FORM S-1 · REGISTRATION STATEMENT

Iprint Technologies Inc

IPO priced 2000-03-08 · $10.00 a share · IPRT



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AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON DECEMBER 1, 1999

REGISTRATION NO. 333- SECURITIES AND EXCHANGE COMMISSION WASHINGTON, DC 20549 FORM S-1 REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933 IPRINT.COM, INC. (EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	2750	77-0436465
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Number)	(I.R.S. Employer Identification No.)

1450 ODDSTAD DRIVE REDWOOD CITY, CALIFORNIA 94063 (650) 298-8500 (ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES) ROYAL P. FARROS CHIEF EXECUTIVE OFFICER IPRINT.COM, INC. 1450 ODDSTAD DRIVE REDWOOD CITY, CALIFORNIA 94063 (650) 298-8500 (NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

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APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: AS SOON AS PRACTICABLE AFTER THE EFFECTIVE DATE OF THIS REGISTRATION STATEMENT.

IF ANY OF THE SECURITIES BEING REGISTERED ON THIS FORM ARE BEING OFFERED ON A DELAYED OR CONTINUOUS BASIS PURSUANT TO RULE 415 UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") CHECK THE FOLLOWING BOX. / / IF THIS FORM IS FILED TO REGISTER ADDITIONAL SECURITIES FOR AN OFFERING PURSUANT TO RULE 462(B) UNDER THE SECURITIES ACT, PLEASE CHECK THE FOLLOWING BOX AND LIST THE SECURITIES ACT REGISTRATION NUMBER OF THE EARLIER EFFECTIVE REGISTRATION STATEMENT FOR THE SAME OFFERING. / / IF THIS FORM IS A POST-EFFECTIVE AMENDMENT FILED PURSUANT TO RULE 462(C) UNDER THE SECURITIES ACT, CHECK THE FOLLOWING BOX AND LIST THE SECURITIES ACT REGISTRATION NUMBER OF THE EARLIER EFFECTIVE REGISTRATION STATEMENT FOR THE SAME OFFERING. / / IF DELIVERY OF THE PROSPECTUS IS EXPECTED TO BE MADE PURSUANT TO RULE 434, CHECK THE FOLLOWING BOX. / /

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE(1)
COMMON STOCK ($0.001 PAR VALUE).....	$ 50,000,000	$ 13,200 (1)

ESTIMATED SOLELY FOR THE PURPOSES OF DETERMINING THE REGISTRATION FEE PURSUANT TO RULE 457(O) PROMULGATED UNDER THE SECURITIES ACT.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING OFFERS TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION, DATED DECEMBER 1, 1999.

SHARES

[IPRINT.COM LOGO]

COMMON STOCK

PRIOR TO THIS OFFERING, THERE HAS BEEN NO PUBLIC MARKET FOR OUR COMMON STOCK. THE INITIAL PUBLIC OFFERING PRICE OF THE COMMON STOCK IS EXPECTED TO BE BETWEEN $ AND $ PER SHARE. WE HAVE APPLIED TO LIST OUR COMMON STOCK ON THE NASDAQ STOCK MARKET'S NATIONAL MARKET UNDER THE SYMBOL IPRT.

THE UNDERWRITERS HAVE AN OPTION TO PURCHASE A MAXIMUM OF ADDITIONAL SHARES TO COVER OVER-ALLOTMENTS OF SHARES.

Investing in Our Common Stock Involves Risks. See "Risk Factors" on Page 8.

	PRICE TO PUBLIC	UNDERWRITING DISCOUNTS AND COMMISSIONS	PROCEEDS TO IPRINT.COM
Per Share	$	$	$
Total	$	$	$

Delivery of the shares of common stock will be made on or about , 2000.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Credit Suisse First Boston

Robertson Stephens

U.s. Bancorp Piper Jaffray

The Date of This Prospectus Is , 2000

Inside Front Cover Gatefold

Case Study: Designing Business Cards:

[Graphic depiction of the old way to print business cards and the iPrint.com way. On the left side, a long series of steps employed in the traditional way to print business cards. On the right side, graphic depiction of a series of computer screen shots showing the design, proof and order simplicity of

ordering business cards at iPrint.com.]

Inside Front Cover

The History of Printing:

[Graphic depiction of the history of printing, starting with tablets, moving to the printing press, and arriving at desktop publishing and the Apple Macintosh. A large computer screen shot shows the evolution of printing to online printing on iPrint.com.]

Inside Back Cover

iPrint.com Makes Printing Easy:

[Graphic depiction of a series of personalized printed products surrounding a computer screen shot of the iPrint.com homepage.]

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YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR TO WHICH WE HAVE REFERRED YOU. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT. THIS DOCUMENT MAY ONLY BE USED WHERE IT IS LEGAL TO SELL THESE SECURITIES. THE INFORMATION IN THIS DOCUMENT MAY ONLY BE ACCURATE ON THE DATE OF THIS DOCUMENT.

Dealer Prospectus Delivery Obligation

UNTIL , 25 DAYS AFTER COMMENCEMENT OF THE OFFERING, ALL DEALERS THAT EFFECT TRANSACTIONS IN THESE SECURITIES, WHETHER OR NOT PARTICIPATING IN THIS OFFERING, MAY BE REQUIRED TO DELIVER A PROSPECTUS. THIS IS IN ADDITION TO THE DEALER'S OBLIGATION TO DELIVER A PROSPECTUS WHEN ACTING AS AN UNDERWRITER AND WITH RESPECT TO UNSOLD ALLOTMENTS OR SUBSCRIPTIONS.

Prospectus Summary

YOU SHOULD READ THIS SUMMARY TOGETHER WITH THE ENTIRE PROSPECTUS, INCLUDING THE MORE DETAILED INFORMATION IN OUR FINANCIAL STATEMENTS AND ACCOMPANYING NOTES APPEARING ELSEWHERE IN THIS PROSPECTUS. IN THIS PROSPECTUS, IPRINT.COM, WE, US AND OUR REFER TO IPRINT.COM, INC. AND NOT TO THE UNDERWRITERS.

Iprint.com, Inc.

iPrint.com is a leading provider of online print services for small businesses and consumers. Our online print shops offer customers a one-stop shop for addressing their printing needs, allowing them to easily design and order thousands of customized, short-run printed products. By automating the print order process and electronically connecting our online print shop to carefully selected and certified commercial print vendors, we believe that we significantly reduce the costs and inefficiencies associated with the traditional printing process. Our online print solution is designed to be much more convenient and cost-effective than traditional printing alternatives provided through traditional print channels.

Printing can be a significant area of expenditure for small businesses. According to CAP Ventures, sales in the United States printing industry totaled $292 billion in 1998, of which $58 billion was derived from commercial printing operations. Short-run, customized items comprise a significant portion of these commercial printing operations.

The traditional process of purchasing short-run print items can be time consuming and error-prone. Small businesses and consumers often lack the financial resources to create economies of scale when purchasing printed products. Organizations and individuals have begun to take advantage of the Internet to address these inefficiencies and to increase convenience, broaden product selection and

improve pricing. According to International Data Corporation, the number of small businesses engaged in electronic commerce, or e-commerce, will grow from 400,000 at the end of 1998 to nearly 2.8 million by the end of 2003.

Our online print services provide our customers with the following benefits:

- superior convenience;

- simplified design and ordering process;

- streamlined fulfillment process;

- significant cost savings;

- broad range of services and professionally printed products; and - comprehensive customer service.

We believe we are also able to significantly reduce reprint-due-to-error rates and the associated print wastage of our commercial print vendors, while at the same time lowering their costs and improving their capacity utilization.

In addition to providing customers with online print services directly through the iPrint.com website, we work with a variety of online organizations, large commercial printers and office supply chains to deliver co-labeled and private-labeled printing solutions. These relationships allow us to efficiently leverage our technology and effectively expand our reach across a range of customer segments.

Our objective is to be the leading online print shop for small businesses and consumers, as well as the leading provider of private-labeled online solutions for the commercial printing industry. As part of our strategy, we intend to:

- capitalize on first-mover advantages;

- build our brand recognition;

- expand our strategic relationships;

- build our customer base and stimulate repeat usage;

- expand our co-labeled and private-labeled initiatives; and - leverage and extend our technology platform.

Our principal offices are located at 1450 Oddstad Drive, Redwood City, California 94063. Our telephone number is (650) 298-8500. Our website address is www.iPrint.com, but the information on our website does not constitute a part of this prospectus.

The Offering

Common stock offered by iPrint.com..... shares Common stock to be outstanding..... shares Use of proceeds..... For general corporate purposes, capital expenditures and working capital. See "Use of Proceeds" on page 18. Dividend policy..... We intend to

retain all future earnings to fund the development and growth of our business. Therefore, we do not anticipate paying cash dividends on our common stock in the foreseeable future. See "Dividend Policy" on page 18. Proposed Nasdaq National Market symbol..... IPRT The number of shares of our common stock outstanding after the offering is based on shares outstanding as of September 30, 1999 and does not include:

- 1,146,099 shares of common stock issuable upon exercise of outstanding stock options under our equity incentive plans as of September 30, 1999 at a weighted average exercise price of $0.20;

- shares of common stock reserved for issuance under our equity incentive plans; and - warrants to purchase an aggregate of 70,500 shares of common stock at a weighted average exercise price of $0.85.

iPrint is a registered trademark and iKiosk is a trademark of iPrint.com. This prospectus contains other trade names, trademarks and service marks of iPrint.com and of other companies.

This prospectus includes statistical data regarding the Internet industry. These data are taken or derived from information published by third-party sources, including International Data Corporation. Although we believe that these data are generally indicative of the matters reflected in those reports, these data are inherently imprecise, and we caution you not to place undue reliance on these data.

Unless Otherwise Indicated, All Information Contained in This Prospectus Assumes:

- No Exercise of the Underwriters' Over-allotment Option,

- Our Reincorporation Into Delaware, and

- THE CONVERSION OF ALL OF OUR REDEEMABLE CONVERTIBLE PREFERRED STOCK ON A ONE-FOR-ONE BASIS INTO SHARES OF COMMON STOCK UPON THE CLOSING OF THIS OFFERING.

Summary Financial Data (In Thousands, Except Per Share Data)

				NINE MONTHS ENDED
	YEAR ENDED DECEMBER 31,			SEPTEMBER 30,
	1996	1997	1998	1998	1999
				(UNAUDITED)	

Statement of Operations Data:

Revenues	$ --	$ 168	$ 566	$ 306	$ 1,759	
Cost of sales	--	85	331	172	1,205	
Gross profit	--	83	235	134	554	
Operating expenses:						
Research and development	171	351	901	521	2,204	
Sales and marketing	--	181	970	629	3,636	
General and administrative	64	249	710	407	1,199	
Amortization of deferred compensation	--	--	--	--	309	
Total operating expenses	235	781	2,581	1,557	7,348	
Loss from operations	(235)	(698)	(2,346)	(1,423)	(6,794)	
Other income (expense), net	--	(1)	75	56	129	
Net loss	$ (235)	$ (699)	$ (2,271)	$ (1,367)	$ (6,665)	
Basic and diluted net loss per share	$ (0.15)	$ (0.11)	$ (0.38)	$ (0.24)	$ (0.86)	
Shares used in computation of basic and diluted net loss per share	1,573	7,001	7,007	7,006	7,169	
Pro forma basic and diluted net loss per share (unaudited)			$ (0.24)		$ (0.38)	
Shares used to compute pro forma basic and diluted net loss per share (unaudited)			11,090		16,092	

	SEPTEMBER 30, 1999	PRO FORMA	ACTUAL	PRO FORMA AS ADJUSTED
BALANCE SHEET DATA:				
Cash and cash equivalents	$14,007	$14,007	$	
Working capital	20,167	20,167		
Total assets	23,817	23,817		
Long-term obligations, net of current portion	156	156	156	
Redeemable convertible preferred stock	30,810	--	--	
Accumulated deficit	(9,870)	(9,870)	(9,870)	
Total stockholders' equity (deficit)	(9,425)	21,385		

The pro forma data give effect to the conversion of all outstanding shares of our redeemable convertible preferred stock into common stock upon the closing of this offering. The pro forma as adjusted data give effect to the foregoing and to the sale of the shares of common stock that we are offering under this prospectus at an assumed initial public offering price of $ per share and after deducting the underwriting discounts and commissions and estimated offering expenses. See "Capitalization" on page 19.

Risk Factors

AN INVESTMENT IN OUR COMMON STOCK IS VERY RISKY. YOU SHOULD CAREFULLY CONSIDER THE RISKS DESCRIBED BELOW, TOGETHER WITH ALL OF THE OTHER INFORMATION IN THIS PROSPECTUS, BEFORE BUYING SHARES IN THIS OFFERING.

Risks Related to Our Business

WE ARE AN EARLY-STAGE COMPANY. OUR EXTREMELY LIMITED OPERATING HISTORY MAKES IT DIFFICULT TO EVALUATE OUR FUTURE PROSPECTS.

iPrint.com was founded in August 1996, and to date we have generated limited revenues. Our limited operating history makes an evaluation of our future prospects very difficult. We began Internet-enabled printing services for the short-run, mass market sector in January 1997 and, therefore, have only a limited operating history with our technology, process, logistics and customers. As a result, you should not consider our recent revenue growth as an indication of our future rate of revenue growth, if any. We will encounter risks and difficulties that early stage companies frequently encounter in new and rapidly evolving and competitive markets. These risks include:

- obtaining a substantial number of new customers rapidly and efficiently;

- converting a large portion of our customers into repeat business customers; and - expanding the number of certified commercial print vendors and improving our technological and logistical connections to these vendors.

If we do not successfully address these risks, our business will be seriously harmed.

WE HAVE NOT BEEN PROFITABLE. WE HAVE AN ACCUMULATED DEFICIT OF $9.9 MILLION AS OF SEPTEMBER 30, 1999 AND MAY NOT EVER BE ABLE TO ACHIEVE PROFITABILITY.

Our failure to significantly increase our revenues will seriously harm our business and operating results. We incurred net losses of $700,000 in 1997, $2.3 million in 1998 and $6.7 million in the nine months ended September 30, 1999. As of September 30, 1999, we had an accumulated deficit of $9.9 million. To become profitable, we must significantly increase our revenues by obtaining new customers and generating additional revenues from existing customers, control our costs and improve our gross margins. Although our revenues have grown in recent quarters, we may not be able to sustain these growth rates. To date, shipping and handling fees and barter transactions have accounted for a significant portion of our revenues. In fact, we may not have any revenue growth, and our revenues could decline. Moreover, we expect to significantly increase our operating expenses in connection with:

- increasing our advertising and special promotions; and - continuing to develop our services and technologies.

As a result, we expect to incur significant losses for the foreseeable future.

OUR QUARTERLY OPERATING RESULTS ARE VOLATILE AND DIFFICULT TO PREDICT. IF WE FAIL TO MEET THE EXPECTATIONS OF PUBLIC MARKET ANALYSTS OR INVESTORS, THE MARKET PRICE OF OUR COMMON STOCK MAY DECREASE SIGNIFICANTLY.

Our quarterly operating results have varied significantly in the past and will likely vary significantly in the future. We compete in the short-run, mass market printing industry, which is characterized by individual orders from relatively small customers rather than long-term contracts with relatively large enterprises. Repeat print business depends on the customers' satisfaction with the services provided. As a result, we cannot predict the amount and profitability of the print services we will provide in a given period. We believe that period-to-period comparisons of our results of operations are not meaningful and should not be relied upon as indicators of future performance. Our operating results will likely fall below the expectations of securities analysts or investors in some future quarter or quarters. Our failure to meet these expectations would likely adversely affect the market price of our common stock.

Our quarterly revenues also depend on successful mass emailing and direct business promotions to increase the number of customers and on satisfactory fulfillment of print orders that our customers place. Our operating results may fluctuate significantly if we are unable to obtain quality email lists, develop successful promotions or deliver quality printed products in any given quarter. Our revenues may also fluctuate based upon the amount of promotional activity in which we are engaged in any quarter. Large promotional events can cause significant increases in revenues while at the same time reducing our gross margins. To date, shipping and handling fees and barter transactions have accounted for a significant portion of our revenues. These revenues may be discontinued at any time or may not recur in future periods.

Furthermore, our quarterly revenues may be affected significantly by our revenue recognition policies and procedures. These policies and procedures may evolve or change over time based upon applicable accounting standards and how these standards are interpreted. For example, in October 1999, the SEC asked the Emerging Issue Task Force of the Financial Accounting Standards Board to address accounting issues related to e-commerce companies. These issues include accounting treatments of barter transactions, free or heavily discounted products and shipping and handling costs. Resolution of these issues could have a material adverse effect on the presentation of our operating results.

In addition, we have not fully developed our business model for our private-labeled business. As this business model evolves, the potential for fluctuations in our quarterly results could increase.

We plan to increase our operating expenses to expand our sales and marketing operations, fund greater levels of research and development, develop new strategic relationships, expand our facilities and increase our professional services and support capabilities. If our revenues do not increase along with these expenses, our business could be seriously harmed. In addition, we incur expenses based in part on expectations of our future revenues, and if our expenses do not generate the revenues we anticipate, our operating results will suffer.

ANY DECLINE IN REVENUES GENERATED FROM OUR IPRINT.COM, AFFILIATE AND CO-LABELED WEBSITES WOULD ADVERSELY AFFECT OUR OPERATING RESULTS.

The printing services we offer on our iPrint.com, affiliate and co-labeled websites accounted for substantially all of our revenues in 1998 and for the nine months ended September 30, 1999. We anticipate that the services we offer on these websites will continue to generate substantially all of our revenues for the foreseeable future. Consequently, a decline in the price of, or demand for, the printing services we offer on those websites, or the failure of these services to achieve broad market acceptance, would seriously harm our business.

THE MARKET FOR OUR INTERNET-BASED PRINTING SOLUTIONS IS AT AN EARLY STAGE. TO SUCCEED, WE MUST INTRODUCE A LARGE NUMBER OF PRINT BUYING CUSTOMERS TO, AND EDUCATE THEM ABOUT, OUR SERVICES.

Our success depends on a significant number of print buying customers knowing about and regularly using our services. The market for Internet-enabled printing services is at an early stage of development. Many of our customers will be addressing issues such as quality, reliability, billing, delivery and customer service, for the first time in a self service, Internet-based print creation and ordering environment. We must educate these potential customers on the use and benefits of our self service website. Educating potential customers is a complex, time consuming and expensive process. In many cases, organizations must change established business practices and conduct business in new ways to use our services. If significant numbers of print buying customers are not willing to change the method by which they use printing services, our business may fail.

IF WE ARE UNABLE TO ATTRACT CUSTOMERS WHO HAVE LONG-STANDING RELATIONSHIPS WITH TRADITIONAL PRINT VENDORS TO OUR WEBSITES, OUR BUSINESS COULD BE HARMED.

To succeed, we must attract new customers, many of whom may have personal and long-standing relationships with traditional print and design shops, catalog vendors and office supply chain and stationery stores. If we are unable to attract customers to our websites for their printing needs, our revenues will not grow and our stock price will decline. Traditional print and design shops have many advantages which we cannot offer our customers, including physical proximity and the ability to store and maintain designs, negatives or print plates on our premises. In addition, catalog vendors may be better able to combine orders to achieve economies of scale and may be more convenient for customers that also want to purchase non-printed products, such as office furniture. Office supply chains and stationery stores may also have better brand recognition than us.

If Our Promotional Efforts Are Not Successful, Our Business Will Fail.

Our success depends upon our ability to acquire customers through promotions and convert them into repeat paying customers. If we cannot convert a substantial number of these promotional customers into repeat paying customers, our business will fail. Direct business promotions are the most important vehicle we use to acquire customers. To date, a significant portion of our revenues has been derived from customer orders generated from our business promotions. These promotions may include

providing a product, such as a mailing label, to a customer for free, or only charging the customer a shipping and handling fee, in order to introduce that customer to our products and services. To expand our business and our customer base, we intend to continue to offer business promotions.

Because we only recently began acquiring customers through aggressive business promotions, we cannot assure you that our strategy of achieving customer and revenue growth will be successful. For this strategy to succeed, we must:

- create compelling business promotions;

- find qualified customer lists in sufficient quantities and at reasonable prices; and - process and fulfill orders for the products that the business promotions generate.

We cannot predict whether using aggressive business promotions will allow us to grow rapidly enough to recover the large investments we have made, and must continue to make, in our promotional programs, systems and technologies. Our business model depends on rapidly acquiring customers to grow our revenues and achieve profitability. If our business promotions do not attract a substantial number of new customers, our revenues may not grow and we may not be profitable.

ANY FAILURE ON THE PART OF OUR OUTSIDE COMMERCIAL PRINT VENDORS TO FULFILL OUR ORDERS IN A TIMELY AND COST-EFFECTIVE MANNER COULD SERIOUSLY HARM OUR BUSINESS.

We depend on outside commercial print vendors to print and fulfill our customers' orders. Any failure on the part of these vendors to fulfill our orders in a timely and cost-effective manner could seriously harm our business. To date, we have only certified approximately 15 commercial print vendors to fulfill our orders. We do not have long-term contracts with any of them. If one or more of our commercial print vendors failed to satisfactorily fulfill our customers' orders, or if the customer orders we receive significantly increased and our vendors did not have the capacity to fulfill those orders, we would be required to find and qualify additional commercial print vendors. In that event, because it typically takes us between four and eight weeks to certify and integrate a commercial print vendor into our business, we may be delayed in fulfilling our customers' orders, which may cause us to lose customers and hurt our business. In addition, for several products, for example, full color business cards, we have only one commercial print vendor. If that vendor were to stop printing these products and we were unable to certify a new vendor in a timely manner, we would be unable to fulfill orders and our business would be adversely affected. Furthermore, if our commercial print vendors increase the prices they charge us, our selling prices or our margins will be adversely affected, which may make us less competitive and harm our business.

Because we do not own any inventory, we rely on our commercial print vendors to maintain an adequate stock of raw materials needed to create our products. Any failure of these commercial print vendors to maintain adequate inventory could result in delays in product delivery and customer dissatisfaction. This in turn could harm our business.

A FAILURE BY OUTSIDE DELIVERY SERVICES TO TIMELY DELIVER OUR CUSTOMERS' ORDERS COULD SERIOUSLY HARM OUR BUSINESS.

We depend on outside delivery services, including the United States postal service, Federal Express and U.P.S., to deliver print orders to our customers. These delivery services have failed in the past, and may fail in the future, to deliver print orders to our customers on a timely basis. Any failure on the part of these outside services to deliver our orders in a timely and cost-effective manner could seriously harm our business.

WE MUST SUCCESSFULLY ENHANCE AND SCALE OUR IPRINT.COM AND RELATED WEBSITES OR OUR BUSINESS MAY FAIL.

If we are unable to enhance and scale our iPrint.com, affiliate, co-label or private label websites on a timely and cost-effective basis, or if these enhancements do not achieve widespread market acceptance, we will be unable to grow, we will miss market opportunities and our business will be seriously harmed. Similarly, if we do not make timely and cost-effective improvements to our other technologies and processes, our business will suffer. The life cycles of our enhancements and the rate at which our websites and processes must scale are difficult to predict because we operate in a new and emerging market that is characterized by rapid technological change, changing customer needs and evolving industry standards. The introduction of products and services, from both the traditional printing industry and the Internet and software commerce sector, that employ new technologies and standards could render our existing products or services obsolete and unmarketable.

For example, our technology that enables our customers to compose their printed designs in electronic format is written in the software language C++. If a new software language, such as Java, becomes standard in the printing industry, we may need to rewrite this technology in another software language to remain competitive. Any need to rewrite our technology would be costly and could result in significant interruptions to our business.

To be successful, we must offer products and services that keep pace with technological developments and emerging industry standards, address the ever-changing and increasingly sophisticated needs of our customers and achieve broad market acceptance. In our efforts to develop these types of products and services, we may:

- not be able to timely or cost-effectively develop and market them;

- encounter products, capabilities or technologies developed by others that render our products and services obsolete or noncompetitive or that shorten the life cycles of our existing products and services; or - experience difficulties that could delay or prevent the successful development, introduction and adoption of these new products and services.

