

Shutterfly

tinyprints.

WEDDING PAPER
DIVAS

GROOVEBOOK

My PUBLISHER

BL
BORROWLENSES

SHUTTERFLY INC

2016

“Helping people share life’s joy.”



Safe Harbor Disclaimer

This presentation contains "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that involve risks and uncertainties. These forward-looking statements include statements about our plans for 2016 and beyond and our business outlook and statements about historical results that may suggest trends for our business. You can identify these statements by the use of terminology such as "guidance," "believe," "expect," "will," "should," "could," "estimate," "anticipate" or similar forward-looking terms. You should not rely on these forward-looking statements as they involve risks and uncertainties that may cause actual results to vary materially from the forward-looking statements. Factors that might contribute to such differences include, among others, decreased consumer discretionary spending as a result of general economic conditions; our ability to expand our customer base and increase sales to existing customers; our ability to meet production requirements; our ability to successfully integrate acquired businesses and assets; our ability to retain and hire necessary employees, including seasonal personnel, and appropriately staff our operations; the impact of seasonality on our business; our ability to develop innovative, new products and services on a timely and cost-effective basis, including our next generation Shutterfly platform; unforeseen difficulties executing on planned strategic restructuring activities; consumer acceptance of our products and services; our ability to develop additional adjacent lines of business; unforeseen changes in expense levels; and competition and the pricing strategies of our competitors, which could lead to pricing pressure. For more information regarding the risks and uncertainties that could cause actual results to differ materially from those expressed or implied in these forward-looking statements, as well as risks relating to our business in general, we refer you to the "Risk Factors" section of our SEC filings, including our most recent Form 10-K and 10-Q, which are available on the Securities and Exchange Commission's Web site at www.sec.gov. These forward-looking statements are based on current expectations and the company assumes no obligation to update this information.

This presentation may include non-GAAP financial measures, including Adjusted EBITDA, non-GAAP profits/margins, non-GAAP net loss and non-GAAP net loss per share. We define Adjusted EBITDA as earnings before interest, taxes, depreciation, amortization and stock-based compensation. We define Free Cash Flows as Adjusted EBITDA less purchases of property, plant and equipment and capitalization of software and website development costs. The method we use to produce non-GAAP financial measures is not computed according to GAAP and may differ from the methods used by other companies. To supplement our consolidated financial statements presented on a GAAP basis, we believe that these non-GAAP measures provide useful information about our core operating results and thus are appropriate to enhance the overall understanding of our past financial performance and our prospects for the future. These adjustments to our GAAP results are made with the intent of providing both management and investors a more complete understanding of our underlying operational results and trends and performance. Management uses these non-GAAP measures to evaluate our financial results, develop budgets, manage expenditures, and determine employee compensation. The presentation of additional information is not meant to be considered in isolation or as a substitute for, or superior to, gross profit, net income (loss) or net income (loss) per share determined in accordance with GAAP. Management strongly encourages review of our financial statements and publicly-filed reports in their entirety and to not rely on any single financial measure.

Investment Highlights

Innovative, category-leading digital retailer of personalized photo products and memory management services

One-of-a-kind, personalized products not available in marketplaces

Family of premium brands with high awareness appeals to customers across life stages

Loyal, demographically **attractive core customer base** with high lifetime value and low customer acquisition cost

Scale combined with vertically integrated business model drives **industry leading profit margins**

Growth opportunity in ~\$30B photo- and personalized product-related U.S. market

Strong track record and **clear vision for future growth** via modernized technology platforms and new markets

Generating strong free cash flow and returning capital to shareholders via repurchases

