we have which is the pound and the euro. We have some benefit from the lower Canadian dollar, which drives part of our COGS in North America. But net-net it is a negative year-over-year movement that we will see into fiscal year 2016.

Unidentified Audience Member

Can you quantify that for us? So what is that [431] using today's exchange rate?

Meredith Burns - *Cimpress N.V. - VP of IR*

So, I just want to clarify. So at the operating income level we were actually hurt by currency in 2015. The offset was below the line. And that is not an offset that we add back. We include that in our non-GAAP results. So the non-GAAP results from 2015 are actually a good rough estimate of currency neutral profit from a non-GAAP perspective.

Ernst Teunissen - *Cimpress N.V. - EVP & CFO, Director-Management Board*

So the -- we will not have that impact of the $7.5 million naturally, but we have some hedges in place which are smaller into next year. To quantify into next year, what I will say is it will have an impact -- if currency doesn't change it will have an impact most likely -- most [predominantly] in the front half of the year. That is when the year-over-year comparison the important currencies like the pound and the euro were higher.

It will have -- if currency doesn't move, which is of course the big if. It did not have a big impact for the second half of the year because we haven't moved very much in our key currencies in the last six months. But it is -- the combined impact of margin, there will be a negative impact on margin if nothing changes, but it will be below 100 basis points.

Robert Keane - *Cimpress N.V. - President & CEO, Chairman-Management Board*

One last question up here in the front --.

Matteas Rehit - - *Analyst*

[Matteas Rehit] from (inaudible). I have a question for you, Robert, with regards to growth and the mass customization platform. So you talked I think earlier this year about (inaudible). Do you actually need to buy all those other companies or can you cooperate with other outside companies? And what is your -- perhaps you can give us some color of what is your vision of the Company in 5 years or 10 years?

Robert Keane - *Cimpress N.V. - President & CEO, Chairman-Management Board*

So, Matteas is referring to a presentation I gave in Germany on co-opetition which was used in -- has been used for a long time in the information technology industry of people both competing against but also cooperating together. And we firmly do believe that there is an opportunity to do that.

So one, Don spoke quite a bit about supply-chain outsourcing and we are doing that much more than we have in the past. And certainly as we get to these very long tail of products we need to partner with companies that otherwise would be putting a lot -- very much -- too much capital at work to do this very long tail.

A great example of that is in our Columbus project, we partner with a number of different companies who certainly do all the supply-chain and hold the inventory. But we have also in other areas, Don mentioned in the holiday peak in our Canadian facility has gone to outsources. So those are on supply chain.

We are looking at other aspects of partnership as well. And there was a question before about some of the Staples or the FedEx office style partnerships, that is going the opposite direction up into the merchant where we are partnering with people who own the customer and we think there are certainly good opportunities there. So we think it will be a mix and we do look to continue to cooperate both vertically into the supply-chain and up into the customer value chain.

So thank you very much. I appreciate all your time. We are about 10 minutes over our promised termination team or ending time. So it has been great to have you all here this year and we look forward to the next year as well. Thank you.