IF WE FAIL TO ADEQUATELY MAINTAIN AND ENHANCE THE COMPUTER AND TELECOMMUNICATIONS INFRASTRUCTURE REQUIRED TO SUPPORT OUR IPRINT.COM AND RELATED WEBSITES, OUR BUSINESS WILL SUFFER.

The performance of our iPrint.com and related websites depends on the operation of our computer and telecommunications equipment. We are responsible for the operation of this equipment and have not retained any third-party companies to maintain or support our equipment. All of our network operations equipment is located in our Redwood City, California facility, and we do not have any

backup or redundant equipment located at an offsite or third party location. If we fail to adequately maintain and enhance our network operations center, our iPrint.com and related websites may not be available to our customers. Any system failure, including any network, software or hardware failure, that interrupts or increases the response time on our websites could decrease customer usage of our services and damage our reputation. In addition, damage to our computer and telecommunications infrastructure from fire, earthquakes, power loss, telecommunications failures, computer viruses, hacker attacks, physical break-ins and similar events may seriously disrupt our service and devastate our business, particularly since we do not have backup facilities at another location.

OUR WEBSITES AND THE SERVICES WE OFFER MAY NOT FUNCTION IF WE ARE UNABLE TO OBTAIN AND MAINTAIN LICENSES TO THIRD-PARTY SOFTWARE AND APPLICATIONS.

We rely on technology that we license from third parties, including software that is integrated with internally developed software and used in our iPrint.com and other websites to perform key functions. For example, we license server technology from Netscape Communications. The functionality of our websites depends upon our ability to integrate the third-party software into our technology. We may license additional software from third parties in the future to add functionality to our services. If our efforts to integrate this third-party software into our websites are not successful, functionality and response times may be limited, customers may not use our services and our business may be seriously harmed.

We would also be seriously harmed if the providers from whom we license software ceased to deliver and support reliable products, enhance their current products or respond to emerging industry standards. Moreover, the third-party software may not continue to be available to us on commercially reasonable terms, or at all. The loss of, or inability to maintain or obtain licensed software, could disrupt or delay our ability to offer key services and products or force us to limit the features of our websites. Either alternative could seriously harm our business and operating results.

OUR WEBSITES, TECHNOLOGIES AND PROCESSES MAY CONTAIN UNDETECTED ERRORS OR DEFECTS WHICH COULD CAUSE OUR WEBSITES TO CRASH OR LIMIT THEIR CAPACITY.

Our websites, and the technologies and processes that support them, are complex and may contain undetected errors or failures when we first introduce or revise them. These errors or failures may cause our websites to fail and result in loss of, or delay in, market acceptance of our products and services. We routinely discover software errors in new releases of our technologies and processes after their introduction. We have experienced delays in release, lost revenues and customer frustration during the period required to correct these errors. We may in the future discover errors, including year 2000 errors and scalability limitations, in current or future releases after the commencement of the commercial release. In addition, a delay in the commercial release of any future version of the iPrint.com, affiliate, co-labeled or private-labeled websites, technologies or processes could seriously harm our business.

Failure to Increase Brand Awareness Could Limit Our Ability to Compete Effectively.

We have not yet established a nationally-known brand and we believe that establishing and maintaining a strong brand name is crucial to the success of our business. Not only may a strong brand attract and expand our customer base, it also provides important competitive advantages, especially as competition increases. We will require substantial resources to promote our brand name, and we cannot guarantee that we will succeed or that the benefits associated with brand creation will outweigh the risks and costs associated with brand name establishment. In addition, we may be unable to raise the additional capital which may be necessary to effectively establish our brand name. Any failure to develop a strong brand name may materially hurt our chances of success.

OUR PRIVATE-LABELED WEBSITES AND BUSINESS ARE AT AN EARLY STAGE OF DEVELOPMENT AND ARE SUBJECT TO SIGNIFICANT RISKS WHICH MAY CAUSE THESE WEBSITES TO FAIL.

We have only recently developed our private-labeled website business strategy. The terms of the relationships that we have entered into have been heavily negotiated and are likely to vary significantly in the future. Our future revenue growth from these websites depends on the success of these efforts which are subject to a number of significant risks. These risks include the need to:

- optimize the manageability of our private-labeled websites;

- enhance the features and offerings of our private-labeled websites to achieve widespread commercial acceptance of our services;

- increase our internal resources to support planned growth of these private-labeled websites; and - rely on our private-labeled partners to promote our services on their websites.

If we do not successfully address these risks, our private-labeled websites may not succeed, and our revenues from that source may not grow.

WE EXPECT REVENUES FROM OUR PRIVATE-LABELED BUSINESS TO BE CONCENTRATED IN A RELATIVELY SMALL NUMBER OF STRATEGIC RELATIONSHIPS AND THE LOSS OF ANY SIGNIFICANT STRATEGIC RELATIONSHIP COULD HARM OUR BUSINESS.

We may attract only a small number of commercial and quick printers to participate in our private-labeled program. In addition, our private-labeled business may derive a significant portion of its revenues from these commercial and quick printers' relatively small number of customers in the future. A significant decline in revenues from any one of these printers will adversely affect the success of our private-labeled business. The revenues we derive from our private-labeled business may not be enough to maintain and enhance our private-labeled program, which will cause it to fail.

Prospective Investors Should Not Rely on Recent Press Articles About Us and Our Business.

iPrint.com and our related websites have appeared in the press recently. Some of these articles contained information provided by or attributed to our management that is either not contained in this prospectus or is inconsistent with the information contained in this prospectus. In making an investment decision, prospective investors should only rely on information that is contained in this prospectus.

SYSTEMS ON WHICH WE RELY MAY NOT BE YEAR 2000 COMPLIANT AND MAY ADVERSELY AFFECT OUR BUSINESS.

Despite our efforts to become year 2000 compliant, we cannot guarantee that our websites and systems and those of the third party vendors that we use will be year 2000 compliant. Delay or loss of revenues, interruption of services, or litigation are possible and would damage our business.

IF WE ARE UNABLE TO RETAIN OUR CURRENT KEY PERSONNEL AND ATTRACT ADDITIONAL KEY PERSONNEL, PARTICULARLY IN RESEARCH AND DEVELOPMENT AND PROCESS CONTROL, OUR BUSINESS MAY BE HARMED.

Our future performance depends on the continued service of our senior management, research and development, process control, customer support and sales and marketing personnel, in particular Royal P. Farros, our president and chief executive officer. The loss of the services of one or more of our key personnel could seriously harm our business. Our future success also depends on our continuing ability to attract, hire, train and retain a substantial number of highly skilled managerial, technical, sales, marketing and customer support personnel. Competition for qualified personnel in these areas is intense. In addition, new hires frequently require extensive training before they achieve desired levels of productivity. Many of our existing management personnel have been employed at iPrint.com for less than a year, including our chief financial officer and chief marketing officer. We may fail to attract and retain qualified personnel, which could have a negative impact on our business.

IF THE PROTECTION OF OUR INTELLECTUAL PROPERTY IS INADEQUATE, OUR COMPETITORS MAY GAIN ACCESS TO OUR TECHNOLOGY, AND WE MAY LOSE CUSTOMERS.

We depend on our ability to develop and maintain the proprietary aspects of our technology. To protect our proprietary technology, we rely primarily on a combination of confidentiality procedures, contractual provisions, trade secrets, and patent, copyright and trademark laws.

When we enter into private-label relationships with strategic parties, we enter into license agreements which impose restrictions on each party's obligations rather than sell our iPrint.com website. In addition, we seek to avoid disclosure of our trade secrets through a number of means, which may include requiring persons with access to our proprietary information to execute confidentiality agreements with us and restricting access to the language in which our software is written. We seek to protect our software, documentation and other written materials under trade secret and copyright laws,

which afford only limited protection. Our proprietary rights with respect to our iPrint.com and related websites may not prove viable or of value in the future since the validity, enforceability and type of protection of proprietary rights in Internet-related industries are uncertain and still evolving.

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our products or to obtain and use information that we regard as proprietary. Policing unauthorized use of our products is difficult, and while we are unable to determine the extent to which piracy of our software or code exists, software piracy can be expected to be a persistent problem. In addition, the laws of some foreign countries do not protect our proprietary rights to as great an extent as do the laws of the United States. Our means of protecting our proprietary rights may not be adequate and our competitors may independently develop similar technology, duplicate our products or design around patents issued to us or our other intellectual property.

OTHERS MAY BRING INFRINGEMENT CLAIMS AGAINST US WHICH COULD BE TIME CONSUMING AND EXPENSIVE FOR US TO DEFEND.

Other companies, including our competitors, may obtain patents or other proprietary rights that would prevent, limit or interfere with our ability to offer our printing services on our websites. For example, from time to time we receive notices claiming that our technology infringes patents held by third parties. When we receive these notices, we evaluate whether or not we believe that we infringe a valid patent. Third parties could assert, and it may be found, that our technologies infringe their proprietary rights. We could incur substantial costs to defend any litigation, and intellectual property litigation could force us to do one or more of the following:

- cease using key aspects of our technology that incorporates the challenged intellectual property;

- obtain a license from the holder of the infringed intellectual property right; and - redesign some or all of our websites.

In the event of a successful claim of infringement against us and our failure or inability to license the infringed technology, our business and operating results would be significantly harmed.

We Will Need to Raise Additional Capital in the Future, Which Can Cause Dilution.

We may need to seek additional funding in the future. We do not know if we will be able to obtain additional financing on favorable terms, if at all. In addition, if we issue equity securities, stockholders may experience additional dilution or the new equity securities may have rights, preferences or privileges senior to those of existing holders of common stock. If we cannot raise funds on acceptable terms, if and when needed, we may not be able to develop or enhance our products, take advantage of future opportunities or respond to competitive pressures or unanticipated requirements, which could seriously harm our business.

Risks Related to the Printing Industry and the Internet

THE PRINTING INDUSTRY IS VERY COMPETITIVE, AS IS THE NEWLY EMERGING E-COMMERCE BUSINESS. WE FACE INTENSE COMPETITION FROM TRADITIONAL AND NEW PLAYERS IN THIS INDUSTRY. IF WE ARE UNABLE TO COMPETE SUCCESSFULLY, OUR BUSINESS WILL FAIL.

The printing industry is intensely competitive. Competitors vary in size and in the scope and in the breadth of the products and services they offer. Competition in the short-run printing market is intense and we expect this intensity of competition to dramatically increase in the future. Increased competition is likely to result in price reductions, reduced gross margins and loss of market share, any one of which could seriously harm our business. If we cannot compete successfully against our current and future competitors, our business will fail. For more information on our competitors, please see "Business-Competition."

ORDERING PRINTED PRODUCTS OVER THE INTERNET IS RELATIVELY NEW AND IF SMALL BUSINESSES AND CONSUMERS DO NOT ADOPT THE INTERNET AS A COMMERCE TOOL, OUR BUSINESS WILL FAIL.

If small businesses and consumers do not use the Internet as a commerce tool, our revenues will not grow and our operating results will suffer. Because print procurement on the Internet is in its infancy, it is difficult to estimate the size and growth of this market, if any. To date, many small businesses have been deterred from using the Internet to procure goods and services for a number of reasons, including concerns relating to:

- security,

- quality of service, - product quality, - reliability, - billing, and - delivery of products.

Even if the Internet becomes a standard tool that small businesses and consumers regularly use, it may not be effective or reach broad market acceptance for obtaining printing services.

TECHNOLOGY ADVANCEMENTS COULD ADVERSELY AFFECT OR REDUCE THE DEMAND FOR OUR PRODUCTS AND SERVICES, WHICH WOULD HARM OUR BUSINESS.

Technological innovations are common in the printing industry, especially given the rapid advancement of computer and communications technologies. Home printing systems are yielding more professional results which may reduce demand for offset and thermographic professional printing. Information previously distributed on paper is now being distributed electronically in an almost effortless fashion. As technology further enables and enhances these alternative communication methods, our business may suffer if we experience a corresponding decrease in demand for our products and services.

POTENTIAL IMPOSITION OF GOVERNMENTAL REGULATION ON ELECTRONIC COMMERCE AND LEGAL UNCERTAINTIES COULD LIMIT OUR GROWTH.

The adoption of new laws or the adaptation of existing laws to the Internet may decrease the growth in the use of the Internet, which could in turn decrease the demand for our services, increase our cost of doing business or otherwise have a material adverse effect on our business, financial condition and operating results. Few laws or regulations currently directly apply to access to commerce on the Internet. Federal, state, local and foreign governments are considering a number of legislative and regulatory proposals relating to Internet commerce. As a result, a number of laws or regulations may be adopted regarding Internet user privacy, taxation, pricing, quality of products and services, and intellectual property ownership. The application of existing laws to the Internet in areas such as property ownership, copyright, trademark, trade secret, obscenity and defamation is uncertain. Numerous state and local representatives have expressed a desire to impose taxes on sales over the Internet to consumers and businesses in their jurisdictions. The Internet Tax Freedom Act of 1998 has generally imposed a moratorium through October 2001 on the imposition of some kinds of consumer-related taxes, other than sales or use taxes, in connection with Internet access and Internet-related sales. After this moratorium expires and if no further legislation is adopted by Congress, state and local taxing authorities will be free to impose these taxes on sales of goods and services over the Internet, which could substantially hinder the growth of Internet-based commerce, including sales of our products and services.

Risks Related to the Offering

Our Securities Have No Prior Market and Our Stock Price May Decline After the Offering.

Before this offering, there has not been a public market for our common stock and the trading price of our common stock may decline below the initial public offering price. The initial public offering price has been determined by negotiations between us and the representatives of the underwriters. See "Underwriting" for a discussion of the factors considered in determining the initial public offering price.

If you purchase shares of common stock, an active trading market may not develop and you may not be able to resell those shares at or above the initial public offering price, or at all. The trading price of our common stock may fluctuate significantly in response to a number of factors, some of which are beyond our control, including:

- quarterly declines in operating results;

- changes in financial estimates or recommendations by securities analysts;

- announcements by us or our competitors of financial results, new services, significant technological innovations, contracts, acquisitions, strategic partnerships, joint ventures, capital commitments or other events; and - stock market price and volume fluctuations, which are particularly common among securities of Internet-related companies.

In addition, the stock market has experienced extreme volatility that often has been unrelated to the performance of particular companies. These market fluctuations may cause our stock price to fall regardless of our performance.

WE HAVE NO SPECIFIC PLAN FOR ANY SIGNIFICANT PORTION OF THE NET PROCEEDS AND OUR INVESTMENT OF THE NET PROCEEDS MAY NOT YIELD A FAVORABLE RETURN.

We plan to use the proceeds from this offering for working capital and other general corporate purposes. We may use the proceeds in ways with which you do not agree or that prove to be disadvantageous to our stockholders. We may not be able to invest the proceeds of this offering in our operations or external investments to yield a favorable return.

AFTER THIS OFFERING WE WILL CONTINUE TO BE CONTROLLED BY OUR EXECUTIVE OFFICERS, DIRECTORS AND MAJOR STOCKHOLDERS WHOSE INTERESTS MAY CONFLICT WITH YOURS.

Upon completion of this offering, our executive officers, directors and principal stockholders will beneficially own approximately % of our outstanding common stock. As a result, these stockholders will be able to exercise control over all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions, which could have the effect of delaying or preventing a third party from acquiring control over or merging with us. We also plan to reserve up to 5% of the shares offered in this offering under a directed share program in which our executive officers, directors, principal stockholders, employees, business associates and related persons may be able to purchase shares in this offering at the initial public offering price. This program may further increase the amount of stock held by persons whose interests are closely aligned with management's interests.

PROVISIONS IN OUR CHARTER DOCUMENTS AND DELAWARE LAW COULD PREVENT OR DELAY A CHANGE IN CONTROL, WHICH COULD REDUCE THE MARKET PRICE OF OUR COMMON STOCK.

Provisions in our certificate of incorporation and bylaws may have the effect of delaying or preventing a change of control or changes in our management. In addition, certain provisions of Delaware law may discourage, delay or prevent someone from acquiring or merging with us. These provisions could limit the price that investors might be willing to pay in the future for shares of our common stock. For more information, see "Description of Capital Stock."

THERE ARE A LARGE NUMBER OF SHARES THAT MAY BE SOLD IN THE MARKET FOLLOWING THIS OFFERING, WHICH MAY DEPRESS THE MARKET PRICE OF OUR COMMON STOCK.

Sales of substantial numbers of shares of our common stock in the public market after this offering, or the perception that sales may be made, could cause the market price of our common stock to decline. In addition, the sale of these shares could impair our ability to raise capital through the sale of additional equity securities. Based on shares outstanding as of September 30, 1999, following this offering, we will have shares of common stock outstanding or shares if the underwriters' over-allotment is exercised in full. Of these, shares will become available for sale 180 days following the date of this prospectus

upon the expiration of lock-up agreements, subject to the restrictions imposed by the federal securities laws on sales by affiliates. Credit Suisse First Boston Corporation, however, may waive the lock-up restrictions at its sole discretion without notice.

Special Note Regarding Forward-looking Statements

Some of the statements under Prospectus Summary, Risk Factors, Management's Discussion and Analysis of Financial Condition and Results of Operations, Business and elsewhere in this prospectus constitute forward-looking statements. In some cases, you can identify forward-looking statements by terms such as may, will, should, expect, plan, intend, forecast, anticipate, believe, estimate, predict, potential, continue or the negative of these terms or other comparable terminology. The forward-looking statements contained in this prospectus involve known and unknown risks, uncertainties and situations that may cause our or our industry's actual results, level of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these statements. These factors include those listed under "Risk Factors" and elsewhere in this prospectus.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. You should not place undue reliance on these forward-looking statements.

Use of Proceeds

We estimate that our net proceeds from the sale of the shares of common stock we are offering will be approximately $ million, at an assumed initial public offering price of $ per share and after deducting estimated underwriting discounts and commissions and estimated offering expenses. If the underwriters' over-allotment option is exercised in full, we estimate that our net proceeds will be approximately $ million.

The principal purposes of this offering are to obtain additional capital, to create a public market for our common stock, to enhance our ability to acquire other businesses, products or technologies, and to facilitate future access to public equity markets. We intend to use the proceeds for working capital, capital expenditures and other general corporate purposes. We may also use a portion of the net proceeds from this offering to acquire or invest in businesses, technologies or products that are complementary to our business. We currently have no commitments or agreements with respect to any acquisitions. Pending our use of the net proceeds, we intend to invest them in cash equivalents and short-term investments in a variety of securities, including commercial paper, money market funds, government and non-government debt securities.

Dividend Policy

We have never declared or paid any cash dividends on our common stock and do not anticipate paying such cash dividends in the foreseeable future. We currently anticipate that we will retain all of our future earnings for use in the development and expansion of our business and for general corporate purposes. Any determination to pay dividends in the future will be at the discretion of our board of directors and will depend upon our financial condition, operating results and other factors as determined by our board of directors. Additionally, we have entered into a loan agreement with a creditor that restricts our ability to pay dividends.

Capitalization

The following table sets forth our capitalization as of September 30, 1999 on the following three bases:

- On an actual basis;

- On a pro forma basis to reflect the conversion of all outstanding shares of our redeemable convertible preferred stock into shares of common stock; and - On a pro forma as adjusted basis to reflect (1) the sale of shares of common stock in this offering at an assumed initial public price of $ per share and the application of the net proceeds, after deducting underwriting discounts and commissions and estimated offering expenses, and (2) the conversion of all outstanding shares of our redeemable convertible preferred stock into shares of common stock upon the closing of this offering.

This table should be read in conjunction with our financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

AS OF SEPTEMBER 30, 1999 PRO FORMA ACTUAL PRO FORMA AS ADJUSTED (IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

Current portion of long-term obligations.....	$ 284	$ 284	$ 284
Long-term obligations, net of current portion.....	156	156	156
Redeemable convertible preferred stock, no par value, 32,806,164 shares authorized; 16,070,581 shares issued and outstanding, actual; no shares issued and outstanding, pro forma and pro forma as adjusted:.....	30,775	--	--
Value ascribed to redeemable convertible preferred stock warrants.....	35	--	--
Total redeemable convertible preferred stock.....	30,810	--	--
Stockholders' equity (deficit):			
Common stock, no par value, 30,000,000 shares authorized; 8,001,817 shares issued and outstanding, actual; 62,806,164 shares authorized, 24,072,398 shares issued and outstanding, pro forma; shares authorized, shares issued and outstanding, pro forma as adjusted.....	1,463	32,238	
Value ascribed to common stock warrants.....	--	35	35
Deferred stock compensation.....	(1,018)	(1,018)	(1,018)
Accumulated deficit.....	(9,870)	(9,870)	(9,870)
Total stockholders' equity (deficit).....	(9,425)	21,385	
Total capitalization.....	$21,825	$21,825	$

Dilution

If you invest in our common stock, your interest will be diluted in an amount equal to the difference between:

- the public offering price per share of our common stock, and - the pro forma net tangible book value per share of our common stock after this offering.

The pro forma net tangible book value per share after this offering equals:

- the net tangible book value, which is tangible assets less total liabilities, divided by - the number of outstanding shares of common stock after the offering, which will include the conversion of all outstanding shares of redeemable convertible preferred stock into shares of common stock.

Our pro forma net tangible book value as of September 30, 1999 was approximately $21.4 million or $0.89 per share of common stock. The pro forma as adjusted net tangible book value per share takes into account the estimated net proceeds from this offering. Based upon an assumed initial public offering price of $ per share and after deducting the estimated underwriting discounts and commissions and estimated offering expenses, our pro forma as adjusted net tangible book value as of September 30, 1999 would have been approximately $, or $ per share. This represents an immediate increase in pro forma as adjusted net tangible book value of $ per share to existing stockholders and an immediate dilution of $ per share to investors purchasing common stock in this offering. The following table illustrates the per share dilution:

Assumed initial public offering price per share.....		$
Pro forma net tangible book value per share as of September 30, 1999.....	$ 0.89	
Increase per share attributable to new investors.....		
Pro forma as adjusted net tangible book value per share after the offering.....		
Dilution per share to new investors.....		$

The following table summarizes as of September 30, 1999, on the pro forma basis described above, the number of shares of common stock purchased from us, the total consideration paid and the average price per share paid by existing stockholders and by investors purchasing shares of common stock in this offering, before deducting the underwriting discounts and commissions and estimated offering expenses. Additionally, as detailed below, new investors purchasing shares in this offering at the initial public offering price will contribute % of the total consideration paid to us but will own only % of our shares.

	SHARES PURCHASED		TOTAL CONSIDERATION		AVERAGE PRICE PAID PER SHARE
	NUMBER	PERCENT	AMOUNT	PERCENT	
Existing stockholders.....	24,072,398	%	$32,237,000	%	$1.34
New investors.....		%		%	
Total.....		100%	$	100%	

Except as noted above, the foregoing discussion and tables assume no exercise of any stock options or warrants outstanding at September 30, 1999. As of September 30, 1999, there were options outstanding to purchase 1,146,099 shares of common stock at a weighted average exercise price of $0.20 and warrants to purchase 70,500 shares of common stock at a weighted average exercise price of $0.85. To the extent that any of these options and warrants are exercised, there will be further dilution to investors purchasing our common stock.

Selected Financial Data

You should read the selected financial data set forth below in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our Financial Statements and the Notes thereto included elsewhere in this prospectus. The statement of operations data for the years ended December 31, 1996, 1997 and 1998 and for the nine months ended September 30, 1999 and the balance sheet data at December 31, 1997 and 1998 and at September 30, 1999 are derived from, and are qualified by reference to, the audited financial statements and notes thereto appearing elsewhere in this prospectus. The balance sheet data as of December 31, 1996 are derived from, and are qualified by reference to, financial statements not appearing in this prospectus. The statement of operations data for the nine months ended September 30, 1998 are unaudited. In the opinion of management, all necessary adjustments, consisting only of normal recurring adjustments, have been included to present fairly the unaudited nine months results when read in conjunction with the audited financial statements and the notes thereto appearing elsewhere in this prospectus. Historical results are not necessarily indicative of results that may be expected for any future period.