Shutterfly Snapshot

\$1B+

Revenues

7.9M

Share Sites

28B

Hosted Photos

11.3M

Mobile app downloads

9.8M

Customers

25.8M

Annual Orders

~\$41

Average Order Value*

~75%

Returning Customers**

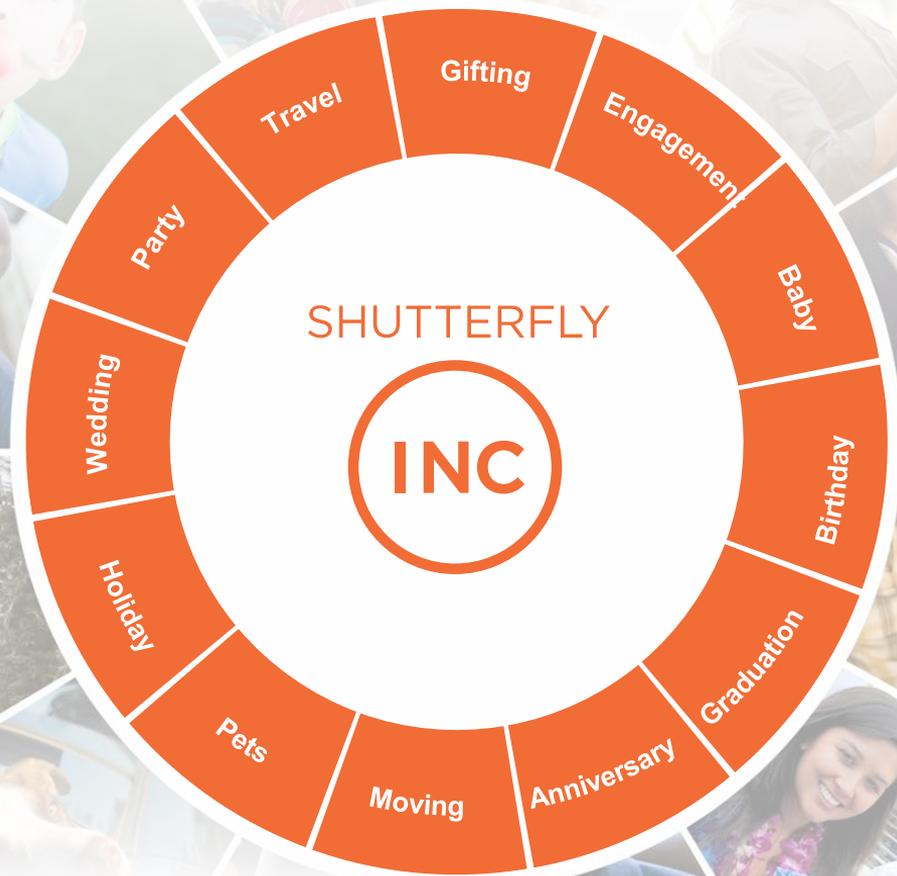
Notes:

Statistics for year ended December 31, 2015.

*AOV excludes GrooveBook, which was acquired in October 2014.

**Customers who purchased from Shutterfly in 2015 and were also prior customers.

Capturing Life's Most Important Memories



We are a Category Leader with a Portfolio of Premium Lifestyle Brands

SHUTTERFLY INC

Shutterfly *thislife*

The market leader in personalized photo products and services. Gather and organize your photos and videos so you can easily find, share and transform them into personalized photo books, cards, home decor and gifts.

GROOVEBOOK

The amazing mobile app that helps you “free your photos” by putting them into a monthly book for \$2.99/month.

tinyprints

The leading online cards and stationery boutique, offering stylish announcements, invitations and personal stationery for every occasion.

My PUBLISHER

The premium quality photo book and flush mount album company, providing finely curated materials and professional craftsmanship for your photographs.

WEDDING PAPER DIVAS™

The leading online wedding stationery site offering stylish and personalized save the dates, wedding invitations, thank you cards, bridal invitations and more.

BORROWLENSES ONLINE CAMERA GEAR RENTAL

The Internet's premier marketplace for high-quality photographic and video equipment rentals.

Our Passion Defines and Differentiates Us

Singular Focus

We are passionate and focused on addressing the challenges that customers face as they try to do more with their photos and memories

Customer Friendly

We care as much about photos and memories as our customers do. We promise never to delete their photos. If customers are not happy, we'll fix it – 100% happiness guarantee

Great Designs

Our broad set of design-forward offerings help customers transform their moments into high quality products that add meaning to their lives and reflect their personal styles

Easy to Use

Our innovative tools easily guide customers through multiple creation paths to address a variety of needs