	YEAR ENDED DECEMBER 31,			NINE MONTHS ENDED SEPTEMBER 30,	
	1996	1997	1998	1998	1999
				(UNAUDITED)	
	(IN THOUSANDS, EXCEPT PER SHARE DATA)				
STATEMENT OF OPERATIONS DATA:					
Revenues	$ --	$ 168	$ 566	$ 306	$ 1,759
Cost of sales	--	85	331	172	1,205
Gross profit	--	83	235	134	554
Operating expenses:					
Research and development	171	351	901	521	2,204
Sales and marketing	--	181	970	629	3,636
General and administrative	64	249	710	407	1,199
Amortization of deferred compensation	--	--	--	--	309
Total operating expenses	235	781	2,581	1,557	7,348
Loss from operations	(235)	(698)	(2,346)	(1,423)	(6,794)
Other income (expense), net	--	(1)	75	56	129
Net loss	$ (235)	$ (699)	$(2,271)	$(1,367)	

$(6,665)					
Basic and diluted net loss per share.....	$(0.15)	$(0.11)	$ (0.38)	$ (0.24)	$ (0.86)
Shares used in computation of basic and diluted net loss per share.....	1,573	7,001	7,007	7,006	7,169
Pro forma basic and diluted net loss per share (unaudited).....			$ (0.24)		$ (0.38)
Shares used to compute pro forma basic and diluted net loss per share (unaudited).....			11,090		16,092

	DECEMBER 31,			SEPTEMBER 30,
	1996	1997	1998	1999
	(IN THOUSANDS)			
BALANCE SHEET DATA:				
Cash and cash equivalents.....	$ 2	$2,322	$ 299	$14,007
Working capital (deficit).....	(75)	2,266	(497)	20,167
Total assets.....	31	2,396	914	23,817
Long-term obligations, net of current portion.....	167	--	--	156
Redeemable convertible preferred stock.....	--	3,331	3,723	30,775
Accumulated deficit.....	(235)	(1,012)	(3,675)	(9,870)
Total stockholders' equity (deficit).....	(215)	(992)	(3,655)	(9,425)

Management's Discussion and Analysis of Financial Condition and Results of Operations

THE FOLLOWING IS A DISCUSSION OF OUR OPERATIONS AND SHOULD BE READ IN CONJUNCTION WITH OUR FINANCIAL STATEMENTS AND RELATED NOTES THERETO INCLUDED ELSEWHERE IN THIS PROSPECTUS. THIS DISCUSSION CONTAINS FORWARD-LOOKING STATEMENTS THAT INVOLVE RISKS AND UNCERTAINTIES. OUR ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE ANTICIPATED IN THESE FORWARD-LOOKING STATEMENTS AS A RESULT OF CERTAIN FACTORS INCLUDING, BUT NOT LIMITED TO, THOSE SET FORTH UNDER "RISK FACTORS" AND ELSEWHERE IN THIS PROSPECTUS.

Overview

We are a leading provider of online print services for small business and consumers, as well as a leading provider of private-labeled online solutions for the commercial printing industry. Our online print shops offer customers a one-stop shop for addressing their printing needs.

We were incorporated in August 1996 and we officially launched the iPrint.com website and commenced online sales of printed products in January 1997. For the year ended December 31, 1996, we had no revenues. Our operating activities during this period consisted of developing software and hardware infrastructure, recruiting personnel and raising capital. Since January 1997, we have broadened the functionality of our iPrint.com website, certified an increasing number of commercial

print vendors to fulfill orders for our customers, increased the breadth of products we offer and attracted new customers through a series of direct and indirect marketing campaigns. Beginning in 1998, we entered into affiliate, co-labeled and private-labeled relationships. In the first nine months of 1999, we experienced a substantial increase in the number of unique visitors to our iPrint.com and related websites, orders our customers placed, and shipments our commercial print vendors made.

Since our inception, we have incurred significant net losses primarily as a result of costs associated with developing our websites and our marketing efforts. From inception through September 30, 1999, we accumulated net losses of $9.9 million. As we seek to aggressively expand our business, we expect that our operating expenses will significantly increase as a result of financial commitments related to expanded advertising and promotional campaigns, the development of additional marketing channels, strategic relationships, enhancements to our iPrint.com and related websites and other capital expenditures. We expect that we will incur losses and generate negative cash flow from operations for the foreseeable future. Our ability to achieve profitability depends upon our ability to substantially increase our sales. In view of the rapidly changing nature of our business and our limited operating history, we believe that period-to-period comparisons of our operating results, including our operating expenses as a percentage of sales, are not necessarily meaningful and should not be relied upon as an indication of our future performance.

We generate revenues from the sale of a variety of printed products to end user customers. Our products and services are available to our customers through our iPrint.com website, our managed iPrint.com affiliate and co-labeled websites, and our private-labeled websites. We certify our commercial print vendors to perform printing services on our behalf. We do not recognize revenues until the product has shipped, collection of the receivable is probable, and we have fulfilled all of our contractual obligations to the customer. A significant portion of our revenues and cost of sales are derived from shipping and handling fees. We record sales net of discounts. We have recorded the cost of promotional products that we give away for free as a sales and marketing expense. A significant portion of our revenue is generated through barter transactions with our co-labeled partners in which we sell printed products in exchange for online advertising. Barter transaction revenues and related advertising costs are recorded at the fair value of the goods or services provided or received, whichever is more readily determinable in the circumstances. We derived revenues of $211,000 from barter transactions for the nine months ended September 30, 1999. We derived no revenue from barter transactions in 1996, 1997 or 1998. Substantially all of our revenues are generated from sources within the United States and all sales to date have been in United States dollars.

Cost of sales consists primarily of direct expenses relating to printing products, rework and reprinting charges, shipping and handling fees, royalties on software licenses and credit card processing fees.

We categorize our operating expenses into research and development, sales and marketing, general and administrative and amortization of deferred compensation.

Research and development expenses consist primarily of personnel and related costs, including costs related to consultants and outside contractors.

Sales and marketing expenses consist of the cost of free promotional products, the cost of marketing programs including advertisements, costs to acquire email lists, personnel and related costs for our marketing staff and customer support groups and participation in trade shows.

General and administrative expenses consist primarily of personnel and related costs for corporate functions, including finance, accounting, legal, human resources, facilities and management of commercial print vendor relationships.

Deferred compensation represents the aggregate difference, at the date of grant, between the respective exercise price of stock options and the estimated fair value of the underlying stock. Deferred stock-based compensation is amortized over the vesting period of the underlying options based on an accelerated vesting method, generally four years. Through September 30, 1999, we had recorded unearned stock-based compensation of $1.3 million. For the nine months ended September 30, 1999, we recorded stock-based compensation of $309,000.

The total unearned stock-based compensation recorded for all option grants through September 30, 1999 will be amortized as follows: $172,000 for the remainder of the year ending December 31, 1999, $460,000 for the year ending December 31, 2000, $244,000 for the year ending December 31, 2001, $116,000 for the year ending December 31, 2002 and $26,000 for the year ending December 31, 2003. The amount of deferred stock compensation expense to be recorded in future periods could decrease if options for which accrued but unvested compensation has been recorded are forfeited.

Results of Operations

The following table sets forth statement of operations data expressed as a percentage of revenues for the periods indicated:

	YEAR ENDED DECEMBER 31,		NINE MONTHS ENDED SEPTEMBER 30,	
	1997	1998	1998 (UNAUDITED)	1999
SUMMARY OF OPERATIONS DATA:				
Revenues	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	50.6	58.5	56.2	68.5
Gross profit	49.4	41.5	43.8	31.5
Operating expenses:				
Research and development	208.9	159.2	170.3	125.3
Sales and marketing	107.7	171.4	205.6	206.7
General and administrative	148.2	125.4	133.0	68.2
Amortization of deferred compensation	--	--	--	17.6
Total operating expenses	464.8	456.0	508.9	417.8
Loss from operations	(415.4)	(414.5)	(465.1)	(386.3)
Other income (expense), net	(0.6)	13.3	18.3	7.3
Net loss	(416.0)%	(401.2)%	(446.8)%	(379.0)%

Nine Months Ended September 30, 1998 and 1999

REVENUES. Revenues increased from $306,000 for the nine months ended September 30, 1998, to $1.8 million for the nine months ended September 30, 1999. The increase was primarily due to a higher number of orders, substantially all of which resulted from our promotional offers, as well as increased customer activity on our co-labeled and private-labeled websites.

COST OF SALES. Cost of sales increased from $172,000 for the nine months ended September 30, 1998 to $1.2 million for the nine months ended September 30, 1999. The increase was primarily due to increased orders that our customers placed on our iPrint.com and related websites. Gross margins decreased from 43.8% for the nine months ended September 30, 1998 to 31.5% for the nine months ended September 30, 1999. This decrease was primarily the result of a shift in product mix to lower margin items, increased promotional discounts and increased sales of promotional items at cost.

RESEARCH AND DEVELOPMENT. Research and development expenses increased from $521,000 for the nine months ended September 30, 1998 to $2.2 million for the nine months ended September 30, 1999. The increase was primarily due to an increase in personnel costs of $1.2 million and increases in consultant and outside contractor costs of $147,000 as we increased the functionality of our iPrint.com and related websites and broadened our product offerings. We continue to invest substantially in research and development and we expect research and development expenses to increase on an absolute dollar basis in future periods.

SALES AND MARKETING. Sales and marketing expenses increased from $629,000 for the nine months ended September 30, 1998 to $3.6 million for the nine months ended September 30, 1999. The increase was primarily a result of an increase in promotional spending and related costs of $1.7 million for promotional products given away for free. Also contributing to this increase was growth in our direct marketing, business development and customer support staffs, with personnel-related costs increasing by $904,000. We expect our sales and marketing expenses to significantly increase on an absolute dollar basis as we continue to expand our customer acquisition and brand awareness activities.

GENERAL AND ADMINISTRATIVE. General and administrative expenses increased from $407,000 for the nine months ended September 30, 1998 to $1.2 million for the nine months ended September 30, 1999. The increase was due primarily to increases in personnel-related costs and professional service fees. We expect general and administrative expenses to increase on an absolute dollar basis in future periods, in part as we incur costs related to operating as a public company.

AMORTIZATION OF DEFERRED COMPENSATION. We recorded unearned stock-based compensation of $1.3 million during the nine months ended September 30, 1999, which is being amortized over the period during which the options vest, generally four years. Stock-based compensation expense recognized during the nine months ended September 30, 1999 was $309,000.

OTHER INCOME (EXPENSE), NET. Other income (expense), net increased from $56,000 for the nine months ended September 30, 1998 to $129,000 for the nine months ended September 30, 1999. The increase was primarily due to higher interest income earned based on higher average cash balances during 1999.

Years Ended December 31, 1997 and 1998

REVENUES. Revenues increased from $168,000 for the year ended December 31, 1997 to $566,000 for the year ended December 31, 1998. The increase was primarily due to a higher number of orders from customers that visited our iPrint.com website and an increase in promotional offers.

COST OF SALES. Cost of sales increased from $85,000 for the year ended December 31, 1997 to $331,000 for the year ended December 31, 1998. The increase was primarily due to increased orders placed by customers through all of our distribution channels. Gross margins decreased from 49.4% for the year ended December 31, 1997 to 41.5% for the year ended December 31, 1998. This decrease was primarily the result of non-recurring custom engineering work for which we charged third-party customers in 1997 but not in 1998, and an increase in promotional items that we sold at cost.

RESEARCH AND DEVELOPMENT. Research and development expenses increased from $351,000 for the year ended December 31, 1997 to $901,000 for the year ended December 31, 1998. The increase was primarily due to an increase in personnel costs of $434,000 and an increase in consultant and outside contractor costs of $105,000 to further develop the functionality of our websites and broaden our product offerings.

SALES AND MARKETING. Sales and marketing expenses increased from $181,000 for the year ended December 31, 1997 to $970,000 for the year ended December 31, 1998. The increase was primarily a result of an increase in promotional spending and related costs of $385,000 for promotional products given away for free. Also contributing to this increase was a growth in the number of our marketing, business development and customer support staffs, with personnel related costs increasing by $309,000.

GENERAL AND ADMINISTRATIVE. General and administrative expenses increased from $249,000 for the year ended December 31, 1997 to $710,000 for the year ended December 31, 1998. The increase was due partially to increases in personnel-related costs and recruiting fees.

OTHER INCOME (EXPENSE), NET. Other income (expense), net increased from an expense of $1,000 for the year ended December 31, 1997 to income of $75,000 for the year ended December 31, 1998. The increase was due to higher interest income earned based on higher average cash balances during 1998.

INCOME TAXES. No provision for federal and state income taxes was recorded as we incurred net operating losses from inception through September 30, 1999. As of September 30, 1999, we had $8.8 million of federal and state net operating loss carryforwards which expire in varying amounts through the year 2019. Due to uncertainty regarding the ultimate utilization of the net operating loss carryforwards, we have not recorded any benefit for losses and a valuation allowance has been recorded for the entire amount of the net deferred tax asset. Under applicable tax regulations, sales of our stock, including shares sold in this offering, may further restrict our ability to utilize our net operating loss carryforwards.

Quarterly Results of Operations

The following table presents our quarterly results of operations for each of the seven quarters ended September 30, 1999, as well as the same data expressed as a percentage of our total revenues for the periods indicated. The information for each of these quarters is unaudited and we have prepared it on the same basis as the audited financial statements appearing elsewhere in this prospectus. In the opinion of management, all necessary adjustments, consisting only of normal recurring adjustments, have been included to present fairly the unaudited quarterly results. You should read this section in conjunction with our audited financial statements and notes thereto appearing elsewhere in this prospectus. These operating results are not necessarily indicative of the results of any future period.

	QUARTER ENDED							
	MARCH 31, 1998	JUNE 30, 1998	SEPT. 30, 1998	DEC. 31, 1998	MARCH 31, 1999	JUNE 30, 1999	SEPT. 30, 1999	
	(UNAUDITED)							
	(IN THOUSANDS, EXCEPT AS A PERCENTAGE OF REVENUES)							
STATEMENTS OF OPERATIONS DATA:								
Revenues	$ 103	$ 111	$ 92	$ 260	$ 286	$ 467	$ 1,006	
Cost of sales	51	67	54	159	188	308	709	
Gross profit	52	44	38	101	98	159	297	
Operating expenses:								
Research and development	117	154	250	380	555	677	972	
Sales and marketing	92	192	345	341	555	987	2,094	
General and administrative	101	133	173	303	283	310	606	
Amortization of deferred compensation	--	--	--	--	21	124	164	
Total operating expenses	310	479	768	1,024	1,414	2,098	3,836	
Loss from operations	(258)	(435)	(730)	(923)	(1,316)	(1,939)	(3,539)	
Other income (expense), net	27	23	6	19	19	72	38	
Net loss	$ (231)	$ (412)	$ (724)	$ (904)	$ (1,297)	$ (1,867)	$ (3,501)	
PERCENTAGE OF TOTAL REVENUES:								
Revenues	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	
Cost of sales	49.5	60.4	58.7	61.2	65.7	66.0	70.5	
Gross margin	50.5	39.6	41.3	38.8	34.3	34.0	29.5	
Operating expenses:								
Research and development	113.6	138.7	271.7	146.2	194.1	145.0	96.6	
Sales and marketing	89.3	173.0	375.0	131.2	194.1	211.3	208.2	
General and administrative	98.1	119.8	188.0	116.5	99.0	66.4	60.2	
Amortization of deferred								

```
    compensation..................        --           --          --           --          7.3
26.6         16.3
    Total operating expenses.......     301.0        431.5       834.7        393.9       494.5
449.3        381.3
Loss from operations..............    (250.5)      (391.9)     (794.4)      (355.1)     (460.2)
(415.3)      (351.8)
Other income (expense), net........      26.2         20.7         6.5          7.3         6.6
15.4          3.8
Net loss..........................    (224.3)%     (371.2)%    (786.9)%     (347.8)%    (453.6)%
(399.9)%     (348.0)%
```

Revenues have increased in each consecutive quarter presented, exclusive of the third quarter of 1998. During that quarter we commenced an aggressive customer acquisition program and began to offer discounted products and free promotional products to the public. The growth in revenues during the second and third quarters of 1999 was driven by substantial increases in order growth, predominately due to promotional offers and increased activity at our co-labeled and private-labeled websites.

We have recorded sequential declines in gross margin since the first quarter of 1998. The reduction in gross margin during the second quarter of 1998 was due to a shift in the mix of products that our customers bought. The reduction in gross margin during the third and fourth quarters of 1998 was due to our customer acquisition programs, which include shipping a substantial number of promotional orders at no margin. During the second and third quarters of 1999 the reduction in gross margin was due to a shift in product mix to lower margin items and increased promotional discounts.

Our research and development expenses have increased in absolute dollars in each quarter presented primarily as a result of increases in our personnel-related costs. Sales and marketing expenses have increased in absolute dollars in each quarter presented. The increase in the third and fourth quarters of 1998 was primarily due to increased promotional spending. These expenses also increased significantly in the second and third quarters of 1999 due to increases in promotional spending and related cost of promotional products shipped. Our general and administrative expenses have increased in absolute dollars in all but one of the quarters presented primarily as a result of increases in our personnel-related costs.

As a result of our limited operating history and the emerging nature of the markets in which we compete, we are unable to accurately forecast our revenue or expenses. Our success is dependent upon our ability to enter into and maintain strategic relationships and to develop and maintain volume usage of our products by our customers. Our revenues have fluctuated and our quarterly operating results will continue to fluctuate based on the timing of our promotional activity. Our revenues historically have been dependent upon our ability to attract additional customers to the iPrint.com and our related websites. Unless and until we have developed a significant and recurring revenue stream from repeat paying customers, our revenue will continue to fluctuate significantly. We have experienced, and expect to continue to experience, fluctuations in revenues and operating results from quarter-to-quarter for other reasons which are more fully set forth under the caption "Risk Factors -- Our quarterly operating results are volatile and difficult to predict. If we fail to meet the expectations of public market analysts or investors, the market price of our common stock may decrease significantly." As a result of these factors, we believe that quarter-to-quarter comparisons of our revenues and operating results are not necessarily meaningful, and that these comparisons may not be accurate indicators of future

performance. Our staffing and operating expenses are based on anticipated growth in revenues. If we are unable to adjust spending in a timely manner to compensate for any unexpected revenue shortfall, any significant revenue shortfall would likely have an immediate negative effect on our operating results. Moreover, our operating results in one or more future quarters may fail to meet the expectations of securities analysts or investors. If this occurs, we would expect to experience an immediate and significant decline in the trading price of our stock.

Liquidity and Capital Resources

From our inception in 1996 to September 30, 1999, we funded our operations primarily with $32.3 million raised through the sale of our equity securities. As of September 30, 1999, we had cash and cash equivalents of $14.0 million, and a receivable from a redeemable convertible preferred stockholders of $8.0 million, which converted to cash on October 6, 1999. As of September 30, 1999, we also had $297,000 available under a $750,000 loan and security agreement with Silicon Valley Bank. Amounts outstanding under this agreement bear interest at the bank's prime rate. At September 30, 1999, $440,000 was outstanding under this agreement. The bank has a senior security interest in substantially all of our assets. Our credit line with Silicon Valley Bank expired on November 8, 1999 and we elected to repay $200,000, which was the working capital component of the amount outstanding. The balance of $240,000 remains outstanding as a term loan payable in equal monthly installments through May 2002.

Net cash used in operating activities was $683,000 for the year ended December 31, 1997 and $2.0 million for the year ended December 31, 1998, primarily the result of net losses of $699,000 for the year ended December 31, 1997 and $2.3 million for the year ended December 31, 1998. Net cash used in operating activities was $5.0 million for the nine months ended September 30, 1999, primarily the result of net losses of $6.7 million, adjusted for depreciation and amortization of deferred stock compensation, and an increase in accounts payable and accrued liabilities, partially offset by an increase in prepaid expenses and other current assets.

Net cash used in investing activities was $59,000 for the period ended December 31, 1997, $289,000 for the year ended December 31, 1998 and $918,000 for the nine months ended September 30, 1999. The cash used in investing activities was related to purchases of property and equipment.

Net cash provided by financing activities was $3.1 million for the period ended December 31, 1997 and $218,000 for the year ended December 31, 1998. Net cash provided by financing activities was $19.7 million for the nine months ended September 30, 1999. Cash provided by financing activities was primarily from proceeds of the sale of our preferred stock, a note payable issued to a stockholder as well as draws against our loan and security agreement with Silicon Valley Bank.

At September 30, 1999, we had operating lease obligations of $65,000 for the remaining three months of 1999, $274,000 for the year ending December 31, 2000, $245,000 for the year ending December 31, 2001, $122,000 for the year ending December 31, 2002 and $95,000 for the year ending December

31, 2003. These leases are for 24,100 square feet of office space for our headquarters in Redwood City, California.

We believe that the net proceeds from this offering, together with our current cash and cash equivalents will be sufficient to meet our anticipated cash needs for working capital, repayment of debt and capital expenditures for at least the next twelve months. We are evaluating the need to obtain additional facilities if we expand our network operations center or build out a second facility. If we build out a second facility we estimate we would spend between $1.0 million and $3.0 million over the next 12 months. We plan to use the remaining proceeds from this offering to fund operating activities, including sales and marketing, research and development and general and administrative services. After twelve months, we may need additional capital. However, we may need to raise additional funds sooner to fund additional expansion, develop new or enhanced services, respond to competitive pressures or make acquisitions. We cannot be certain that additional financing will be available to us on favorable terms, if at all. If adequate funds are not available on acceptable terms, our business will be harmed.

Year 2000 Readiness Disclosure

Many currently installed computer systems and software products are coded to accept or recognize only two digit entries in the date code field. These systems and software products will need to accept four digit entries to distinguish dates before and after January 1, 2000. This could result in system failures or miscalculations causing disruption of operations for any company using such computer programs or hardware. As a result, many companies' computer systems may need to be upgraded or replaced in order to avoid year 2000 issues.

The majority of software and hardware we use to manage our business has been purchased or developed by us within the last 24 months. While this does not completely protect us against year 2000 exposure, we believe our exposure is limited because the technology we use to manage our business is not based upon legacy hardware and software systems.

We are in the process of testing our technology and systems. The testing we have completed has primarily been performed internally and includes a comprehensive test of system functionality by our quality assurance organization. We also retained a consultant to test and review our desktop systems for year 2000 compliance. Based on the testing we have performed, we believe that our internal software, network operations center and desktop systems are year 2000 compliant.

In addition, we rely on software and hardware developed by third parties, which we have not independently tested to determine year 2000 compliance. We have reviewed certifications from the providers of key software applications that their software is year 2000 compliant. We are in the process of receiving certification from our commercial print vendors that they have tested their systems for year 2000 compliance. We have received compliance letters from five of these vendors. We will work with these providers to address the year 2000 issue and continue to seek assurances from them that their products are year 2000 compliant.

To date, we have incurred less than $50,000 in costs associated with our year 2000 remediation efforts, and anticipate that any future costs will not exceed $100,000. However, if we, or third-party providers of hardware, software and communications services fail to remedy any year 2000 issues, the result could be lost revenues, increased operating expenses, the loss of customers and other business interruptions, any of which could harm our business. The failure to adequately address year 2000 compliance issues in the delivery of products and services to our customers could result in claims against us of misrepresentation or breach of contract and related litigation, any of which could be costly and time consuming to defend.

We have not developed any specific contingency plans for year 2000 issues. Our worst case scenario for year 2000 problems would be our inability to execute our clients' orders and a resultant decline in order volumes and revenues.

Market Risk

The primary objective of our investment activities is to preserve principal while at the same time maximizing the income we receive from our investments without significantly increasing risk of loss. Some of the securities that we may invest in may be subject to market risk. This means that a change in prevailing interest rates may cause the market value of the investment to fluctuate. For example, if we hold a security that was issued with a fixed interest rate at the then-prevailing rate and the prevailing interest rate later rises, the market value of our investment will probably decline. To minimize this risk in the future, we intend to maintain our portfolio of cash equivalents and short-term investments in a variety of securities, including commercial paper, money market funds, government and non-government debt securities. In general, money market funds are not subject to market risk because the interest paid on such funds fluctuates with the prevailing interest rate. As of September 30, 1999, we did not have any short-term investments.

We have operated primarily in the United States and all sales to date have been made in United States dollars. Accordingly, we have not had any material exposure to foreign currency rate fluctuations.

Recent Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards, requiring that every derivative instrument be recorded in the balance sheet as either an asset or liability measured at its fair value. SFAS No. 133 is effective for fiscal years beginning after June 30, 2000. Because we do not currently hold any derivative instruments and do not engage in hedging activities, we do not believe that the adoption of SFAS No. 133 will have a material impact on our financial position or results of operations.

Business

THIS PROSPECTUS CONTAINS FORWARD-LOOKING STATEMENTS THAT INVOLVE RISKS AND UNCERTAINTIES. ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE INDICATED IN THESE FORWARD-LOOKING STATEMENTS.

Overview

iPrint.com is a leading provider of online print services for small businesses and consumers, as well as a leading provider of private-labeled online solutions for the commercial printing industry.

Our online print shops offer customers a one-stop shop for addressing their printing needs, allowing them to easily design and order thousands of customized, short-run printed products. By automating the print order process and electronically connecting our online print shop to carefully selected and certified commercial print vendors, we believe we significantly reduce the costs and inefficiencies associated with the traditional printing process. Our online print solution is designed to be much more convenient and cost-effective than traditional printing alternatives provided through traditional print channels.

Industry Background

The Growth of Internet Commerce and Its Impact on Small Businesses and Consumers

The explosive growth of the Internet as a tool for global communications has enabled millions of people to interact electronically. International Data Corporation, or IDC, estimates that there were 142 million web users worldwide at the end of 1998, and expects this number will grow to approximately 502 million by the end of 2003. Rapid acceptance of the Internet as a communications platform by both businesses and consumers has created the foundation for significant growth in business-to-business and business-to-consumer e-commerce. IDC estimates that worldwide commerce over the Internet will increase from approximately $50 billion in 1998 to $1.3 trillion in 2003.

The Small Business Administration estimates that more than 90% of all businesses in the United States have fewer than 20 employees. These businesses often lack the size and financial resources to create economies of scale. In particular, these organizations typically do not maintain dedicated procurement departments and often do not achieve significant purchasing leverage. The Internet can provide small businesses and consumers with a number of advantages when making purchases, including:

- convenience,

- wider selection of products and services, and - competitive pricing.

Small businesses are taking advantage of the opportunities the Internet affords. IDC estimates that the number of small businesses engaged in e-commerce will increase 47.1% annually, from 400,000 at the end of 1998 to almost 2.8 million at the end of 2003, signaling the broad adoption of the Internet by these small enterprises. The widespread adoption of the Internet as a purchasing vehicle for small businesses and consumers has created a wealth of opportunities for businesses that offer products and services to small businesses and consumers and has, at the same time, given both small businesses and consumers a wider variety of products from which to choose at competitive prices.

The Traditional Printing Industry and Its Limitations

Printing can be a major area of expenditure for small businesses. Based on data from CAP Ventures, Inc., an independent print research firm, sales in the United States printing industry totaled $292 billion in 1998, of which $58 billion was derived from commercial printing operations. Short-run, customized items, which include a wide range of business, promotional and general office products, as well as consumer items, comprise a significant portion of these commercial printing operations. This market is highly fragmented, with an estimated 50,000 local and regional commercial printers in the United States.

The process of purchasing short-run printed goods consists of two phases: design and order fulfillment. Typically, designing and ordering is initiated at a traditional print shop or through a catalog and involves manually completing a text-based order form with design and order attributes, including in many instances, chosen layout, graphic, color, typeface enhancements, and credit card and shipping information. These order forms are often transferred via phone, fax or courier to a commercial print vendor for fulfillment. The actual time spent preparing the order, printing the order, and delivering the order constitutes the fulfillment process.

Both the order and fulfillment processes contain a number of inefficiencies and present numerous challenges for both purchasers of short-run print services and the commercial print vendors that serve this market, including:

TIME CONSUMING. Traveling to the local print shop and possibly waiting in line to speak with a store representative takes time. A customer ordering through a print catalog may be put on hold for an extended period of time in order to speak with a representative. In either case, correctly filling out the forms and paperwork necessary to successfully complete a print order can take an extended amount of time. If the finished product fails to satisfy the customer, the material may be returned to the vendor to be printed again, which is referred to as a reprint-due-to-error or a re-do, adding to the overall process time.

LACK OF CONTROL AND GUESSWORK. A text-based order form is non-visual, which means that a print customer usually does not see what the overall design will look like prior to printing. Without a proof, a customer can only guess what the final product will look like, resulting in an uncomfortable buying situation. Due to the constraints of a form-based creative process, a customer has limited control over creative design iterations.

ERROR-PRONE. The short-run print order and fulfillment process is typically a manual process, which makes the potential for human error high. Some of the factors that can affect this error rate include incorrectly completed forms, illegible handwriting, and forms that are difficult to read because of poor-quality fax equipment and paper. Information is typically manually entered into the printer's systems multiple times, greatly increasing the chances for typographic errors. Because an order is not usually accompanied by a visual proof, aesthetic interpretations are at times necessary and can contribute to design variations that differ from customer expectations.

COST-INEFFICIENT AND LABOR INTENSIVE. The process by which an order is readied for printing by the commercial print vendor, known as prepress or pre-production, is generally manually-oriented and labor intensive. Short-run print orders are generally low dollar transactions that can require the same amount of time, labor and service as large print orders. As such, they are less desirable and discourage process innovation and investment. Information is generally redundantly entered into various accounting, batching and composition systems. As a result, manual proofing and physical movement of operating paperwork must be repeated throughout the printing process.

INCOMPLETE PRODUCT OFFERINGS. Because traditional short-run print shops generally offer a limited selection of customizable products, customers may have to contact several shops or design houses to fulfill even basic printing needs.

LIMITED PRODUCT AND ORDER INFORMATION. Custom printing can be complicated, and as a result, the traditional print shop or catalog customer representative may lack knowledge concerning product offering, pricing, and timing of delivery. After a short-run print order is placed, customers often have limited interaction with the print shop and no direct interaction with the commercial print vendor, making it difficult to track changes in the order's status and estimated delivery time.

We believe that small businesses and consumers seek a more efficient and effective means to purchase short-run printing services. We similarly believe that commercial print vendors would like to take advantage of the efficiency and the interactivity of the Internet to improve order management and increase sales but the vast majority have not been able to justify the resources required to independently build and maintain their own system.

The Iprint.com Solution

Through our online print shop, we offer small businesses and consumers a single place to satisfy their printing needs. We have developed an easy to use, self-service design and ordering website for obtaining professional quality, mass-market printed products, providing our customers with a compelling alternative to traditional print channels. By automating the print order process and electronically connecting our online print shop to carefully selected and certified commercial print vendors, we believe that we significantly reduce the costs and inefficiencies associated with the traditional printing process.

We offer small businesses and consumers the following benefits:

SUPERIOR CONVENIENCE. Our online print shop takes a user-friendly, self-service approach to designing and printing products. iPrint.com is available 24 hours a day, seven days a week and may be reached from any Internet-enabled personal computer. Products can be shipped to the location the customer selects, enabling the entire process to be managed from the comfort of the office or home.

SIMPLIFIED DESIGN AND ORDERING PROCESS. Our technology empowers the customer to design and view printed items prior to purchasing these products. We believe our what-you-see-is-what-you-get, or WYSIWYG, approach is superior to the non-visual, forms-based process traditionally used by print shops and office supply catalogs, increases reliability and customer satisfaction, and reduces the time it takes to complete an order. Our interactive design tools alert the customer to common mistakes and missing information, further reducing the possibility of an incomplete or inaccurate order.

STREAMLINED FULFILLMENT PROCESS. After an order is placed, we electronically send a ready-to-print graphic file and a job ticket file, which is a data file containing all of the attributes of an order including information like paper codes, ink codes and shipping information, to one of our certified commercial print vendors located throughout the United States. As a result, we virtually eliminate the prepress process for our commercial print vendors. We believe this significantly improves the accuracy of the order and substantially reduces the amount of time and effort required for the commercial printer to complete it.

SIGNIFICANT COST SAVINGS. Our print shop operates online and is highly automated, enabling us to eliminate the costs of building and managing a physical print shop or printing and distributing catalogs. Through automation and aggregation, we are able to pass additional savings on to our customers, offering printed goods for up to 50% less than typical traditional print shops, design houses and office supply catalogs.

BROAD RANGE OF SERVICES AND PROFESSIONALLY PRINTED PRODUCTS. We provide a one-stop shop for a wide range of short-run printed products, with a print product selection superior to most traditional print shops and office supply catalogs. We offer thousands of items in approximately 40 product categories, including business cards, stationery, checks, business forms, labels, rubber stamps, invitations, personalized Post-It Notes-Registered Trademark-, photo mouse pads, t-shirts and coffee mugs. Customers can design, view and modify a design, and either immediately place their order or save their work-in-progress and order at a later date. Customers can also send free custom electronic greeting cards and electronic stationery, and event reminders directly from our iPrint.com website.

COMPREHENSIVE CUSTOMER SERVICE. We offer a broad range of customer services during all phases of the ordering and fulfillment process. After each order is placed, an email message is automatically sent to the customer that itemizes the order and cost and reiterates the estimated delivery time. We electronically receive order confirmation, printing and delivery information from our commercial print vendors and make this information accessible to our customers through a password-protected mechanism, enabling the customer to easily check an order's status online or even cancel the order if it has not yet been printed. An additional email is also sent after the customer's order has been shipped. We also offer email and telephone support for customers who have questions that cannot be answered directly on our website.

In addition to the benefits we provide to our customers, we also provide significant advantages to our commercial print vendors. We believe by integrating our technologies into the systems of our commercial print vendors and utilizing our WYSIWYG approach, we significantly reduce reprint-due-to-error rates and, therefore, print wastage. We believe our solution virtually eliminates prepress, thus reducing the actual cost of short-run printing while improving overall capacity utilization. All of these factors facilitate cost savings for our commercial print vendors.

The Iprint.com Strategy

Our objective is to be the leading, self-service online print shop for small businesses and consumers and the leading private-labeled provider of online printing solutions to the commercial and quick printing industry.

To achieve this objective, our strategy includes the following key elements:

CAPITALIZE ON FIRST MOVER ADVANTAGES THROUGH STRATEGIC PROMOTIONS. We are one of the first companies to offer an easy-to-use, convenient online print shop targeting the small business and consumer market, and we intend to aggressively pursue existing and new promotional offerings to build on our position of market leadership and to introduce our printing services to a growing number of small business and consumer customers. To date, we have effectively employed a range of direct marketing and promotional initiatives to increase the number of website visitors and expand usage of our services.

INCREASE BRAND RECOGNITION. We aim to develop the most well-known and trusted brand for printing services on the Internet. To expand our customer base and to extend the iPrint.com image, we intend to aggressively promote the iPrint.com brand through a mixture of online and traditional media advertising, public relations and participation in trade shows. We also plan to expand our affiliate and co-branded online website strategies through agreements with a range of destination websites.

EXPAND OUR STRATEGIC RELATIONSHIPS. We have strategic relationships with a number of companies, including Adobe Systems, Excite@Home and Petstore.com. We intend to pursue strategic relationships with leading destination websites and media companies in order to increase traffic to our website. By aggressively pursuing new relationships, we believe we can accelerate customer acquisition and increase usage of our online print store.

BUILD OUR CUSTOMER BASE AND STIMULATE REPEAT USAGE. We seek to build our customer base and stimulate repeat usage by our customers. We will continue to market directly to our existing customers and expose them to our products and services that most closely meet their needs. In addition, since many of the products may be routinely purchased over the lifetime of our relationship with the customer, for example, business cards and stationery, we aim to create lasting relationships with our customers that increase in value over time and produce recurring revenue streams.

EXPAND OUR PRIVATE-LABELED INITIATIVES. We have entered into private-labeled initiatives with a variety of companies, including 3M, OfficeMax, Inc., PostNet International Franchise Corporation and SirSpeedy. These private-labeled initiatives enable us to expand our distribution and sales channels, and to increase usage of our print services. Expanding our private-labeled initiatives allows us to create revenue opportunities in customer segments that would otherwise be difficult for us to realize because of pre-existing relationships between these companies and their customers.

LEVERAGE AND EXTEND OUR TECHNOLOGY PLATFORM. We believe that we have a technology advantage over current competitors and future entrants in our market because of the flexibility and scalability of our technology platform. We intend to enhance our website's functionality and underlying architecture to improve order flow and reporting, expand our service offerings, facilitate more complete integration with print vendors, expedite payment processing, and improve the overall efficiency and throughput of our system.

Products and Services

Through our online print shop, our customers can design, modify, proof and order over 3,500 printed products across approximately 40 product categories. Using our iPrint.com online Design Studio, our customers can personalize all of these products using a wide range of graphics, fonts and other customization options. Online design and proofing significantly enhances the print buying experience. Our automated solution also shortens and simplifies the order process for customers and integrates with the systems of our commercial print vendors and virtually eliminates the costly prepress of traditional printing.

The following is a representative list of printable items that we offer:

Business and Stationery Gifts and Apparel Promotional

Announcements	Baby bibs	Caps
Business cards	Frames	Golf balls
Business checks	Mugs	Mousepads
Labels	Sweatshirts	Polo shirts
Letterhead	Teddy bears	Post-it Notes-Registered Trademark-
Rubber stamps	Tote bags	T-shirts

Within a given category, there can be hundreds of different products and product options from which a customer can choose. For example, within the labels category customers may select from a broad range of address, shipping, business and other types of labels. After the type of label is selected, customers can then choose the size, design, text, fonts, layout and color of the ink to be printed on the label. Once they have personalized their label and proofed the exact design online, they only need to enter their payment and shipping information to complete the order.

The following graphic represents the steps involved in the iPrint.com ordering process:

[Graphic depiction of a series of computer screen shots showing the step-by step process of creating a label. Empasis on designing, proofing, and ordering.]

Customers can access our print services through the following channels:

THE IPRINT.COM WEBSITE. Customers can order a wide array of short-run printed products directly from the iPrint.com website. We generate revenues from these orders based on the value of the products that a customer orders. To date, we have derived a substantial portion of our revenues from orders placed through our iPrint.com website. Using the iPrint.com Design Studio, customers can create a design using online tools with features that are similar to basic desktop publishing software. In-process work can be saved on our website for future editing and ordering, and orders are saved for two years for future modifications and re-orders. Any design created at our online print shop can be sent electronically to a single email address or to multiple email addresses at no extra charge. Customers can also request special email reminders to be sent in advance of important dates and events. We believe providing these free event-based services enables us to offer additional targeted promotions to our customer base.

Our website has won numerous awards and recognition, including:

- As shown below, a ranking of fifth in PC Data's October 1999 list of Top 40 electronic retailers, or e-tailers, in the United States based on order volume:

1. Amazon.com 2. Buy.com 3. Ticketmaster.com 4. BarnesandNoble.com 5. iPRINT.COM 6. MotherNature.com 7. DrugStore.com 8. Smarterkids.com 9. PlanetRx.com 10. eToys.com - the 3COM 1999 Retail Network Innovation Award in the category of e-commerce. Winners are retail businesses that are considered to be the best at creating innovative applications that help shape the future of e-commerce;

- the Print on Demand Innovative Leadership Award for 1999. The annual Print-on-Demand Industry Awards were established by CAP Ventures to recognize emerging companies who make technological advances in on-demand printing;

- an Upside Magazine 1999 Hot 100 Award in the category of e-commerce. The Upside staff and a large group of industry advisors select companies that they believe are the best private technology companies in their fields;

- the WebMaster 50/50 Award for 1999. CIO Web Business Magazine, targeted for chief information officers and senior executives, named iPrint.com one of the top 50 Internet websites for 1999. The criteria used by CIO included innovation in design, technology, content and functionality; and - a top 10 ranking in Netmarketing Magazine's list of top business-to-business websites in 1999. Netmarket Magazine targets executives in business-to-business commerce and based its rankings on various criteria, including design, ease of navigation, e-commerce capabilities and presentation of information.

We offer comprehensive email and telephone-based service to our customers. Our customer service professionals use proprietary software to access a customer's current and past order history, making customer contacts much more efficient. We also have a comprehensive FAQ, or frequently asked questions, facility that documents each step of our processes, enabling customers to more easily complete their designs and orders and take advantage of our services.

AFFILIATE WEBSITES. We work with various businesses to offer our online printing services to their existing and potential customer base. Approximately 3,000 affiliates provide links from their websites to the iPrint.com website, enabling us to attract a broader array of potential customers. We pay a small commission for each order shipped to a customer that entered the iPrint.com website from the affiliate's link.

CO-LABELED WEBSITES. We also provide our online print services to a variety of online organizations, including the following:

Adobe Systems CompuServe Excite@Home IndexStock Imagery OneList Petstore.com PhotoPoint ShopNow Snap Verio These websites promote both the iPrint.com brand and the partners' brands. Customers access these co-labeled print shops directly on the partner's website. We provide fulfillment and customer service for orders placed through these websites, and we maintain a secure extranet reporting environment to help these partners monitor and manage website activity.

PRIVATE-LABELED WEBSITES. We partner with large commercial printers and office supply chains, such as 3M, OfficeMax and SirSpeedy, to provide their customers with our online print services. These websites run on our web servers and utilize our technology, but each one is accessed from within the private-labeled partner's website and displays only the private-labeled partner's brand. We offer the same range of services and products that we provide to our co-labeled and affiliate partners, but we also allow our private-labeled partners to manage pricing and product selection. Depending on the specifics of the arrangement, we may generate revenue from orders placed on these websites based on the wholesale cost of the products sold, a fee per-transaction or some combination of product and transaction fees. In some circumstances, our private-labeled partners may determine who will provide print and order fulfillment.

Technology

We have designed our online print shop to address the unique challenges of selling custom printed products and to handle potentially large order volumes. The computer software architecture of our iPrint.com and related websites and of our design and order processing technologies integrates high-performance, proprietary software modules with technology that we license from third parties.

We believe that the software supporting our online print shop addresses significant challenges not typically faced by other e-commerce vendors, including:

CUSTOMER-DRIVEN PRODUCT CREATION. Our customers do not order from a static, pre-set electronic product catalog. Rather, customers can create sophisticated desktop publishing design projects, requiring the ability to freely mix text, graphic images, fonts, styles and colors on printed items.

CPU-INTENSIVE CUSTOMER INTERACTION. Our websites are also not presenting static, or largely static, informational or content pages. Our customers are engaged in CPU-intensive design activities which require constant system monitoring and optimization as visitor traffic grows.

EXACTING NATURE OF TYPESETTING AND INTEGRATION WITH PROCESSES OF COMMERCIAL PRINT VENDORS. Typesetting is a precision science. We must automatically turn a customer's onscreen design into resolution independent electronic files that can be successfully produced by a variety of commercial print vendors with different printing processes and order management requirements.

POINT-OF-ORDER PRICING. Because each product created is custom designed based on different ink, paper, design and quantity attributes, we must be able to provide accurate, real-time pricing information to our customers calculated instantaneously from tens of thousands of price point combinations.

INTELLIGENT ORDER ROUTING. Each of the commercial print vendors we work with has different capabilities and a unique set of requirements that we take into account when determining how to fulfill an order. By taking into account product type, pricing, geography and shipping options, we strive to route each order individually to the vendor with the best combination of quality, delivery time and price.

We believe the ability of our technology to address these challenges while also scaling to handle large numbers of customer design sessions and orders represents a competitive advantage for us.

The following diagram depicts the iPrint.com software architecture:

[Graphic flow chart depiction of the iPrint.com software architecture, starting with customer input at the top, moving through iPrint.com internal processes, and finishing with data flowing through to commercial print vendors.]

We designed the software supporting our online printshop as a collection of integrated software modules, enabling us to more easily and quickly create, maintain, modify or replace individual components. We created our proprietary software modules using open software standards and without significant dependencies on specific operating system, database or web server technologies. As a result, we are able to move portions of our software between different commercially-available database, operating system and web server products to upgrade capacity or take advantage of price or performance improvements as they become available.

The following is a description of the key software modules within our iPrint.com operating website:

DESIGN STUDIO incorporates features found in desktop publishing software to enable our customers to easily create a wide variety of custom printed products. The Design Studio takes into account font, size, and color, paper or other material, graphic size and positioning, and other factors to produce on-screen images that are consistent with the final printed product. Because our customers are able to view and proof their orders before they are printed, we believe the percentage of orders that must be reprinted due to error is significantly reduced.

The following illustrates how a customer would use the Design Studio to create a customized business card:

[Graphic depiction of a series of computer screen shots showing the step-by-step process of creating a business card. Emphasis on designing, proofing, and ordering.]

PRODUCT AND PRICING DATABASES contain a wide range of product design, feature and pricing information. To support the broad array of product variations and customization options we offer, we designed these databases to be highly flexible and to allow us to add, delete or modify product and pricing information as market conditions change or dictate.

SECURE SHOPPING CART provides a customized order basket designed to store and securely process orders for multiple, unique design items. Our Secure Shopping Cart integrates with the software systems of our commercial print vendors, removing many of the manual steps necessary to produce and fulfill a variety of popular printed items. We believe this technology facilitates the order and fulfillment process in a way that is more efficient and less error-prone than traditional processes.

SYSTEM REPORTING AND DIAGNOSTICS enables us and our affiliates, co-labeled and private-labeled partners to remotely track a wide range of customer actions and information on our websites, providing detailed audit trails in a highly secure, password-protected environment.

PRINT CENTER BUILDER lets our private-labeled partners customize and control their own print shops without the need for costly and time-consuming programming efforts. We allow these partners to directly manage product prices, configurations and sales tax assignments which decreases customization and maintenance expenses for us.

We also use hardware and software components from well-established vendors, including Cisco Systems, Dell Computers, Intel Corporation, Microsoft Corporation, America Online/Netscape Communications and Sun Microsystems. The software supporting our online printshop can run on a single machine or be distributed across multiple servers, depending on capacity requirements. Servers can be added or removed while the system continues to operate, allowing us to adjust capacity in a controlled manner while reacting quickly to market requirements. Currently, we physically host the servers for our iPrint.com, affiliate, co-labeled and private-labeled websites at our headquarters in Redwood City, California. We have initiated work to develop remote websites to allow for the uninterrupted operation of the iPrint.com and related websites in the event of a major system failure.

Marketing and Distribution

The iPrint.com marketing group focuses on product marketing, business development and direct marketing. Our marketing programs are designed to introduce and extend the iPrint.com brand name to both larger and better targeted audiences.

To attract customers to our iPrint.com and related websites, we use a variety of electronic marketing and traditional media techniques. We generate traffic to our websites by:

- offering printed products at special discount prices, including aggressive promotions;

- building affiliate and co-labeled relationships with other companies so that our websites are featured on or linked with their websites;

- directly soliciting our existing community of customers and parties who have either saved a graphic design with us or otherwise registered with us for our promotional activities; and - purchasing advertising online and in traditional media.

In July 1999, we began to promote iPrint.com through a traditional advertising program. This program initially targeted potential customers through radio broadcasts in regional markets. We have continued our expenditures for advertisements in traditional media during the fourth quarter of 1999 and expect to increase them in the future. We believe our ongoing marketing program will increase the reach of our name recognition and drive new customers to our online print shop.

In addition, we routinely speak at industry tradeshows and seminars.

Customers

Our target customers are predominately small businesses of less than 20 employees that make up 90% of all businesses in the United States. This segment is sometimes referred to as the SOHO market, or small office and home office market. To date, we have over 270,000 print customers. Our total community is in excess of 500,000 members, including those who have not placed an order but who have taken advantage of other iPrint.com services such as saving a graphic design on one of our websites, sending free electronic greeting cards or stationery or otherwise registering to receive promotional offerings from us. We believe many of these community members who have not yet placed orders will purchase products from us in the future. Our customers generate a high volume of order activity at a relatively low dollar amount per order. For the nine months ended September 30, 1999, the average order value for a promotional order was approximately $3.00, and for a non-promotional order generated from our iPrint.com website, approximately $60.00. No single customer accounts for a significant portion of our revenues.