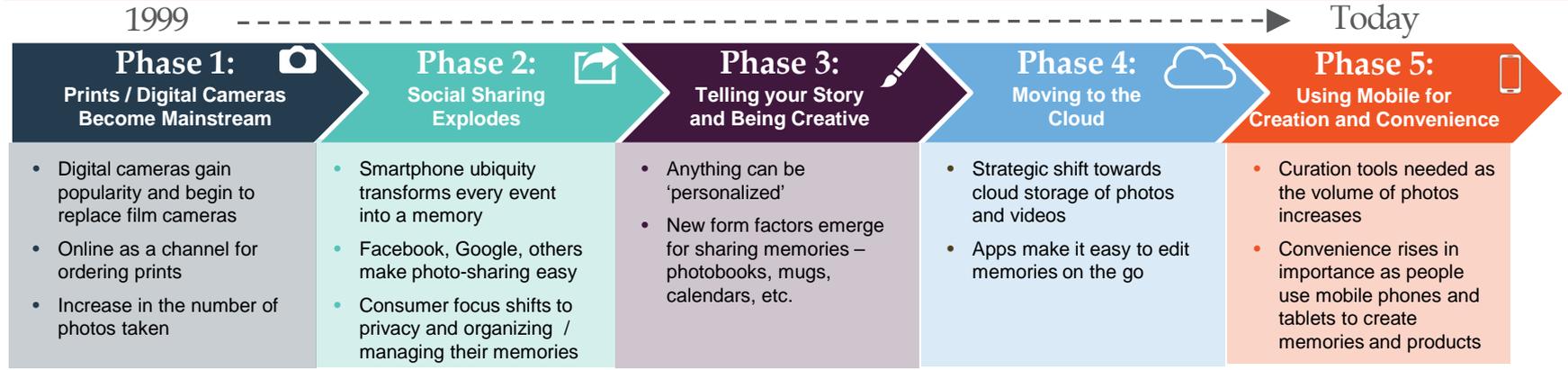
High Quality

Our vertically integrated, best-in-class manufacturing process turns memories into one-of-a-kind creations that reflect customers' individual style, personality and relationships

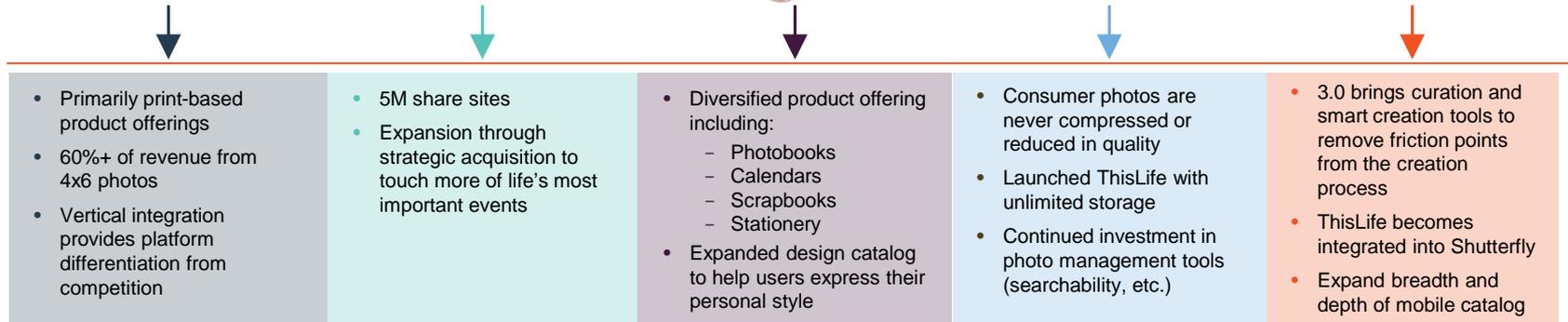
Innovation

We continually enhance our world-class platform of personalized products and services with new offerings, further differentiating our brands (88 patents allowed to date)