Intellectual Property

We depend on our ability to develop and maintain the proprietary aspects of our technology. To protect our proprietary technology, we rely primarily on a combination of patent, trademark and copyright laws and confidentiality and/or license agreements with our employees and others, including companies with whom we enter into strategic relationships.

In the United States, we have filed one provisional patent and may seek other patents in the future. The patent for which we have applied has not yet been issued. We have one registered trademark and two pending trademark applications and five service marks and eight service mark applications. In addition, we seek to avoid disclosure of our trade secrets by limiting access to our propriety technology and restricting access to our source code. Despite these precautions, it may be possible for unauthorized third parties to copy particular portions of our technology or reverse engineer or obtain

and use information that we regard as proprietary. In addition, the laws of some foreign countries do not protect proprietary rights to the same extent as do the laws of the United States. Our means of protecting our proprietary rights in the United States or abroad may not be adequate and competing companies may independently develop similar technology.

Competition

Broadly speaking, we are an online alternative to traditional short-run mass market print shops. We compete with these offline entities. The existing printing market is established, mature and intensely competitive. The United States short-run mass market printing industry is highly fragmented, with an estimated 50,000 local and regional printers. These printers are mostly independent but many are owned by larger consolidators, such as Taylor Corporation. Many of these printers have long-term established relationships with their customers and provide geographic proximity as well as a range of services such as photocopying which are not available online.

For mass market printed items, price is generally not a principal method of competition, primarily due to the short-run nature of small business and consumer printing. We believe that convenience of ordering, breadth of product offering, delivery time and product quality all play a more important part in short-run, mass market print buying psychology.

Ultimately, we believe that the Internet will become an important source for the procurement of printed products targeted at small businesses and consumers. Within this area, our direct competition comes from other early stage online print shops, some of which have products that are intended to compete directly with our products. Selected traditional print vendors, including Taylor Corporation and Discount Labels, have developed online websites that permit customers to create, proof and order popularly printed items directly online.

We also compete with mail order catalog printers which may be better able to combine orders to achieve economies of scale and may benefit from offering a wider range of non-printed products than us or the typical traditional brick and mortar print shop. We also face direct competition from a variety of other organizations, including existing office supply chains, procurement brokers, stationery houses, design houses, advertising specialty and print brokers and photo and gift operations. Some of these are in the process of developing their own online print solutions. We also face competition from the increasing sophistication of desktop printers which may lessen the need for professional offset and thermographical printing. In addition, companies with which we do not presently directly compete may become competitors in the future, either through the expansion of our technology and services or through their product development in the area of online print shops or through acquisitions. These companies could include Adobe Systems, America Online and Microsoft Corporation.

The market for online print shops is new, rapidly evolving and highly competitive. The level of competition is likely to increase as current competitors improve their offerings and as new participants enter the market or as industry consolidation develops. Many of our current and potential competitors have longer operating histories, larger customer bases, greater brand recognition and significantly

greater financial, marketing and other resources than us and may enter into strategic or commercial relationships with larger, more established and well-financed companies. Some of our competitors may be able to enter into these strategic or commercial relationships on more favorable terms. Additionally, these competitors have research and development capabilities that may allow them to develop new or improved services that may compete with the services we market. New technologies and the expansion of existing technologies may increase competitive pressures on us. Furthermore, companies with whom we have formed a strategic relationship may offer to end-users the choice between our services and the services of one of our competitors, and future customers may also offer end-users a similar choice. Increased competition may result in reduced operating margins as well as loss of market share and brand recognition. We may be unable to compete successfully against current and future competitors, and competitive pressures faced by us could harm our business and prospects.

Employees

As of October 31, 1999, we had 135 full-time employees. Of these employees, 57 were in product development, 22 in sales, marketing and business development, 30 in customer support and training and 26 in finance and administration. None of our employees is subject to a collective bargaining agreement, and we have never experienced a work stoppage. We believe our relations with our employees are good. Our future success depends on our ability to attract, motivate and retain highly qualified technical and management personnel. From time to time we also employ independent contractors to support our product development, sales, marketing, business development and finance and administration organizations.

Facilities

Our principal offices are located in leased facilities in Redwood City, California and consist of approximately 24,100 square feet under a series of multi-year leases that expire between September 2001 and September 2003 and 600 square feet under one month-to-month lease. We believe that our existing facilities are adequate for our current needs or that suitable additional or alternative space will be available in the future on commercially reasonable terms.

Legal Proceedings

From time to time, we could become involved in litigation relating to claims arising out of our ordinary course of business. We are not presently involved in any legal proceedings.

Management

Executive Officers and Directors

Our executive officers, directors, and certain significant employees and their ages as of October 31, 1999, are as follows:

Name Age Position

Royal P. Farros	40	President, Chief Executive Officer and Chairman of the Board of Directors
James P. McCormick	40	Chief Financial Officer and Secretary
Edward J. Sanden	46	Chief Marketing Officer
Nickoletta T. Swank	40	Vice President, Strategic Relationships and Assistant Secretary
David L. Hodson	32	Vice President, Technology
Gregory M. Korjeff	40	Vice President, Operations
Mark Dubovoy (1)(2)	53	Director
Deepak Kamra (1)	43	Director
J.A. Heidi Roizen (2)	41	Director

(1) Member of the audit committee.

(2) Member of the compensation committee.

ROYAL P. FARROS founded iPrint.com in February 1996 and has served as our president, chief executive officer and chairman of the board of directors since our inception. From June 1994 to February 1996, Mr. Farros served as executive vice president and general manager of the Electronic Direct division of Deluxe Corporation, a commercial printer. From June 1983 to June 1994, Mr. Farros served as executive vice president and from June 1986 to June 1994 as chairman of the board of directors of T/Maker Company, a consumer software company. Mr. Farros holds a B.S. and an M.S. in Industrial Engineering from Stanford University.

JAMES P. MCCORMICK has served as our chief financial officer since October 1999 and as our secretary since November 1999. From June 1997 to October 1999, Mr. McCormick served in various executive positions, most recently as the chief financial officer, senior vice president, finance and administration and chief operating officer for General Magic, Inc., a computer software and telecommunications company. From July 1994 to June 1997, Mr. McCormick was employed by UB Networks, a computer networking company, where he served in various executive positions, most recently as vice president, finance and administration and chief financial officer. Mr. McCormick holds a B.B.A. from the University of Toledo and an M.B.A. in Finance from the University of Michigan.

EDWARD J. SANDEN has served as our chief marketing officer since April 1999. From 1987 to April 1999, Mr. Sanden served in various executive positions, most recently as senior vice president of interactive services, for Cendant Corporation, formerly CUC International, Inc., a business and consumer services company. Mr. Sanden holds a B.A. in English from the University of Alberta, Canada.

NICKOLETTA T. SWANK was on the founding team of iPrint.com and served as our vice president, operations until September 1997. Ms. Swank has served as our vice president, strategic relationships since September 1997 and as our assistant secretary since November 1999. Ms. Swank also served as secretary from our inception to November 1999 and as a director from September 1997 to February 1999. From July 1992 to July 1996, Ms. Swank was employed at T/Maker Company, a consumer software company, where from January 1995 to July 1996, she was director, international sales, from February 1994 to December 1994, she was international group manager and from July 1992 to January 1994, she was country manager for Australia and New Zealand. Ms. Swank holds a B.S. in Industrial Engineering from Stanford University.

DAVID L. HODSON was on the founding team of iPrint.com and has served as our vice president, technology since May 1998. From May 1996 to May 1998, Mr. Hodson served as our director of technology. From February 1995 to May 1996, Mr. Hodson was a technologist at the Electronic Direct division of Deluxe Corporation. From June 1992 to October 1994, Mr. Hodson held various technical positions with Visa International. Mr. Hodson holds a B.S. in Management Information Systems and an M.B.A., both from California State University, Chico.

GREGORY M. KORJEFF has served as our vice president, operations since September 1997. From September 1995 to September 1997, Mr. Korjeff was chief administrative officer at Accountants Inc., a staffing services company. From January 1986 to September 1995, Mr. Korjeff was employed by the bankcards division of Citicorp Credit Services, a commercial bank, where he served in various management positions, most recently as vice president and division financial officer. Mr. Korjeff holds a B.A. in Geology from Dartmouth College.

MARK DUBOVOY has been one of our directors since October 1997. Mr. Dubovoy founded and has served as a general partner of Information Technology Ventures, a venture capital partnership, since September 1994. Mr. Dubovoy currently serves on the board of directors of Exodus Communications, a website and network management company, as well the boards of directors of several private companies. Mr. Dubovoy holds a B.S. in Physics from the National University of Mexico, and both an M.A. and a Ph.D. in Physics from the University of California, Berkeley.

DEEPAK KAMRA has been one of our directors since March 1999. Since October 1995, Mr. Kamra has been a general partner of Canaan Equity Partners, a venture capital partnership. From March 1993 to October 1995, Mr. Kamra was a principal at Canaan Equity Partners. Mr. Kamra serves on the board of directors of Concord Communications, a computer network software company, and Saleslogix, a business software company, as well as on the board of directors of several private companies. Mr. Kamra holds a Bachelor of Commerce from Carleton University and an M.B.A. from Harvard Business School.

J.A. HEIDI ROIZEN has been one of our directors since October 1999. Since April 1999, Ms. Roizen has been a venture partner at Softbank Venture Capital. From February 1997 to July 1999, Ms. Roizen was self-employed as a strategic consultant to such technology companies as Intel Corporation, Microsoft Corporation and Compaq Computer Corporation. From January 1996 to February 1997, Ms. Roizen served as vice president of world wide developer relations for Apple Computer. From 1983

to 1996, Ms. Roizen served as chief executive officer of T/Maker Company. Ms. Roizen currently serves as a director of Great Plains Software, a financial management software company, Preview Systems, a computer network and software management company, and several private companies. Ms. Roizen holds a B.A. in English and an M.B.A. from Stanford University.

Board Composition

Effective upon the closing of this offering, our certificate of incorporation and bylaws will provide for a board of directors that is divided into three classes:

- Class I, whose term will expire at the annual meeting of stockholders expected to be held in May 2000;

- Class II, whose term will expire at the annual meeting of stockholders expected to be held in May 2001; and - Class III, whose term will expire at the annual meeting of stockholders expected to be held in May 2002.

As a result, only one class of directors will be elected at each annual meeting of stockholders, with the other classes continuing for the remainder of their terms. Effective upon the closing of this offering, the following individuals will serve as our directors:

Royal Farros and Mark Dubovoy will be our Class I directors;

Deepak Kamra will be our Class II director; and J.A. Heidi Roizen will be our Class III director.

There are no family relationships among any of our directors, officers or key employees, except that Ms. Swank, vice president, strategic relationships and assistant secretary, is the sister of Mr. Farros, president, chief executive officer and chairman of the board of directors.

Board Committees

Our board of directors recently formed an audit committee and a compensation committee.

AUDIT COMMITTEE. The audit committee will review the results and scope of the annual audit and will meet with our independent public accountants to review our internal accounting policies and procedures.

COMPENSATION COMMITTEE. The compensation committee reviews and makes recommendations to our board of directors on our general and specific compensation policies and practices and administers our 1997 stock option plan, our 1999 employee stock purchase plan and our 1999 outside director stock option plan.

Compensation Committee Interlocks and Insider Participation

None of the members of the compensation committee has at any time since our formation been one of our officers or employees. None of our executive officers currently serves, or in the past has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee. Before the creation of our compensation committee, all compensation decisions were made by our full board of directors. Mr. Farros has not participated in discussions by our board of directors with respect to his own compensation.

Employment, Termination of Employment and Change-in-control Arrangements

We routinely deliver written offer letters containing provisions on salary bonuses, benefits and stock option grants to prospective members of management and other employees. In addition, we have entered into agreements containing employment and change-in-control provisions as described below.

In April 1999, we entered into a written employment agreement with Edward J. Sanden, our chief marketing officer. This agreement describes Mr. Sanden's base salary and bonuses as well as other benefits to which Mr. Sanden is entitled. The agreement provides that if Mr. Sanden is involuntarily terminated without cause at any time before April 29, 2000, he will receive a lump sum severance payment equal to one week of base salary plus a monthly bonus for each month of employment and his options will vest as if he had completed one full year of employment with us. The agreement further provides that if Mr. Sanden is involuntarily terminated without cause at any time on or after April 29, 2000, he will receive a lump sum severance payment equal to three months of base salary. In addition, one-half of his unvested options will vest as of the date of his termination. Mr. Sanden also agreed not to compete with us in any unfair manner at any time and for any reason following the event of his termination.

In September 1999, we entered into a written employment agreement with James P. McCormick, our chief financial officer. This agreement describes Mr. McCormick's base salary and bonuses as well as other benefits to which Mr. McCormick is entitled. Pursuant to the agreement, we agreed to enter into a promissory note agreement in connection with the exercise of Mr. McCormick's stock options.

We have entered into stock option agreements with each of our executive officers that provide for partial acceleration of vesting upon a change-in-control event in which our outstanding stock options are not assumed or substituted with substantially equivalent stock options, or in which an executive officer is terminated. Partial acceleration in this event would be as follows:

- if the change-in-control event occurs during the executive officer's first year of employment with us, that executive officer will be entitled to acceleration of vesting equal to the number of months employed by us; or - if the change-in-control event occurs after the executive officer's first year of

employment with us, that officer will be entitled to acceleration of vesting equal to 125% of the number of months employed by us.

Executive Compensation

Our directors do not receive cash compensation for their services as directors or members of committees of the board of directors. We do reimburse directors for their reasonable expenses incurred in attending meetings of the board of directors.

A total of shares of common stock have been reserved for issuance under our 1999 outside directors stock option plan, none of which have been issued. This plan provides for the automatic grant of nonstatutory stock options to our directors who are not employees. On the effective date of this offering, each of our non-employee directors will automatically be granted an option to purchase shares of common stock. Thereafter, each new non-employee director elected after the effective date of this offering automatically will be granted on the date of his or her initial election an option to purchase shares of common stock. In addition, each non-employee director will thereafter be granted automatically an option to purchase shares of common stock at each annual meeting of the stockholders provided the non-employee director continues to serve in that capacity following the annual meeting. The exercise price per share of options granted under this plan will be equal to the fair market value of a share of common stock on the date of grant. Shares subject to initial options and annual options granted under this plan will vest over years and years, respectively, and options granted under this plan must be exercised within years from the date of grant.

The following table presents information regarding compensation paid or earned by our chief executive officer and the other executive officer whose total salary and bonus for the fiscal year ended December 31, 1998 exceeded $100,000:

Summary Compensation Table

				LONG-TERM COMPENSATION
		ANNUAL COMPENSATION		SECURITIES
NAME AND PRINCIPAL POSITION	YEAR	SALARY	BONUS	UNDERLYING OPTIONS/SARS
Royal P. Farros..... President, Chief Executive Officer and Chairman of the Board of Directors (1)	1998	$91,698	--	--
David L. Hodson..... Vice President, Technology (2)	1998	$91,985	--	55,000

(1) Mr. Farros' annual salary was adjusted from $74,000 to $100,000 on May 1, 1998.

(2) Mr. Hodson's annual salary was adjusted from $90,000 to $110,000 on August 1, 1998.

Option Grants in Last Fiscal Year

The following table presents information regarding grants of stock options to each of the executive officers named in the Summary Compensation Table above during the fiscal year ended December 31, 1998. All of these options were granted under our 1997 stock option plan. Generally, the options vest at the rate of one quarter the total number of shares on the one year anniversary from the date of grant and thereafter ratably on a monthly basis for thirty-six months from and after December 31, 1998.

The following table is based on the grant of options to purchase a total of 613,063 shares of our common stock during 1998. All options were granted at the fair market value of our common stock, as determined by the board of directors on the date of grant. Potential realizable values are net of exercise price, but before taxes associated with exercise. Amounts represent hypothetical gains that could be achieved for the options if exercised at the end of the option term. The assumed 5% and 10% rates of stock price appreciation are required by the rules of the Securities and Exchange Commission and do not represent our estimate or projection of the future common stock price. Unless the market price of the common stock appreciates over the option term, no value will be realized from the option grants made to executive officers. Actual gains, if any, on stock option exercises will be dependent on the future performance of our common stock. The assigned 5% and 10% rates of stock appreciation are based on an assumed offering price of $ per share.

Options Granted in Last Fiscal Year

NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED	% OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN FISCAL YEAR	EXERCISE OR BASE PRICE ($/SHARE)	EXPIRATION DATE	POTENTIAL REALIZABLE VALUE AT ASSUMED RATES OF STOCK PRICE APPRECIATION FOR OPTION TERM 5%	10%
Royal P. Farros	--	--	--	--	--	--
David L. Hodson	55,000	9.0%	$0.08	07/15/08	$	$

Option Exercises and Fiscal Year-end Holdings

The following table presents the number of shares acquired and the value realized upon exercise of stock options during 1998 and the number of shares of common stock subject to exercisable and unexercisable options held as of December 31, 1998 by each of the executive officers named in the Summary Compensation Table above. Also presented are values of in-the-money options, which represent the positive difference between the exercise price of each outstanding stock option and a fair value on December 31, 1998 of $0.72 per share.

Aggregate Option Exercises in 1998 and Values at December 31, 1998

	NUMBER OF SHARES ACQUIRED ON EXERCISE	VALUE REALIZED	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT 12/31/98		VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT 12/31/98	
NAME	(#)	($)	EXERCISABLE	UNEXERCISABLE	EXERCISABLE	INEXERCISABLE
Royal P. Farros.....	--	--	--	--	--	--
David L. Hodson.....	--	--	55,000	--	$	--

Stock Option Plans

1997 Stock Option Plan

Our 1997 stock option plan was adopted by our board of directors and approved by our stockholders in August 1997 and has been amended from time to time. We are authorized to issue up to 3,649,624 shares of common stock under this plan. This number of shares will be increased on January 1, 2001 and each subsequent January 1 during the term of the plan by the lesser of 5% of the number of shares of common stock issued and outstanding on the immediately preceding December 31 or . Our board of directors currently administers the 1997 stock option plan. The plan allows grants of incentive stock options, within the meaning of Section 422 of the Internal Revenue Code, to employees, including officers and employee directors. In addition, it allows grants of nonstatutory options to employees, non-employee directors, and consultants. The plan expires in August 2007, but may be terminated sooner by the board of directors.

The exercise price of nonstatutory stock options granted under the 1997 stock option plan must not be less than 85% of the fair market value of a share of common stock on the date of grant. In the case of incentive stock options, the exercise price must not be less than the fair market value of a share of

common stock on the date of grant. With respect to any optionee who owns stock representing more than 10% of the voting power of all classes of our outstanding capital stock, the exercise price of any incentive stock option must be equal to at least 110% of the fair market value of a share of the common stock on the date of grant, and the term of the option may not exceed five years. The terms of all other options may not exceed ten years. The aggregate fair market value, determined as of the date of option grant, of the common stock for which an incentive stock option may become exercisable for the first time may not exceed $100,000 in any calendar year.

The board of directors has discretion to determine vesting schedules and exercise requirements, if any, of all options granted under the plan. In addition, at the time each option is granted, our board of directors has discretion to provide for full acceleration of vesting and exercisability in the event that we experience a corporate change-in-control subsequent to the date of grant.

As of September 30, 1999, 1,001,817 shares of common stock had been issued upon exercise of options outstanding, options to purchase 1,146,099 shares of common stock with a weighted average exercise price of $0.20 were outstanding, and 1,501,708 shares remained available for future grants.

Employee Stock Purchase Plan

A total of shares of common stock have been reserved for issuance under our 1999 employee stock purchase plan, none of which have been issued. This number of shares will be increased cumulatively by shares on January 1, 2001 and each January 1 thereafter through January 1, 2010. This plan is intended to qualify under Section 423 of the Internal Revenue Code and our compensation committee will be administer the plan. Employees, including officers and employee directors, are eligible to participate in the plan if they are employed by us for more than 20 hours per week and more than five months per calendar year. The plan will be implemented during sequential -month offering periods, the first of which will commence on the effective date of this offering and will terminate on , . After the effective date of this offering, offering periods under the plan will generally begin on and of each year.

The 1999 employee stock purchase plan permits eligible employees to purchase shares of our common stock through payroll deductions, which may not exceed % of the employee's salary. Stock may be purchased under the plan at a price equal to 85% of the fair market value of our common stock on either the first or the last day of the offering period, whichever is lower. Employees may end their participation in the offering at any time during the offering period, and participation ends automatically on termination of a participant's employment with us. Participants may not purchase shares of common stock having a value, measured at the beginning of the offering period, greater than $25,000 in any calendar year or more than a number of shares in any offering period determined by dividing $25,000, or $12,500 with respect to a six-month offering period, by the fair market value of a share of our common stock determined at the beginning of the offering period.

1999 Outside Directors Stock Option Plan

A total of shares of common stock have been reserved for issuance under our 1999 outside directors stock option plan, none of which have been issued. This plan provides for the automatic grant of nonstatutory stock options to our directors who are not employees. On the effective date of this offering, each of our non-employee directors will automatically be granted an option to purchase shares of common stock. Thereafter, each new non-employee director elected after the effective date of this offering will automatically be granted on the date of his or her initial election an option to purchase shares of common stock. In addition, each non-employee director will thereafter be granted automatically an option to purchase shares of common stock at each annual meeting of the stockholders provided the non-employee director continues to serve in that capacity following the annual meeting. The exercise price per share of options granted under this plan will be equal to the fair market value of a share of common stock on the date of grant. Shares subject to initial options and annual options granted under this plan will vest over years and years, respectively, and options granted under this plan must be exercised within years from the date of grant.

401(k) PLAN

We sponsor a tax-qualified employee savings and retirement plan intended to qualify under Section 401 of the Internal Revenue Code, or a 401(k) plan. Full-time employees who are at least 21 years old and who perform at least three months of service for us are generally eligible to participate and may enter the plan as of the first day of any calendar quarter. Participants may make pre-tax contributions to the plan of up to 25% of their eligible compensation, subject to a statutorily prescribed annual limit, which was $10,000 in calendar year 1998. Each participant's contributions and investment earnings on these contributions are fully vested at all times. The 401(k) plan does not currently permit us to make matching contributions on behalf of participants. Contributions by the participants or us to the plan, and the income earned on these contributions, are generally not taxable to the participants until withdrawn. Contributions are generally deductible by us when made. The 401(k) plan assets are held in trust. The trustee of the 401(k) plan invests the assets of the plan in various investment options as directed by the participants.

Limitations of Liability and Indemnification Matters

We have adopted provisions in our certificate of incorporation, which the Delaware General Corporation Law permits, which provide that our directors shall not be personally liable to us or our stockholders for monetary damages resulting from a violation of the directors' duty to act with care and in the best interests of the stockholders, except for liability:

- for acts or omissions that are not in good faith, are deliberately improper or are known to be illegal;

- under Section 174 of the Delaware General Corporation Law relating to improper dividends or distributions; or - for any transaction from which the director obtained an improper personal benefit.

This limitation of liability does not affect the availability of equitable remedies, including injunctive relief or rescission.

Our bylaws authorize us to indemnify our officers, directors, employees and agents to the extent permitted by the Delaware General Corporation Law. Section 145 of the Delaware General Corporation Law empowers us to enter into indemnification agreements with our officers, directors, employees and agents.

Before the completion of this offering, we intend to enter into separate indemnification agreements with each of our current directors and executive officers which may, in some cases, be broader than the specific indemnification provisions allowed by the Delaware General Corporation Law. The indemnification agreements will require us to indemnify the executive officers and directors against liabilities that may arise by reason of status or service as directors or executive officers and to advance expenses they spend as a result of any proceeding against them for which they could be indemnified to the fully extent permitted by the Delaware General Corporation Law.

We intend to obtain liability insurance for our directors and officers and intend to obtain a rider to extend that coverage for public securities matters.

At present, there is no pending litigation or proceeding involving a director, officer, employee or agent of iPrint.com where indemnification will be required or permitted, and we are not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, executive officers or persons controlling iPrint.com, we have been informed that in the opinion of the Securities and Exchange Commission this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Related Party Transactions

Since our inception in August 1996, there has not been, nor is there currently planned, any transaction or series of similar transactions to which iPrint.com was or is a party in which the amount involved exceeds $60,000 and in which any director, executive officer or holder of more than 5% of iPrint.com's capital stock or any member of their immediate family had or will have a direct or indirect material interest other than agreements which are described under the caption "Management" and the transactions described below.

Sales of Stock to Insiders

The following directors, executive officers, holders of more than 5% of a class of voting securities and members of these persons' immediate families purchased shares of our series A preferred stock, series B preferred stock, series C preferred stock or common stock:

	SERIES A PREFERRED	SERIES B PREFERRED	SERIES C PREFERRED	COMMON

STOCKHOLDER	STOCK	STOCK	STOCK	STOCK
AT&T (1)	--	--	1,272,053	--
Canaan Equity (2)	--	2,420,000	795,161	
Mark Dubovoy (3)	2,321,875	1,600,000	892,857	--
Royal P. Farros	958,594	485,497	--	7,000,000
Information Technology Ventures (3)	2,321,875	1,600,000	892,857	--
Deepak Kamra (2)	--	2,420,000	795,161	--
Gregory and Linda Korjeff (4)	--	60,000	19,715	121,250
J.A. Heidi Roizen and David G. Mohler, M.D. (5)	25,000	--	2,380,952	--
Edward J. Sanden	--	--	29,762	125,000
Softbank Technology Ventures (5)	25,000	--	2,380,952	--
Nickoletta T. Swank and David L. Swank III	50,000	80,000	42,715	275,000

(1) Includes:

(a) 368,895 shares held by AT&T Venture Fund II, LP., (b) 765,721 shares held by Special Partners Fund International, LP.; and (c) 137,437 shares held by Special Partners Fund, LP.

(2) Includes:

(a) 2,400,000 shares of series B preferred stock and 788,589 shares of series C preferred stock held by Canaan Equity, L.P.; and (b) 20,000 shares of series B preferred stock and 6,572 shares of series C preferred stock held by Deepak Kamra.

(3) Includes:

(a) 2,261,567 shares of series A preferred stock, 1,558,442 shares of series B preferred stock and 869,666 shares of series C preferred stock held by Information Technology Ventures, L.P.; and (b) 60,308 shares of series A preferred stock, 41,558 shares of series B preferred stock and 23,191 shares of series C preferred stock held by ITV Affiliates Fund, L.P.

(4) Includes:

(a) 60,000 shares of series B preferred stock and 19,715 shares of series C preferred stock held by Gregory M. and Linda Korjeff; and (b) 121,250 shares of common stock held by Gregory M. Korjeff.

(5) Includes:

(a) 25,000 shares of Series A preferred stock purchased by J.A. Heidi Roizen and David G. Mohler, M.D., and (b) 2,380,952 shares of Series C preferred stock purchased by Softbank Technology Ventures V, L.P.

The following is a summary of sales of our preferred and common stock that are presented in the table above:

SERIES A FINANCING. On October 17, 1997, we sold a total of 4,083,594 shares of series A preferred stock at a price of $0.80 per share.

SERIES B FINANCING. On February 25, 1999, we sold a total of 6,033,497 shares of series B preferred stock at a price of $1.25 per share.

SERIES C FINANCING. On September 30, 1999, we sold a total of 5,953,490 shares of series C preferred stock at a price of $3.36 per share. Immediately before the closing of this offering, all outstanding shares of series A preferred stock, series B preferred stock and series C preferred stock will automatically convert into shares of common stock on a one-for-one basis.

Sales of Common Stock.

In October 1996, we sold to Royal P. Farros 7,000,000 shares of common stock at a price of $0.0029 per share.

For a description of change-in-control arrangements we have with our executive officers, see "Management--Employment, Termination of Employment and Change-in-Control Arrangements."

Loan to Executive Officer

In October 1999, we received from James P. McCormick, our chief financial officer and secretary, a full-recourse promissory note in an aggregate principal amount of $655,400 in connection with the exercise of stock options. The note bears interest at 5.96% per annum and is due in October 2003. We have a right to repurchase these shares at cost in the event of the termination of Mr. McCormick's employment with us. This right lapses ratably over four years.

Loans from Executive Officer

From August 1996 to September 1997, we issued to Royal P. Farros, our president, chief executive officer and chairman of the board of directors, promissory notes in an aggregate principal amount of $616,214. The principal and an aggregate of $27,322 in accrued interest, along with deferred salary payments of $123,340, were converted into 958,594 shares of series A preferred stock in October 1997.

Business Relationships with Family Members of Directors and Executive Officers

Since January 1998, Laurie K. Farros has served as a consultant to us on matters involving human resources and recruiting of personnel. Ms. Farros is the wife of Royal P. Farros, a co-founder and our president, chief executive officer and chairman of the board of directors, and the sister-in-law of Nickoletta Swank, our vice president, strategic relationships. Ms. Laurie K. Farros' current six-month contract as an independent contractor became effective September 1, 1999 and stipulates monthly compensation of $8,667. In February 1999, we granted Ms. Laurie K. Farros an immediately exercisable option to purchase 50,000 shares of our common stock at an exercise price of $0.088 per share. As of September 30, 1999, Ms. Farros had not exercised this option.

Since August 1996, David L. Swank III has served as one of four members of our board of advisors. Mr. Swank is the husband of Nickoletta Swank and the brother-in-law of Royal P. Farros. In May 1998, Mr. Swank was granted an immediately exercisable option to purchase 5,000 shares of our common stock at an exercise price of $0.088 per share. Mr. Swank exercised this option in June 1999.

Since September 1998, Peter Roizen has served as an independent contractor for us as a computer software programmer. Mr. Roizen is the brother of Ms. J.A. Heidi Roizen, a member of our board of directors and a managing director of SBVC V, LLC, a general partner of Softbank Technology Ventures V, L.P., which has beneficial ownership of % of our stock after this offering. In April 1999, Mr. Roizen was granted an immediately exercisable option to purchase 10,000 shares of our common stock at an exercise price of $0.21 per share. As of September 30, 1999, Mr. Roizen had not exercised this option.

All of the transactions described above were approved by disinterested directors of the board of directors. As a result, we believe those transactions were made on terms no less favorable to us that could have been obtained from unaffiliated third parties. We intend that all future transactions and loans between us and our officers, directors and principal stockholders and their affiliates, will be approved by a majority of the board of directors. In addition, we intend that all of these future transactions will take place on terms no less favorable to us than could be obtained from unaffiliated third parties.

Indemnification Agreements

We intend to enter into indemnification agreements with each of our directors and officers. These agreements will require us to indemnify these individuals to the fullest extent permitted by the Delaware General Corporation Law. See "Management--Limitations of Liability and Indemnification Matters."

Principal Stockholders

The following table presents information concerning the beneficial ownership of the shares of our common stock as of September 30, 1999, and pro forma as adjusted to reflect the sale of shares of common stock in this offering assuming (a) shares of common stock outstanding as of and shares outstanding immediately following the completion of this offering, (b) conversion of all of iPrint.com's outstanding shares of convertible preferred stock into common stock and (c) no exercise of the underwriters' over-allotment option by:

- each person we know to be the beneficial owner of 5% of more of the outstanding shares of common stock;

- each of our executive officers listed on the Summary Compensation Table above under "Management";

- each of our directors; and - all executive officers and directors of iPrint.com as a group.

Beneficial ownership is determined under the rules of the Securities and Exchange Commission and generally includes voting or investment power over securities. Except in cases where community property laws apply or as indicated in the footnotes to this table, we believe that each stockholder identified in the table possesses sole voting and investment power over all shares of common stock shown as beneficially owned by the stockholder. Shares of common stock subject to options that are currently exercisable or exercisable within 60 days of September 30, 1999 are considered outstanding and beneficially owned by the person holding the options for the purpose of computing the percentage ownership of that person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Unless indicated below, the address of each individual listed below is 1450 Oddstad Drive, Redwood City, CA 94063.

		PERCENTAGE OF SHARES OUTSTANDING	
NAME AND ADDRESS	NUMBER OF SHARES BENEFICIALLY OWNED	ACTUAL	PRO FORMA AS ADJUSTED

Other 5% Stockholders

Entities affiliated with Information Technology Ventures 4,814,732 % % (1)..... 3000 Sand Hill Road, Bldg. 1, Ste. 280 Menlo Park, CA 94025 Entities affiliated with Canaan Equity (2)..... 3,215,161 2884 Sand Hill Road, Ste. 115 Menlo Park, CA 94025 Entities affiliated with Softbank Technology Ventures (3)... 2,405,952 2000 West Evelyn Avenue, Ste. 200 Mountain View, CA 94043

		PERCENTAGE OF SHARES OUTSTANDING	
NAME AND ADDRESS	NUMBER OF SHARES BENEFICIALLY OWNED	ACTUAL	PRO FORMA AS ADJUSTED

Named Executive Officers and Directors:

Royal P. Farros (4)..... 8,702,591 David L. Hodson (5)..... 275,000 Mark Dubovoy (1)..... 4,814,732 c/o Information Technology Ventures 3000 Sand Hill Road, Bldg. 1, Ste. 280 Menlo Park, CA 94025 Deepak Kamra (2)..... 3,215,161 c/o Canaan Equity Partners 2884 Sand Hill Road, Ste. 115 Menlo Park, CA 94025 J.A. Heidi Roizen (3)..... 2,405,952 c/o Softbank Technology Ventures 2000 West Evelyn Avenue, Ste. 200 Mountain View, CA 94043 All executive officers and directors as a group (9 persons) (6).....

* Less than 1%.

(1) Includes:

(a) 4,689,675 shares held by Information Technology Ventures, L.P.; and (b) 125,057 shares held by ITV Affiliates Fund, L.P.

The general partner of both Information Technology Ventures, L.P. and ITV Affiliates Fund, L.P. is ITV Management, LLC. In this capacity, ITV Management, LLC, through an executive committee, exercises sole voting and investment power with respect to all shares held of record by the named investment partnerships; individually, no stockholder, director or officer of ITV Management, LLC has or shares such voting or investment power. Mr. Dubovoy disclaims beneficial ownership of all shares except for his own pecuniary interest.

(2) Includes:

(a) 3,188,589 shares held by Canaan Equity, L.P.; and (b) 26,572 shares held by Deepak Kamra.

The general partner of Canaan Equity, L.P. is Canaan Equity Partners, LLC. In this capacity, Canaan Equity Partners, LLC, through an executive committee, exercises sole voting and investment power with respect to all shares of record by the named investment partnerships; individually, no stockholder, director or officer of Canaan Equity Partners, LLC has or shares such voting or investment power. Mr. Kamra disclaims beneficial ownership for all shares except for his pecuniary interest and for the 26,572 shares which he owns in his individual capacity.

(3) Includes:

(a) 2,380,952 shares held by Softbank Technology Ventures V, L.P.; and (b) 25,000 shares held by J.A. Heidi Roizen and David G. Mohler M.D.

The general partner of Softbank Technology Ventures V, L.P. is SBVC V, LLC. In this capacity, SBVC V, LLC, through an executive committee, exercises sole voting and investment power with respect to all shares of record by the named investment partnerships; individually, no stockholder, director or officer of SBVC V, LLC has or shares such voting or investment power. Ms. Roizen and Mr. Mohler disclaim beneficial ownership for all shares except for their pecuniary interest.

(4) Includes:

(a) 958,594 shares of series A preferred stock, 485,497 shares of series B preferred stock and 6,998,500 shares of common stock;

(b) immediately exercisable options to purchase 210,000 shares of common stock, none of which have been exercised as of September 30, 1999. All of the shares are subject to a right of repurchase in favor of iPrint.com which lapses as to one-quarter of the shares after one year of vesting and thereafter ratably on a monthly basis for thirty-six months; and (c) immediately exercisable options to purchase 50,000 shares of common stock held by Laurie K. Farros, none of which has been exercised. All of the shares are subject to a right of repurchase in favor of iPrint.com which lapses as to one quarter of the shares after one year of vesting and thereafter ratably on a monthly basis for thirty-six months.

(5) Includes immediately exercisable options to purchase 275,000 shares of common stock, none of which has been exercised as of November 1, 1999. All of the shares are subject to a right of repurchase in favor of iPrint.com which lapses as to one quarter of the shares after one year of vesting and thereafter ratably on a monthly basis for thirty-six months.

(6) Includes an aggregate of:

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(a)    shares of series A preferred stock,    shares of series B preferred
   stock,    shares of series C preferred stock and    shares of common
   stock; and
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(b) immediately exercisable options to purchase shares of common stock, of which have been exercised as of September 30, 1999. All of the shares are subject to a right of repurchase in favor of iPrint.com which lapses as to one-quarter of the shares after one year of vesting and thereafter ratably on a monthly basis for thirty-six months.

Description of Capital Stock

Upon the closing of this offering, iPrint.com's authorized capital stock will consist of 100,000,000 shares of common stock, $0.001 par value per share, and 2,000,000 shares of preferred stock, $0.001 par value per share. As of September 30, 1999, and assuming the conversion of each share of outstanding preferred stock, there were shares of common stock outstanding.

Common Stock

DIVIDEND RIGHTS. Subject to preferences that may apply to shares of preferred stock outstanding at the time, the holders of outstanding shares of common stock are entitled to receive dividends out of assets legally available at the times and in the amounts as our board of directors may from time to time determine.

VOTING RIGHTS. Each common stockholder is entitled to one vote for each share of common stock held on all matters submitted to a vote of stockholders. Cumulative voting for the election of directors is not provided for in our certificate of incorporation, which means that the holders of a majority of the shares voted can elect all of the directors then standing for election.

NO PREEMPTIVE OR SIMILAR RIGHTS. Our common stock is not entitled to preemptive rights and is not subject to conversion or redemption.

RIGHT TO RECEIVE LIQUIDATION DISTRIBUTIONS. Upon our liquidation, dissolution or winding-up, the assets legally available for distribution to our stockholders are distributable ratably among the holders of our common stock and any participating preferred stock outstanding at that time after payment of liquidation preferences, if any, on any outstanding preferred stock and payment of other claims of creditors. Each outstanding share of common stock is, and all shares of common stock to be outstanding upon completion of this offering will be, fully paid and nonassessable.

Preferred Stock

Upon the closing of this offering, each outstanding share of preferred stock outstanding will be converted into one share of common stock. See note 9 to our financial statements for a description of the preferred stock.

Following the offering, we will be authorized, subject to the limits imposed by the Delaware General Corporation Law, to issue preferred stock in one or more series, to establish from time to time the number of shares to be included in each series, to fix the rights, preferences and privileges of the shares of each wholly unissued series and any of its qualifications, limitations, restrictions. Our board of directors can also increase or decrease the number of shares of any series, but not below the number of shares of that series then outstanding, without any further vote or action by the stockholders.

Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could have the effect of delaying, deferring or preventing a change in control of iPrint.com and may cause the market price of our common stock to decline or impair the voting and other rights of the holders of our common stock. We have no current plans to issue any shares of preferred stock.

Warrants

As of September 30, 1999, warrants to purchase 70,500 shares of common stock are outstanding. We have issued:

- a warrant to purchase 62,500 shares of common stock at a price per share of $0.80 which expire in March 2003; and - a warrant to purchase 8,000 shares of common stock at a price per share of $1.25 which expire in May 2003.

Registration Rights

The holders of approximately 16,070,581 shares of preferred stock have the right to require us to register their shares with the Securities and Exchange Commission so that those shares may be publicly resold or to include their shares in any registration statement we file.

Demand Registration Rights

- At any time after October 15, 2002, stockholders with registration rights can request that we file a registration statement so that they can publicly sell their shares. The underwriters of any underwritten offering will have the right to limit the number of shares to be included in the filed registration statement.

- At any time six months after the closing of this offering the holders of at least 40% of the shares having registration rights have the right to demand that we file a registration statement on a form other than Form S-3, as long as the aggregate amount of securities to be sold under the registration statement exceeds $5 million.

- If we are eligible to file a registration statement on Form S-3, any holder having registration rights has the right to demand that we file a registration statement on Form S-3, as long as the amount of securities to be sold under the registration statement exceeds $1 million.

Piggyback Registration Rights

If we register any securities for public sale, stockholders with registration rights will have the right to include their shares in the registration statement. The underwriters of any underwritten offering will have the right to limit the number of shares to be included in the registration statement.

Expenses of Registration

We will pay all expenses relating to any demand or piggyback registration. However, we will not pay for the expenses of any demand registration if the request is subsequently withdrawn by the holders of a majority of the shares having registration rights, subject to very limited exceptions.

Expiration of Registration Rights

The registration rights described above will expire six years after this offering is completed. The registration rights will terminate earlier for a particular stockholder if that holder can resell all of its securities in a three-month period under Rule 144 of the Securities Act and we are subject to the reporting requirements of the Securities Exchange Act of 1934.

Delaware Anti-takeover Law and Charter Provisions

The provisions of the Delaware General Corporation Law, our certificate of incorporation and our bylaws described below may have the effect of delaying, deferring or discouraging another person from acquiring control of us.

We will be subject to the provisions of Section 203 of the Delaware General Corporation Law regulating corporate takeovers. This section prevents Delaware corporations from engaging, under limited circumstances, in a business combination, which includes a merger or sale of more than 10% of the corporation's assets, with any interested stockholder, which is a stockholder who owns 15% or more of the corporation's outstanding voting stock, as well as affiliates and associates of stockholders, for three years following the date that the stockholder became an interested stockholder unless:

- the transaction is approved by the board before the date the interested stockholder attained that status;

- upon the closing of the transaction that resulted in the stockholder's becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced; or - on or after the date the business combination is approved by the board and authorized at an annual or special meeting of stockholders by at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

A Delaware corporation may opt out of this provision with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or bylaws resulting from a stockholders' amendment approved by at least a majority of the outstanding voting shares. However, we have not opted out of this provision. This provision of the Delaware General Corporation Law could prohibit or delay merger or other takeover or change-in-control attempts and may discourage attempts to acquire us.

Charter and Bylaws

Charter

Upon the closing of this offering, our certificate of incorporation will provide that all stockholder actions must be effected at a duly-called annual or special meeting and not by a consent in writing. Our certificate of incorporation will also require the approval of our board of directors to adopt, amend or repeal our bylaws. In addition, our certificate of incorporation will permit the stockholders to adopt, amend or repeal our bylaws only upon the affirmative vote of the holders of at least two-thirds of the voting power of all then outstanding shares of stock entitled to vote.

Effective upon the closing of this offering, our certificate of incorporation and bylaws will provide for a board of directors that is divided into three classes. Directors will be removable for cause only by stockholders holding a majority of the then outstanding shares of stock entitled to vote. Vacancies on the board of directors resulting from death, resignation, removal or other reason may be filled by a majority of the directors then in office, even if less than a quorum. Vacancies from newly created directorships must be filled by a majority of the directors then in office. Lastly, the provisions in the certificate of incorporation described above and other provisions pertaining to the limitation of liability and indemnification of directors will be able to be amended or repealed only with the affirmative vote of the holders of at least two-thirds of the voting power of all then outstanding shares of stock entitled to vote.

These provisions may have the effect of deterring hostile takeovers or delaying changes in the control or management of iPrint.com, which could have an adverse effect on the market price of our common stock.

Bylaws

Upon the closing of this offering, our bylaws will also contain many of the provisions in our certificate of incorporation described above. Our bylaws will not permit stockholders to call a special meeting. In addition, our bylaws will establish an advance notice procedure for matters to be brought before an annual or special meeting of our stockholders, including the election of directors. Business permitted to be conducted at any annual meeting or special meeting of stockholder will be limited to business properly brought before the meeting.

Our bylaws will also provide that we will indemnify officers and directors against losses that they may incur in investigations and legal proceedings resulting from their services to us, which may include services in connection with takeover defense measures. These provisions may have the effect of preventing changes in our management.

Indemnification of Directors and Executive Officers and Limitation of Liability

Our certificate of incorporation limits the liability of directors to the fullest extent permitted by the Delaware General Corporation Law. In addition, our certificate of incorporation and bylaws provide that we will indemnify our directors and officers to the fullest extent permitted by the Delaware General Corporation Law. We intend to enter into separate indemnification agreements with our directors and executive officers that provide them indemnification protection if our certificate of incorporation is subsequently amended.

Transfer Agent and Registrar

The transfer agent and registrar for the common stock is . The address of our transfer agent and registrar is , and its telephone number at this location is .

Listing

We have applied to list our common stock on the Nasdaq National Market under the trading name IPRT.

Shares Eligible for Future Sale

Before this offering, there has not been a public market for our common stock. Future sales of substantial amounts of our common stock, including shares issued upon exercise outstanding options and warrants, in the public markets after this offering could adversely affect market prices prevailing from time to time. Furthermore, as described below, no shares currently outstanding will be available

for sale immediately after this offering due to contractual and legal restrictions on resale. Nevertheless, future sales of substantial amounts of our common stock in the public market after the restrictions lapse, or the possibility of these sales, could adversely affect the prevailing market price and our ability to raise equity capital in the future.

Upon completion of this offering, we will have outstanding shares of common stock, assuming the conversion of all outstanding preferred stock and based on common stock outstanding as of September 30, 1999, and assuming no exercise of the underwriters' over-allotment option or exercise of outstanding options and warrants to purchase common stock. As of September 30, 1999, there were options to purchase 1,146,099 shares of common stock and warrants to purchase 70,500 shares of common stock outstanding. Of these shares, the shares to be sold in this offering will be freely tradable without restriction or further registration under the Securities Act, except for any shares purchased by affiliates of iPrint.com, defined as persons who directly or indirectly control or are controlled by or are under common control with iPrint.com.

The remaining 24,072,398 shares held by our existing stockholders were issued and sold by iPrint.com in private transactions. These securities may be sold in the public market only if registered or if they qualify for an exemption from registration under Rules 144 or 701 under the Securities Act, which are summarized below. Sales of these restricted securities in the public market, or the availability of these shares for sale, could adversely affect the trading price of iPrint.com's common stock. They are eligible for public sale as follows:

APPROXIMATE NUMBER OF DATE SHARES THAT MAY BE SOLD COMMENT Date of this prospectus -- -- 181 days after the date 18,118,908 A substantial number of these shares will be of this prospectus subject to volume limitations and restrictions under Rule 144 because they will have been held for over one year but less than two years or they are held by some of our officers and directors.

September 30, 2000 5,953,490 These shares will be subject to volume limitations and restrictions of Rule 144 at the expiration of a one year holding period, which will occur on September 30, 2000.

Lock-up Agreements

All of our officers and directors and substantially all of our security holders have signed lock-up agreements under which they agreed not to sell, dispose of, loan, pledge or grant any rights to any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock without the prior written consent of Credit Suisse First Boston Corporation for a period of 180 days after the date of this prospectus.

Credit Suisse First Boston Corporation may choose to release some of these shares from these restrictions before the expiration of this 180-day period without notice.

Rule 144

In general, under Rule 144 as currently in effect, beginning 90 days after the date of this prospectus, a person who has beneficially owned shares of our common stock for at least one year would be entitled to sell within any three-month period a number of shares that does not exceed the greater of:

- 1% of the number of shares of common stock then outstanding, which will equal approximately shares immediately after this offering; or - the average weekly trading volume of the common stock on the Nasdaq National Market during the four calendar weeks preceding the filing of a notice on Form 144 for the sale.

Sales under Rule 144 are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us.

RULE 144(k)

Under Rule 144(k), a person who has not been one of our affiliates at any time during the 90 days preceding a sale, and who has beneficially owned the shares proposed to be sold for at least two years, is entitled to sell those shares without complying with the manner of sale, public information, volume limitation or notice provisions of Rule 144. Therefore, unless otherwise restricted, shares that have been held by a non-affiliate for at least two years may be sold in the open market immediately after the lock-up agreements expire.