Driving Innovation and Evolving with the Industry

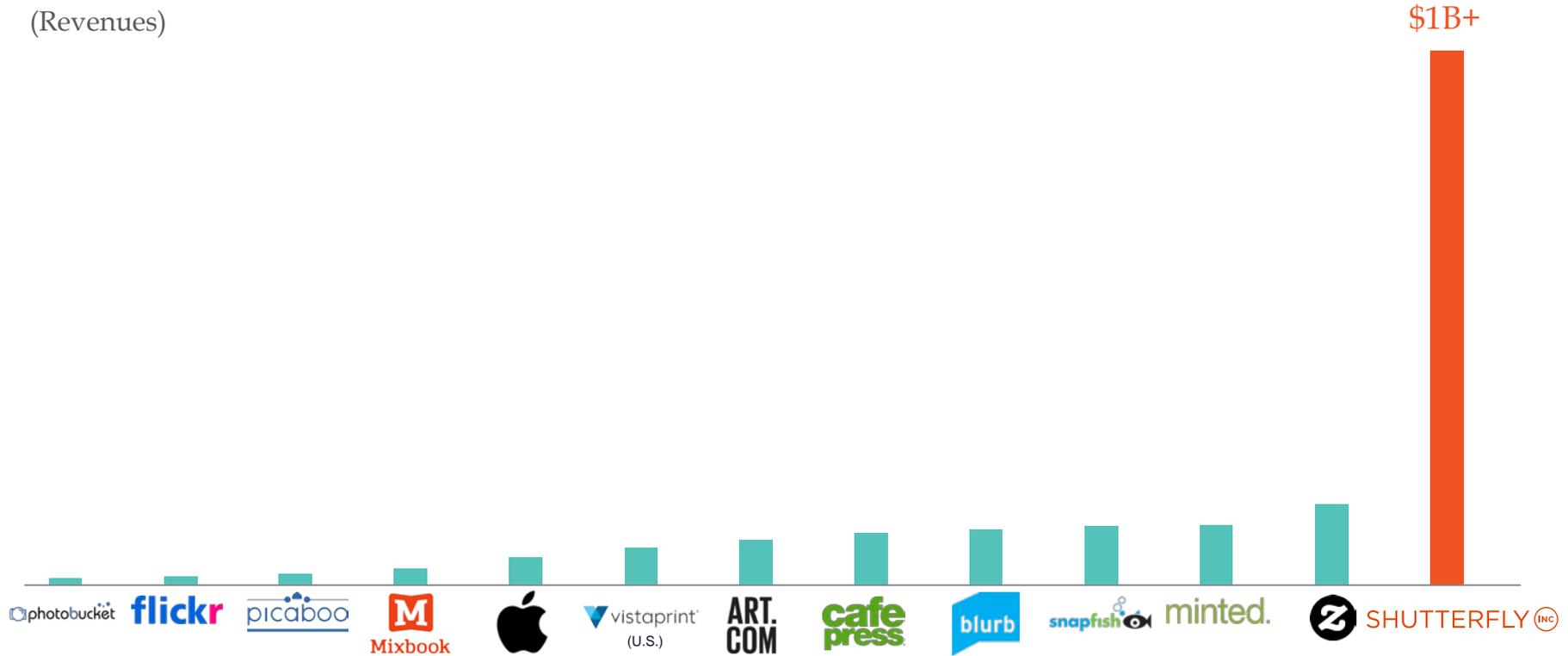


SHUTTERFLY INITIATIVES



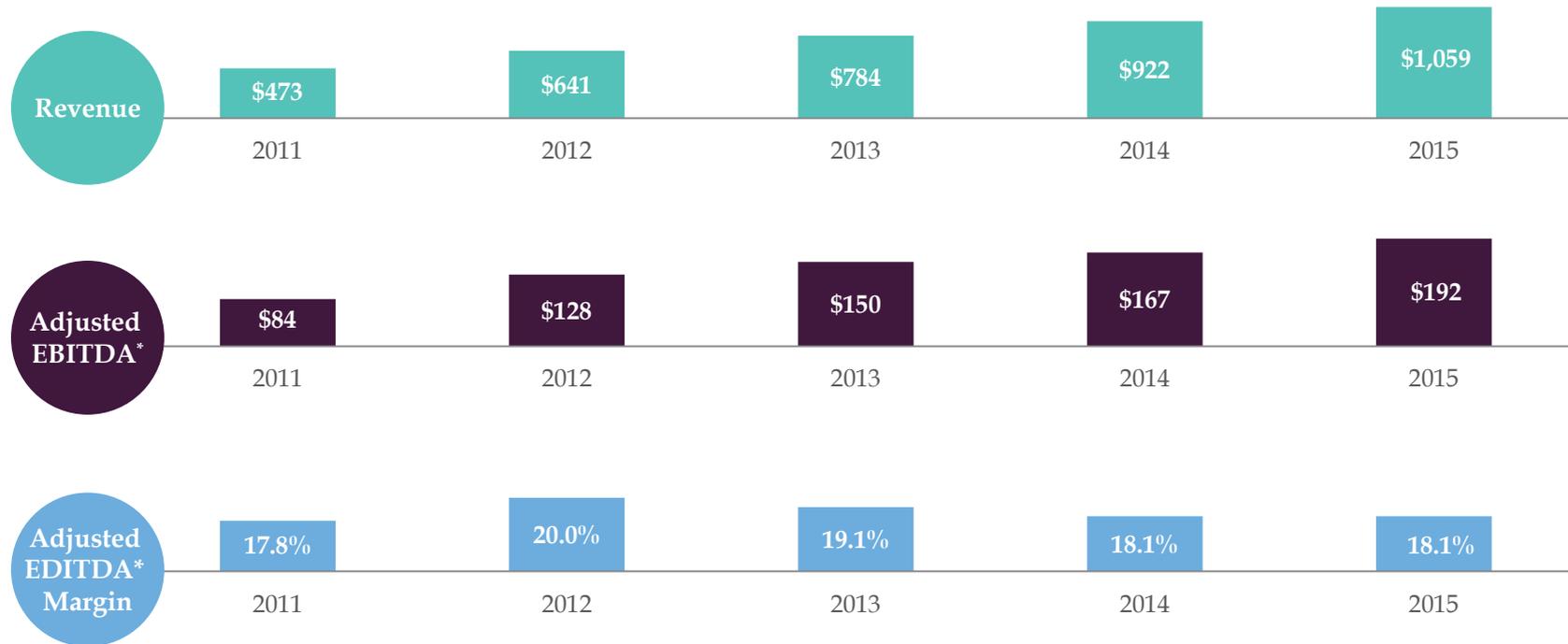
Operating at a Scale Far Beyond the Field

(Revenues)



\$1B+ Revenue and High Adj. EBITDA Margin E-Commerce Business

(\$ in Millions)



Notes:

*Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, amortization and stock-based compensation.
Please see our SEC filings on Form 10-K for reconciliations.