Rule 701

Any employee, officer of director of, or consultant to, us who purchased his shares under a written compensatory plan or contract may be entitled to sell his shares in reliance on Rule 701. Rule 701 permits affiliates to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. Rule 701 further provides that non-affiliates may sell these shares in reliance on Rule 144 without having to comply with the holding period, public information, volume limitation or notice provisions of Rule 144. All holders of Rule 701 shares are required to wait until 90 days after the date of this prospectus before selling those shares. However, all shares issued under Rule 701 are subject to lock-up agreements and will only become eligible for sale when the 180-day lock-up agreements expire.

Registration Rights

Upon completion of this offering, the holders of shares of common stock, or their transferees, will have the right, exercisable under specific circumstances, to register those shares under the Securities Act. If these shares are registered, they will be freely tradable without restriction under the Securities Act.

Stock Options

We intend to file one or more registration statements on Form S-8 under the Securities Act to register approximately shares of common stock issued under our stock option and employee stock purchase plans. These registration statements are expected to be filed soon after the date of this prospectus and will automatically become effective upon filing. Shares registered under these registration statements will be available for sale in the open market, unless the shares are subject to vesting restrictions with iPrint.com or the lock-up restrictions above. Substantially all shares issuable upon the exercise of options to purchase our shares are subject to lock-up agreements and will only become eligible for sale when the 180-day lock-up agreements expire.

Underwriting

Under the terms and subject to the conditions contained in an underwriting agreement dated , we have agreed to sell to the underwriters named below, for whom Credit Suisse First Boston Corporation, BancBoston Robertson Stephens Inc. and U.S. Bancorp Piper Jaffray Inc. are acting as representatives, the following respective numbers of shares of common stock:

Underwriter Number of Shares Credit Suisse First Boston Corporation..... BancBoston Robertson Stephens Inc..... U.S. Bancorp Piper Jaffray Inc.....

Total.....

The underwriting agreement provides that the underwriters are obligated to purchase all the shares of common stock in the offering if any are purchased, other than those shares covered by the over-allotment option described below. The underwriting agreement also provides that if an underwriter defaults the purchase commitments of non-defaulting underwriters may be increased or the offering of common stock may be terminated.

We have granted to the underwriters a 30-day option to purchase on a pro rata basis up to additional shares at the initial public offering price less the underwriting discounts and commissions. The option may be exercised only to cover any over-allotments of common stock.

The underwriters propose to offer the shares of common stock initially at the public offering price on the cover page of this prospectus and to selling group members at that price less a concession of $ per share. The underwriters and selling group members may allow a discount of $ per share on sales to other broker/dealers. After the initial public offering, the public offering price and concession and discount to broker/dealers may be changed by the representatives.

The following table summarizes the compensation and estimated expenses we will pay.

	Per Share		Total	
	Without Over-allotment	Without Over-allotment	Without Over-allotment	Without Over-allotment

Underwriting Discounts and Commissions paid by us..... $ $ $ $ Expenses payable by us..... $ $ $ $ The underwriters have informed us that they do not expect discretionary sales to exceed 5% of the shares of common stock being offered.

We and substantially all of our other security holders have agreed that we and they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Securities and Exchange Commission a registration statement under the Securities Act of 1933 relating to, any additional shares of our common stock or securities convertible into or exchangeable or exercisable for any of our common stock, or publicly disclose the intention to make any such offer, sale, pledge, disposition or filing, without the prior written consent of Credit Suisse First Boston Corporation for a period of 180 days after the date of this prospectus, subject to limited exceptions. Credit Suisse First Boston Corporation may waive the lock-up restrictions at its sole discretion at any time without notice.

The underwriters have reserved for sale, at the initial public offering price up to shares of the common stock for employees, directors and certain other persons associated with us who have expressed an interest in purchasing common stock in the offering. The number of shares available for sale to the general public in the offering will be reduced to the extent such persons purchase such reserved shares. Any reserved shares not so purchased will be offered by the underwriters to the general public on the same terms as the other shares.

We have agreed to indemnify the underwriters against liabilities under the Securities Act, or contribute to payments which the underwriters may be required to make in that respect.

We have applied to list the shares of common stock on The Nasdaq Stock Market's National Market.

Bayview Investors, LTD, an affiliate of BancBoston Robertson Stephens Inc., owns 156,905 shares of our preferred stock.

Prior to this offering, there has been no public market for the common stock. The initial public offering price will be determined by negotiation between us and the representatives. The principal factors to be considered in determining the public offering price include the following:

- the information included in this prospectus and otherwise available to the representatives;

- market conditions for initial public offerings;

- the history and the prospects for the industry in which we will compete;

- the ability of our management;

- the prospects for our future earnings;

- the present state of our development and our current financial condition;

- the general condition of the securities markets at the time of this offering; and - the recent market prices of, and the demand for, publicly traded common stock of generally comparable companies.

The representatives, may engage in over-allotment, stabilizing transactions, syndicate covering transactions, penalty bids and "passive" market making in accordance with Regulation M under the Securities Exchange Act of 1934.

- Over-allotment involves syndicate sales in excess of the offering size, which creates a syndicate short position.

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.

- Syndicate covering transactions involve purchases of the common stock in the open market after the distribution has been completed in order to cover syndicate short positions.

- Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the common stock originally sold by such syndicate member is purchased in a stabilizing transaction or a syndicate covering transaction to cover syndicate short positions.

- In "passive" market making, market makers in the common stock who are underwriters or prospective underwriters may, subject to certain limitations, make bids for or purchases of the common stock until the time, if any, at which a stabilizing bid is made.

These stabilizing transactions, syndicate covering transactions, passive market making transactions and penalty bids may cause the price of the common stock to be higher than it would otherwise be in the absence of these transactions. These transactions may be effected on The Nasdaq National Market or otherwise and, if commenced, may be discontinued at any time.

Notice to Canadian Residents

Resale Restrictions

The distribution of the common stock in Canada is being made only on a private placement basis exempt from the requirement that we prepare and file a prospectus with the securities regulatory authorities in each province where trades of common stock are effected. Accordingly, any resale of the common stock in Canada must be made in accordance with applicable securities laws which will vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with available statutory exemptions or pursuant to a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the common stock.

Representations of Purchasers

Each purchaser of common stock in Canada who receives a purchase confirmation will be deemed to represent to us and the dealer from whom such purchase confirmation is received that (i) such purchaser is entitled under applicable provincial securities laws to purchase such common stock without the benefit of a prospectus qualified under such securities laws, (ii) where required by law, that such purchaser is purchasing as principal and not as agent, and (iii) such purchaser has reviewed the text above under "Release Restrictions".

Rights of Action (Ontario Purchasers)

The securities being offered are those of a foreign issuer and Ontario purchasers will not receive the contractual right of action prescribed by Ontario securities law. As a result, Ontario purchasers must rely on other remedies that may be available, including common law rights of action for damages or recission or rights of action under the civil liability provisions of the U.S. federal securities laws.

Enforcement of Legal Rights

All of the issuer's directors and officers as well as the experts named herein may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the issuer or such persons. All or a substantial portion of the assets of the issuer and such persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgement against the issuer or such person in Canada or to enforce a judgment obtained in Canadian courts against such issuer or persons outside of Canada.

Notice to British Columbia Residents

A purchaser of common stock to whom the SECURITIES ACT (British Columbia) applies is advised that such purchaser is required to file with the British Columbia Securities Commission a report within ten days of the sale of any common stock acquired by such purchaser pursuant to this offering. Such report must be in the form attached to British Columbia Securities Commission Blanket Order BOR #95/17, a copy of which may be obtained from us. Only one such report must be filed in respect of common stock acquired on the same date and under the same prospectus exemption.

Taxation and Eligibility for Investment

Canadian purchasers of common stock should consult their own legal and tax advisors with respect to the tax consequences of an investment in the common stock in their particular circumstances and with respect to the eligibility of the common stock for investment by the purchaser under relevant Canadian legislation.

Legal Matters

The validity of the common stock offered hereby will be passed upon for us by Gray Cary Ware & Freidenrich LLP, Palo Alto, California. Various legal matters relating to the offering will be passed upon for the underwriters by Skadden, Arps, Slate, Meagher & Flom LLP, Palo Alto, California. As of September 30, 1999, an investment partnership and a partner at Gray Cary Ware & Freidenrich LLP owned an aggregate of 73,404 shares of our common stock.

Experts

The audited financial statements included in this prospectus and elsewhere in the registration statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are included herein in reliance upon the authority of said firm as experts in giving said reports.

Where You Can Find More Information

We have filed with the SEC a registration statement on Form S-1 under the Securities Act that registers the shares of our common stock to be sold in this offering. The registration statement, including the attached exhibits and schedules, contain additional relevant information about us and our capital stock. The rules and regulations of the SEC allow us to omit various information included in the registration statement from this document.

In addition, upon completion of this offering, we will become subject to the reporting and information requirements of the Exchange Act and, as a result, will file periodic reports, proxy statements and other information with the SEC. You may read and copy this information at the following public reference rooms of the SEC:

450 Fifth Street, N.W. Room 1024 Washington, DC 20549	7 World Trade Center Suite 1300 New York, NY 10048	500 West Madison Street Suite 1400 Chicago, IL 60661-2511

You may also obtain copies of this information by mail from the public reference section of the SEC, 450 Fifth Street, N.W. Room 1024, Washington, DC 20549, at prescribed rates. You may obtain information on the operation of the public reference rooms by calling the SEC at 1-(800) SEC-0330.

The SEC also maintains an internet website that contains reports, proxy statements and other information about issuers, like iPrint.com, who file electronically with the SEC. The address of that website is http://www.sec.gov.

We intend to furnish our stockholders with annual reports containing audited financial statements, and make available to our stockholders quarterly reports for the first three quarters of each fiscal year containing unaudited interim financial information.

Iprint.com, Inc. Index to Financial Statements

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Report of Independent Public Accountants..... F-2 Balance Sheets as of December 31, 1997 and 1998 and September 30, 1999..... F-3 Statements of Operations for the years ended December 31, 1996, 1997, and 1998 and the nine months ended September 30, 1998 (unaudited) and 1999..... F-4 Statements of Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit) for the years ended December 31, 1996, 1997, and 1998 and the nine months ended September 30, 1999..... F-5 Statements of Cash Flows for the years ended December 31, 1996, 1997, and 1998 and the nine months ended September 30, 1998 (unaudited) and 1999..... F-6 Notes to Financial Statements..... F-7 After the reincorporation discussed in Note 11 to iPrint.com, inc.'s financial statements, we expect to be in a position to render the following audit report:

Arthur Andersen Llp

San Jose, California November 17, 1999

Report of Independent Public Accountants

To the Board of Directors and Stockholders of iPrint.com, inc.:

We have audited the accompanying balance sheets of iPrint.com,inc. (a Delaware corporation) as of December 31, 1997 and 1998, and September 30, 1999, and the related statements of operations, redeemable convertible preferred stock and stockholders' equity (deficit) and cash flows for each of the three years in the period ended December 31, 1998 and the nine months ended September 30, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of iPrint.com,inc. as of December 31, 1997 and 1998, and September 30, 1999, and the results of its operations and its cash flows for each of the three years in the period ended December

31, 1998 and the nine months ended September 30, 1999 in conformity with generally accepted accounting principles.

San Jose, California November 17, 1999 IPRINT.COM, INC. BALANCE SHEETS DECEMBER 31, 1997 AND 1998 AND SEPTEMBER 30, 1999 (IN THOUSANDS, EXCEPT SHARE AMOUNTS) ASSETS SEPTEMBER 30, 1999 PRO FORMA DECEMBER 31, STOCKHOLDERS' ---------- SEPTEMBER 30, EQUITY 1997 1998 1999 (NOTE 10) (UNAUDITED)

CURRENT ASSETS:			
Cash and cash equivalents	$ 2,322	$ 299	$ 14,007
Receivable from redeemable convertible preferred stock	--	--	8,000
Accounts receivable	--	18	107
Prepaid expenses and other	1	32	329
Total current assets	2,323	349	22,443
PROPERTY AND EQUIPMENT, net	73	565	1,374
	$ 2,396	$ 914	$ 23,817

Liabilities, Redeemable Convertible Preferred Stock and Stockholders' Equity(deficit)

CURRENT LIABILITIES:			
Borrowings under line of credit	$ --	$ 218	$ 284
Software licensing	--	211	118
Accounts payable	30	143	1,035
Accrued liabilities	27	274	839
Total current liabilities	57	846	2,276
LONG-TERM DEBT, net of current portion	--	--	156

Commitments (Note 6)

REDEEMABLE CONVERTIBLE PREFERRED STOCK, no par value Authorized -- 32,806,164 shares Outstanding -- 4,083,594 shares at December 31, 1997 and 1998, 16,070,581 shares at September 30, 1999 and none pro forma; aggregate liquidation preference at September 30, 1999 of $30,812..... 3,331 3,723 30,775 $ -- Value ascribed to redeemable convertible preferred stock warrants..... -- -- 35 -- Total redeemable convertible preferred stock..... 3,331 3,723 30,810 -- STOCKHOLDERS' EQUITY (DEFICIT): Common stock, no par value Authorized -- 30,000,000 shares Outstanding -- 7,006,000 shares at December 31, 1997, 7,010,375 share at December 31, 1998, 8,001,817 shares at September 30, 1999 and 24,072,398 shares pro forma at September 30, 1999..... 20 20 1,463 32,238 Value ascribed to common stock warrants..... -- -- -- 35 Deferred stock compensation..... -- -- (1,018) (1,018) Accumulated deficit..... (1,012) (3,675) (9,870) (9,870) Total stockholders' equity (deficit)..... (992) (3,655) (9,425) $ 21,385 $ 2,396 $ 914 $ 23,817 The accompanying notes are an integral part of these financial statements.

IPRINT.COM, INC. STATEMENTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 1996, 1997 AND 1998 AND THE NINE MONTHS ENDED SEPTEMBER 30, 1998 AND 1999 (IN THOUSANDS, EXCEPT PER SHARE DATA)

	YEAR ENDED DECEMBER 31,			NINE MONTHS ENDED SEPTEMBER 30,	
	1996	1997	1998	1998	1999
				(UNAUDITED)	
REVENUES	$ --	$ 168	$ 566	$ 306	$ 1,759
COST OF SALES	--	85	331	172	1,205
GROSS PROFIT	--	83	235	134	554

Operating Expenses:

Research and development	171	351	901	521	2,204
Sales and marketing	--	181	970	629	3,636
General and administrative	64	249	710	407	1,199
Amortization of deferred compensation	--	--	--	--	309
Total operating expenses	235	781	2,581	1,557	7,348
LOSS FROM OPERATIONS	(235)	(698)	(2,346)	(1,423)	(6,794)
OTHER INCOME (EXPENSE), net	--	(1)	75	56	129
NET LOSS	$ (235)	$ (699)	$(2,271)	$(1,367)	$(6,665)
Basic and diluted net loss per share	$(0.15)	$(0.11)	$ (0.38)	$ (0.24)	$ (0.86)
Shares used to compute basic and diluted net loss per share	1,573	7,001	7,007	7,006	7,169
Pro forma basic and diluted net loss per share (unaudited)			$ (0.24)		$ (0.38)
Shares used to compute pro forma basic and diluted net loss per share (unaudited)			11,090		16,092

The accompanying notes are an integral part of these financial statements.

IPRINT.COM, INC. STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT) FOR THE YEARS ENDED DECEMBER 31, 1996, 1997 AND 1998 AND THE NINE MONTHS ENDED SEPTEMBER 30, 1999 (IN THOUSANDS, EXCEPT SHARE AMOUNTS)

	REDEEMABLE CONVERTIBLE PREFERRED STOCK		COMMON STOCK		DEFERRED	TOTAL	
	SHARES	AMOUNT	SHARES	AMOUNT	STOCK COMPENSATION	ACCUMULATED DEFICIT	STOCKHOLDERS' EQUITY (DEFICIT)
BALANCE, JANUARY 1, 1996	--	$ --	--	$ --	$ --	$ --	$ --
Issuance of common stock in exchange for cash at $.0029 per share to sole stockholder	--	--	7,000,000	20	--	--	20
Net loss	--	--	--	--	--	(235)	(235)
BALANCE, DECEMBER 31, 1996	--	--	7,000,000	20	(235)	(215)	
Issuance of Series A redeemable convertible preferred stock at $.80 per share, net of issuance cost of $14	3,279,174	2,609	--	--	--	--	--
Conversion of notes payable and accrued interest due primary stockholder to Series A redeemable convertible preferred stock at $.80 per share	804,420	644	--	--	--	--	--
Accretion of redeemable convertible preferred stock	--	78	--	--	--	(78)	(78)
Exercise of stock options to purchase common stock at $.01 per sahre	--	--	6,000	--	--	--	--
Net loss	--	--	--	--	--	(699)	(699)
BALANCE, DECEMBER 31, 1997	4,083,594	3,331	7,006,000	20	--	(1,012)	(992)
Accretion of redeemable convertible preferred stock	--	392	--	--	--	(392)	(392)
Exercise of stock options at $.01 per share	--	--	4,375	--	--	--	--
Net loss	--	--	--	--	--	(2,271)	(2,271)
BALANCE, DECEMBER 31, 1998	4,083,594	3,723					

7,010,375 20 -- (3,675) (3,655) Issuance of Series B redeemable convertible preferred stock at $1.25 per share, net of issuance costs of $10..... 6,033,497 7,532 -- -- -- -- -- Forgiveness of accretion of preferred stock..... -- (470) -- -- -- 470 470 Issuance of Series C redeemable convertible preferred stock at $3.36 per share, net of issuance costs of $13..... 5,953,490 19,990 -- -- -- -- -- Exercise of stock options to purchase common stock at $.01 - $.84 per share..... -- -- 991,442 116 -- -- 116 Deferred stock compensation related to stock options..... -- -- -- 1,327 (1,327) -- -- Amortization of deferred stock compensation..... -- -- -- -- 309 -- 309 Issuance of warrants to purchase redeemable convertible preferred stock..... -- 35 -- -- -- -- -- Net loss..... -- -- -- -- -- (6,665) (6,665) BALANCE, SEPTEMBER 30, 1999..... 16,070,581 $30,810 8,001,817 $1,463 $ (1,018) $ (9,870) $ (9,425) The accompanying notes are an integral part of these financial statements.

IPRINT.COM, INC. STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 1996, 1997 AND 1998 AND THE NINE MONTHS ENDED SEPTEMBER 30, 1998 AND 1999 (IN THOUSANDS)

	YEAR ENDED DECEMBER 31,			NINE MONTHS ENDED SEPTEMBER 30,	
	1996	1997	1998	1998	1999
				(UNAUDITED)	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net loss	$(235)	$ (699)	$(2,271)	$(1,367)	$(6,665)
Adjustments to reconcile net loss to net cash used in operating activities:					
Interest expense converted to redeemable convertible preferred stock	--	25	--	--	--
Depreciation and amortization	2	13	43	22	123
Amortization of deferred stock compensation	--	--	--	--	309
Maintenance and training expense related to software licensing	--	--	--	--	62
Interest and marketing expense related to issuance of warrants	--	--	--	--	35
Changes in net assets and liabilities:					
Accounts receivable	--	(1)	(18)	(11)	(89)
Prepaid expenses and other	(1)	--	(30)	(6)	(297)
Accounts payable	6	28	113	99	892
Accrued liabilities	3	24	211	13	603
Deferred compensation	73	(73)	--	--	--
Net cash used in operating activities	(152)	(683)	(1,952)	(1,250)	(5,027)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchases of property and equipment	(30)	(59)	(289)	(172)	(918)
CASH FLOWS FROM FINANCING ACTIVITIES:					

Proceeds from borrowings under line of credit.....	--	--	218	--	234
Repayment of line of credit.....	--	--	--	--	(35)
Repayment of financing arrangement.....	--	--	--	--	(184)
Proceeds from note payable issued to stockholder.....	164	453	--	--	--
Proceeds from issuance of common stock.....	--	--	--	--	116
Proceeds from issuance of common stock under restricted stock purchase plan.....	20	--	--	--	--
Proceeds from issuance of redeemable convertible preferred stock, net of issuance costs.....	--	2,609	--	--	19,522
Net cash provided by financing activities.....	184	3,062	218	--	19,653
Net increase (decrease) in cash.....	2	2,320	(2,023)	(1,422)	13,708
CASH AND CASH EQUIVALENTS, beginning of period.....	--	2	2,322	2,322	299
CASH AND CASH EQUIVALENTS, end of period.....	$ 2	$2,322	$ 299	$ 900	$14,007
NON-CASH FINANCING ACTIVITIES:					
Software acquired through a financing arrangement.....	$ --	$ --	$ 220	$ 220	$ 169
Receivable from redeemable convertible preferred stock.....	$ --	$ --	$ --	$ --	$ 8,000
Conversion of notes payable and accrued interest due primary stockholder to redeemable convertible preferred stock.....	$ --	$ 644	$ --	$ --	$ --
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:					
Accretion of redeemable convertible preferred stock.....	$ --	$ 78	$ 392	$ 293	$ --
Forgiveness of accretion of redeemable convertible preferred stock.....	$ --	$ --	$ --	$ --	$ 470
Cash paid for interest.....	$ --	$ --	$ --	$ --	$ 29

The accompanying notes are an integral part of these financial statements.

IPRINT.COM, INC. NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 1999 (ALL INFORMATION AS OF AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1998 IS UNAUDITED)

1. the Company:

iPrint.com, inc. (the "Company") was established in January 1996 as a sole proprietorship. In August 1996, the Company was incorporated as a Subchapter S Corporation. In October 1997, the Company changed to C corporation status. The Company provides online print services for small businesses and consumers. Its online print shop offers customers a one-stop shop for addressing their printing needs,

allowing them to easily design and order customized, short-run printed products. The Company also works with a variety of online organizations, large commercial printers and office supply chains to deliver co-labeled and private-labeled online printing solutions.

During 1997, the Company commenced shipments of its products. The Company is subject to a number of risks including a lack of profitability and an evolving business model, the need to attract repeat paying customers, competition from larger, more established companies, enhancements to and scalability of the iPrint.com and related websites, volatility of the printing industry, rapid technological change, ability to scale operations to support large numbers of customers, dependence on outside commercial print vendors and delivery services, ability to obtain adequate funding to support growth, dependence on key employees and the ability to attract and retain additional qualified personnel to manage the anticipated growth of the Company.

2. Summary of Significant Accounting Policies:

Unaudited Interim Financial Data

The unaudited financial statement data as of September 30, 1998 and for the nine months ended September 30, 1998 have been prepared on the same basis as the audited financial statements and, in the opinion of management, include all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the financial information set forth therein, in accordance with generally accepted accounting principles.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Company considers all highly liquid cash investments with maturity dates of three months or less to be cash equivalents.

Fair Value of Financial Instruments

For certain financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, recorded amounts approximate fair value due to the relatively short maturity period.

The carrying amount of the line of credit approximates its fair value because it has interest rates that vary with market interest rates.

Property and Equipment

Property and equipment are stated at cost and are depreciated using the straight-line method over the estimated useful lives (3 to 5 years) of the assets. Leasehold improvements are amortized over the shorter of the estimated useful life or the lease term. Depreciation and amortization expense for the years ended December 31, 1996, 1997 and 1998 was $2,000, $13,000 and $43,000. Depreciation and amortization expense was $22,000 and $123,000 for the nine months ended September 30, 1998 and 1999.

Revenue Recognition

The Company works with certified commercial print vendors to perform printing services. Revenues from sales of printed materials are recognized when all of the following conditions are met: the product has shipped, collection of the receivable is probable and the Company has fulfilled all of its contractual obligations to the customer. Sales discounts have been accounted for as reductions of revenues. Shipping and handling charges billed to customers are recognized as revenues and the related costs are expensed as cost of sales.

In 1999, the Company entered into advertising barter transactions whereby the Company's advertisement was placed on a co-labeled partner's website in exchange for certain of the Company's products offered to customers of the co-labeled partner. Barter transactions are recorded at the fair value of goods provided or advertising services received, whichever is more readily determinable in the circumstances. Revenues from barter transactions for the nine-month period ended September 30, 1999 amounted to $211,000.

The Company has operated primarily in the United States and all sales to date have been made in U.S. dollars. Accordingly, the Company has not had any material exposure to foreign currency rate fluctuations.

Sales and Marketing

The Company expenses advertising costs, including the fair value of barter transactions, and promotional spending, including the costs of promotional products given away, as incurred. Advertising costs and promotional spending for the years ended December 31, 1996, 1997 and 1998 were approximately $0, $51,000, and $392,000, and $159,000 and $1,993,000 for the nine months ended September 30, 1998 and September 30, 1999.

Research and Development

Research and development costs are expensed as incurred and consist primarily of payroll costs, other direct expenses and overhead. To date, the Company has expensed all costs of developing its websites because the realizability of the costs was uncertain.

Stock-based Compensation

Effective January 1, 1996, the Company adopted the disclosure provisions under Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation." In accordance with the provisions of SFAS No. 123, the Company applies Accounting Principles Board Opinion 25, "Accounting for Stock Issued to Employees" and related interpretations in accounting for stock options.

COMPUTATION OF BASIC AND DILUTED NET LOSS PER SHARE AND PRO FORMA BASIC AND DILUTED NET LOSS PER SHARE Basic and diluted net loss per share on a historical basis is computed using the weighted average number of shares of common stock outstanding. Potential common shares from conversion of redeemable convertible preferred stock and exercise of stock options and warrants are excluded from diluted net loss per share because they would be antidilutive. The total number of shares excluded from diluted net loss per share relating to these securities was 4,893,094 shares and 5,455,470 shares for 1997 and 1998, and 5,291,157 shares and 17,287,180 shares for the nine months ended September 30, 1998 and 1999.

Pursuant to Securities and Exchange Commission Staff Accounting Bulletin No. 98, convertible preferred stock and common stock issued or granted for nominal consideration prior to the anticipated effective date of an initial public offering must be included in the calculation of basic and diluted net loss per share as if they had been outstanding for all periods presented. To date, the Company has not had any issuances or grants for nominal consideration.

Pro forma basic and diluted net loss per share is calculated assuming the conversion of redeemable convertible preferred stock into an equivalent number of shares of common stock, as if the shares had converted on the dates of their issuances.

A reconciliation of shares used in the calculation of basic and diluted and pro forma basic and diluted net loss per share follows (in thousands, except per share data):

	YEAR ENDED DECEMBER 31,			NINE MONTHS ENDED SEPTEMBER 30,	
	1996	1997	1998	1998	1999
				(UNAUDITED)	
Net loss	$ (235)	$ (699)	$(2,271)	$(1,367)	$(6,665)
Accretion of redeemable convertible preferred stock	--	(78)	(392)	(293)	--
Forgiveness of accretion of redeemable convertible preferred stock (Note 9)	--	--	--	--	470
Net loss attributable to common stock	$ (235)	$ (777)	$(2,663)	$(1,660)	$(6,195)
Weighted average shares of common stock outstanding	1,573	7,002	7,009	7,009	7,384
Less: weighted average shares of common stock subject to repurchase	--	(1)	(2)	(3)	(215)
Weighted average shares used in computing basic and diluted net loss per share	1,573	7,001	7,007	7,006	7,169
Basic and diluted net loss per share	$(0.15)	$(0.11)	$ (0.38)	$ (0.24)	$ (0.86)
Shares used in computing basic and diluted net loss per share			7,007		7,169
Adjustment to reflect the effect of the assumed conversion of redeemable convertible preferred stock (unaudited)			4,083		8,923
Shares used in computing pro forma basic and diluted net loss per share (unaudited)			11,090		16,092
Pro forma basic and diluted net loss per share (unaudited)			$ (0.24)		$ (0.38)

Comprehensive Loss

Comprehensive income is defined as the changes in equity of an enterprise except those resulting from stockholder transactions. Comprehensive loss for the each of the three years ended December 31, 1998 and the nine months ended September 30, 1999 equaled net loss.

Segment Reporting

The Company is organized and has operated in one operating segment for all periods represented, to provide online print services for small businesses and consumers through its online print shop and to deliver co-labeled and private-labeled online printing solutions. The Company operates primarily in the United States.

Recent Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". SFAS No. 133 establishes accounting and reporting standards, requiring that every derivative instrument be recorded in the balance sheet as either an asset or liability measured at its fair value. SFAS No. 133, as recently amended, is effective for fiscal years beginning after June 30, 2000. Management believes the adoption of SFAS No. 133 will not have a material effect on the Company's financial position or results of operations.

In October 1999, the SEC staff asked the Emerging Issue Task Force of the Financial Accounting Standards Board to address accounting issues related to eletronic commerce companies. These issues include accounting treatments of barter transactions, free or heavily discounted products and shipping and handling costs. The ultimate resolutions to these issues could have a material effect on the accounting policies in the future.

3. Property and Equipment:

Property and equipment consists of the following (in thousands):

	DECEMBER 31,		SEPTEMBER 30,
	1997	1998	1999
Furniture and office equipment	$ 3	$ 40	$ 110
Computer systems	80	487	658
Computer software	6	38	614
Leasehold improvements	--	59	174
	89	624	1,556
Less: Accumulated depreciation	(16)	(59)	(182)
	$ 73	$ 565	$1,374

4. Borrowing Arrangements:

Line of Credit Arrangement

The Company has a line of credit arrangement with a bank which provides for maximum borrowings of $750,000 for working capital and capital improvements, bearing interest at the prime rate. The bank has a senior security interest in substantially all of the Company's assets. As of September 30, 1999, $440,000 was outstanding under this agreement. The credit line portion of this arrangement expired and the Company repaid $200,000 on November 8, 1999 which was the working capital component of the amount then outstanding. The balance of $240,000 remains as a term loan, of which $156,000 will be repaid in fiscal years 2001 and 2002 and accordingly, the amount is classified as a long-term debt on the accompanying financial statements.

In connection with this arrangement, the Company issued a warrant to purchase 8,000 shares of the Series B redeemable convertible preferred stock at $1.25 per share. The warrant was valued at $15,000 and the amount was expensed as interest expense. The warrant expires on May 8, 2003.

Software License Agreement

In 1998, the Company entered into a financing agreement with a software company for the licensing of software. The agreement bears interest at an annual rate of 12% and the principal balance is to be paid in 5 equal quarterly payments of approximately $60,000. The final payment will be in February 2000.

5. Income Taxes:

Until October 16, 1997, the Company was an S Corporation. Effective October 17, 1997, the Company changed its tax status to a C Corporation in conjunction with the issuance of Series A redeemable convertible preferred stock. For an S Corporation, income taxes are generally the responsibility of the individual stockholders. As a C Corporation, the Company recognizes deferred income tax assets and liabilities for the expected future income tax benefits and consequences, based on enacted tax laws, of temporary differences between the financial reporting and tax basis of assets, liabilities and carryforwards. The Company has not had any taxable income or related tax liabilities for any period.

The provision for income taxes differs from the expected tax benefit amount computed by applying the statutory federal income tax rate of 35% to loss before income taxes as follows:

	YEAR ENDED DECEMBER 31,			NINE MONTHS ENDED SEPTEMBER 30,
	1996	1997	1998	1999
Federal statutory rate	(35)%	(35)%	(35)%	(35)%
State taxes, net of federal benefit	(6)	(6)	(6)	(6)
Change in valuation allowance	41	41	41	41
	-- %	-- %	-- %	-- %

The components of the net deferred income tax asset are as follows (in thousands):

	DECEMBER 31,		SEPTEMBER 30,
	1997	1998	1999
Net operating loss carryforwards	$ 108	$ 989	$ 3,320
Tax credit carryforwards and cumulative temporary differences	9	102	223
	117	1,091	3,543
Valuation allowance	(117)	(1,091)	(3,543)
Net deferred income tax asset	$ --	$ --	$ --

The Company has provided a valuation allowance for the net operating losses, deferred tax assets and tax credit carryforwards which may expire before the Company can use them. The Company believes sufficient uncertainty exists regarding the realizability of these items and accordingly, has provided a valuation allowance for them.

As of September 30, 1999, the Company had $8.8 million of federal and state net operating loss carryforwards which expire in varying amounts through the year 2019. Due to uncertainty regarding the ultimate utilization of the net operating loss carryforwards, the Company has not recorded any benefit for losses and a valuation allowance has been recorded for the entire amount of the net deferred tax asset. Under applicable tax regulations, sales of the Company's stock, including shares sold in this offering, may further restrict its ability to utilize its net operating loss carryforwards.

6. Lease Commitments:

The Company leased certain equipment amounting to $16,000 under a capital lease agreement, which expires in October 2003 and bears interest at approximately 11% per annum as of September 30, 1999.

Future minimum payments under all noncancellable operating lease agreements as of September 30, 1999 are as follows (in thousands):

Fiscal Year Operating Leases

2000	$274
2001	245
2002	122
2003	95
	$736

Rent expense for the years ended December 31, 1996, 1997 and 1998 was $7,000, $18,000 and $36,000. Rent expense was $32,000 and $77,000 for the nine months ended September 30, 1998 and 1999.

7. Related Party Transactions:

During 1997, the Company had various notes payable to the primary stockholder of the Company. The notes were unsecured and accrued interest at 9.25% to 9.50% per annum. During 1997, the outstanding notes and associated accrued interest of $27,000, were converted to Series A redeemable convertible preferred stock at $.80 per share.

8. Retirement Plan:

The Company maintains a retirement plan under Section 401(k) of the Internal Revenue Code. Under the retirement plan, participating employees may defer a portion of their pretax earnings up to the Internal Revenue Service annual contribution limit. The Company may make contributions to the plan at the discretion of the Board of Directors. To date, no such contributions have been made by the Company.

9. Redeemable Convertible Preferred Stock:

Designated and Outstanding Shares of Preferred Stock

Outstanding Shares Designated Shares Amount

Series A redeemable convertible preferred stock.....	8,792,190	4,083,594	$ 3,253,000
Series B redeemable convertible preferred stock.....	12,106,994	6,033,497	7,532,000
Series C redeemable convertible preferred stock.....	11,906,980	5,953,490	19,990,000
		16,070,581	$30,775,000

Rights, Preferences and Restrictions of Preferred Stock

- The holders of Series A, B and C redeemable convertible preferred stock are entitled to receive non-cumulative dividends at the rate of $0.064, $0.064, $0.0875, $0.0875, $0.2352 and $0.2352 per share per annum, when and as declared by the Board of Directors, prior to payment of dividends on common stock. As of September 30, 1999, no dividends have been declared.

- Series A, B and C redeemable convertible preferred stock have a liquidation preference of $0.80, $0.80, $1.25, $1.25, $3.36 and $3.36 per share plus declared but unpaid dividends on each such share.

- Each share of redeemable convertible preferred stock is entitled to a number of votes equivalent to the number of common shares into which it is convertible.

- Each share of preferred stock is convertible at the option of the holder into shares of common stock determined by initial conversion prices and subject to adjustment based upon various recapitalization events. Each share of preferred stock will automatically convert into common stock upon the closing of a public offering resulting in proceeds of not less than $15 million and a price to the public of at least $5.04 per share. Each share will also automatically convert into common shares upon written consent of the holders of not less than 66 2/3% of the then outstanding shares of outstanding preferred stock, voting on an as-converted basis.

- At any time on or after September 30, 2005, the preferred stock is redeemable, at the option of the holders of at least a majority of the then outstanding preferred stock. The redemption price for each share of preferred stock will be the original issue price as adjusted by various recapitalization events.

Each holder of Series A redeemable convertible preferred stock was originally entitled to a 12% per annum accretion amount calculated on the original issue price of the preferred stock and the accretion amounted to $470,000 as of February 1999. When Series B redeemable convertible preferred stock was issued in February 1999, the Company's articles of incorporation were restated and each holder of Series A redeemable convertible preferred stock forgave the accretion right. Accordingly, the Company reversed the accretion amount in 1999.

Receivable from Redeemable Convertible Preferred Stockholders

As of September 30, 1999, the Company had a receivable amounting to $8,000,000 from Series C redeemable convertible preferred stockholders. The proceeds were collected on October 6, 1999.

Warrant Issuance in Exchange for Marketing Collaboration Arrangement

In 1998, the Company entered into a marketing collaboration agreement with one of the preferred stockholders in exchange for an issuance of a warrant to purchase the Series A redeemable convertible preferred stock. The Company issued a warrant to purchase 62,500 shares of the Company's preferred stock and is not obligated to issue further warrants. The warrant was valued at $20,000 and the amount was expensed as marketing expense. The warrant expires on March 16, 2003.

10. Common Stock:

Stock Options

In August 1997, the Board of Directors approved the 1997 Stock Option Plan (the "Plan"). Under the Plan, incentive and nonqualified stock options to purchase shares of common stock may be granted to employees, directors, consultants and advisors to the Company. The option price per share shall not be less than the fair value, as determined by the Board of Directors, for incentive stock option grants, or not less than 85% of the fair value for nonqualified stock option grants. Any options granted to a stockholder with more than 10% of the voting power (a "ten percent owner") shall not have an option price less than 110% of the fair value. Options become exercisable as determined by the Board of Directors, which is generally over four years from the date of grant, and generally expire ten years after the date of grant, or five years for those options granted to a ten percent owner.

Option activity under the Plan is summarized as follows:

		OPTIONS OUTSTANDING	
	OPTIONS AVAILABLE FOR GRANT	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
Balance, December 31, 1996	--	--	$ --
Authorized	3,000,000	--	--
Granted	(915,000)	915,000	$.02
Exercised	--	(6,000)	$.01
Cancelled	99,500	(99,500)	$.01
Balance, December 31, 1997	2,184,500	809,500	$.02
Granted	(613,063)	613,063	$.08
Exercised	--	(4,375)	$.01
Cancelled	108,812	(108,812)	$.07
Balance, December 31, 1998	1,680,249	1,309,376	$.04

Authorized	649,624	--	--
Granted	(992,000)	992,000	$.31
Exercised	--	(991,442)	$.12
Cancelled	163,835	(163,835)	$.13
Balance, September 30, 1999	1,501,708	1,146,099	$.20

	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Exercisable at December 31, 1997	270,355	$.01
Exercisable at December 31, 1998	563,745	$.02
Exercisable at September 30, 1999	431,606	$.02

The following table summarizes information concerning outstanding and exercisable options at September 30, 1999.

	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
RANGE OF EXERCISE PRICES	NUMBER	WEIGHTED-AVERAGE REMAINING CONTRACTUAL LIFE	WEIGHTED-AVERAGE EXERCISE PRICE	NUMBER	WEIGHTED-AVERAGE EXERCISE PRICE
$0.01-$0.011	410,000	5.33	$0.011	348,333	$0.011
$0.08-$0.088	294,799	8.20	$0.081	83,273	$0.082
$0.21-$0.231	233,800	9.48	$0.210	--	--
$ 0.61-$0.84	207,500	9.83	$0.705	--	--
$ 0.01-$0.84	1,146,099	7.73	$0.195	431,606	$0.020

The Company accounts for the Plan under APB Opinion No. 25, "Accounting for Stock Issued to Employees." Had compensation expense for the Plan been determined consistent with SFAS No. 123, "Accounting for Stock-Based Compensation," the Company's net loss and basic and diluted net loss per share would have been increased to the following pro forma amounts:

	YEAR ENDED DECEMBER 31,			NINE MONTHS ENDED SEPTEMBER 30,
	1996	1997	1998	1999
Net loss (in thousands):				
As reported	$ (235)	$ (669)	$(2,271)	$(6,665)
Pro forma	$ (235)	$ (700)	$(2,276)	$(6,694)
Basic and diluted net loss per share:				
As reported	$(0.15)	$(0.11)	$ (0.38)	$ (0.86)
Pro forma	$(0.15)	$(0.11)	$ (0.38)	$ (0.87)

The weighted average fair value of options granted during fiscal 1997 and 1998 and the nine months ended September 30, 1999 was $.01, $.18 and $1.47 per share. The fair value of each stock option grant in 1997 and 1998 and the nine months ended September 30, 1999 was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions:

	YEAR ENDED DECEMBER 31,		NINE MONTHS ENDED SEPTEMBER 30,
	1997	1998	1999
Volatility	0.01%	0.01%	0.01%
Risk-free interest rate	5.85% to 6.27%	4.30% to 5.67%	4.49% to 6.13%
Dividend yield	0%	0%	0%
Expected lives	6 years	6 years	6 years

The Plan allows for the issuance of options which are immediately exercisable through execution of a restricted stock purchase agreement. Shares purchased pursuant to a restricted stock purchase agreement generally vest over four years. The Company may repurchase unvested shares at a price equal to the original issuance price upon termination of the employee. This right expires generally over four years. As of December 31, 1997 and 1998 and September 30, 1999, 4,708, 2,864 and 612,522 shares of common stock issued and outstanding were unvested and subject to repurchase by the Company at $.01, $.01 and $.01 to $.84 per share.

Deferred Stock Compensation

Deferred compensation represents the aggregate difference, at the date of grant, between the respective exercise price of stock options and the estimated fair value of the underlying stock. Deferred stock-based compensation is amortized over the vesting period of the underlying options based on an accelerated vesting method, generally four years. Through September 30, 1999, the Company had recorded unearned stock-based compensation of $1.3 million. For the nine months ended September 30, 1999, the Company recorded stock-based compensation of $309,000.

The total unearned stock-based compensation recorded for all option grants through September 30, 1999 will be amortized as follows: $172,000 for the remainder of the year ending December 31, 1999, $460,000 for the year ending December 31, 2000, $244,000 for the year ending December 31, 2001, $116,000 for the year ending December 31, 2002 and $26,000 for the year ending December 31, 2003. The amount of deferred stock compensation expense to be recorded in future periods could decrease if options for which accrued but unvested compensation has been recorded are forfeited.

Reserved for Future Issuance

At September 30, 1999, the Company has reserved shares of common stock for future issuance as follows:

```
Conversion of Series A redeemable convertible preferred
  stock outstanding.....................................   4,083,594
Conversion of Series B redeemable convertible preferred
  stock outstanding.....................................   6,033,497
Conversion of Series C redeemable convertible preferred
  stock outstanding.....................................   5,953,490
Conversion of preferred stock warrants outstanding......      70,500
Stock options outstanding and available for grant.......   2,647,807
Total shares reserved...................................  18,788,888
```

Pro Forma Stockholders' Equity (Unaudited)

The board of directors has authorized the filing of a registration statement with the Securities and Exchange Commission to register shares of its common stock in connection with a proposed initial public offering ("IPO"). If the IPO is consummated under the terms presently anticipated, all of the outstanding redeemable convertible preferred stock at September 30, 1999 will be converted into

16,070,581 shares of common stock upon the closing of the IPO. The effect of the conversion has been reflected as unaudited pro forma stockholders' equity in the accompanying balance sheet as of September 30, 1999.

11. Subsequent Events

In October 1999, the Company granted an immediately exercisable option to purchase 290,000 shares of common stock at an exercise price of $2.26 to an officer. The Company also issued to the same officer a promissory note in an aggregate principal amount of $655,400 in connection with the exercise of stock options. The note bears interest at 5.96% per annum and is due in October 2003. The Company has the right to repurchase these shares at cost upon termination of the officer's employment. This right expires over four years.

In November 1999, the Board of Directors approved reincorporation into Delaware by way of a merger with a newly formed Delaware subsidiary, and the associated issuance of one share of common stock of the subsidiary for each one share of common stock of the Company held by the stockholders of record. Additionally, stockholders of record of redeemable convertible preferred stock of the Company will exchange each of their shares for one share of redeemable convertible preferred stock of the subsidiary.

[Iprint.com Logo]

Part Ii

Information Not Required in Prospectus

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth all costs and expenses, other than the underwriting discounts and commissions payable by the Registrant in connection with the sale and distribution of the common stock being registered. All amounts shown are estimates except for the Securities and Exchange Commission registration fee, the NASD filing fee and the Nasdaq National Market application fee.

Securities and Exchange Commission registration fee..... $13,200 NASD filing fee..... 5,500 Nasdaq National Market application fee..... Blue sky qualification fees and expenses..... Printing and engraving expenses..... Legal fees and expenses..... Accounting fees and expenses..... Director and officer liability insurance..... Transfer agent and registrar fees..... Miscellaneous expenses..... Total $

Item 14. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law permits indemnification of officers, directors and other corporate agents under certain circumstances and subject to certain limitations. The Registrant's Certificate of Incorporation and Bylaws provide that the Registrant shall indemnify its directors, officers, employees and agents to the full extent permitted by Delaware General Corporation Law, including in circumstances in which indemnification is otherwise discretionary under Delaware law. In addition, the Registrant intends to enter into separate indemnification agreements (Exhibit 10.1) with its directors and officers which would require the Registrant, among other things, to indemnify them against certain liabilities which may arise by reason of their status or service (other than liabilities arising from willful misconduct of a culpable nature). The Registrant also intends to maintain director and officer liability insurance, if available on reasonable terms. These indemnification provisions and the indemnification agreements may be sufficiently broad to permit indemnification of the Registrant's officers and directors for liabilities (including reimbursement of expenses incurred) arising under the Securities Act.

The Underwriting Agreement (Exhibit 1.1) provides for indemnification by the Underwriters of the Registrant and its officers and directors for certain liabilities arising under the Securities Act, or otherwise.

Item 15. Recent Sales of Unregistered Securities.

(a) Since our inception, iPrint.com has issued and sold the following unregistered securities:

```
     1. From inception through September 30, 1999, iPrint.com granted
options to purchase an aggregate of           shares of common stock under
its 1997 stock option plan, of which          have been exercised at prices
ranging from $0.01 to $0.84.
```

2. In October 1996, iPrint.com sold 7,000,000 shares of common stock to Royal P. Farros at a purchase price of $0.0029 per share for a total purchase price of $20,300.

. In October 1997, iPrint.com sold 4,083,594 shares of series A preferred stock to certain investors at a purchase price of $0.80 per share for a total purchase price of $3,266,875.20.

4. In March 1998, iPrint.com issued a warrant, which expires in March 2003, to purchase 62,500 shares of preferred stock at a price per share of $0.80 for a total purchase price of $50,000.

5. In May 1998, iPrint.com issued a warrant, which expires in May 2003, to purchase 8,000 shares of preferred stock at a price per share of $1.25 for a total purchase price of $10,000.

6. In February 1999, iPrint.com sold 6,033,497 shares of series B preferred stock to certain investors at a purchase price of $1.25 per share, for a total purchase price of $7,541,871.25.

7. In September 1999, iPrint.com sold 5,953,490 shares of its series C preferred stock to certain investors at a purchase price of $3.36 per share, for a total purchase price of $20,003,726.40.

There were no underwriters employed in connection with any of the transactions set forth in this Item 15.

For additional information concerning these equity investment transactions, see the section entitled "Related Party Transactions" in the prospectus.

The issuances described in Items 15(a)(2) through 15(a)(7) were deemed exempt from registration under the Securities Act in reliance on Section 4(2) of the Securities Act as transactions by an issuer not involving a public offering. Certain issuances described in Item 15(a)(1) were deemed exempt from registration under the Securities Act in reliance on Section 4(2) or Rule 701 promulgated thereunder as transactions pursuant to compensatory benefit plans and contracts relating to compensation. The recipients of securities in each such transaction represented their intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the share certificates and other instruments issued in such transactions. All recipients either received adequate information about iPrint.com or had access, through employment or other relationships, to such information.

Item 16. Exhibits and Financial Statement Schedules.

(a) EXHIBITS.

Exhibit Number Description of Document

*1.1 Form of Underwriting Agreement.

*3.1 Amended and Restated Certificate of Incorporation of Registrant.

*3.2 Bylaws of Registrant.

*3.3 Form of Amended and Restated Certificate of Incorporation of Registrant to be filed after the closing of the offering.

4.1 Second Amended and Restated Rights Agreement dated September 30, 1999 between Registrant and certain stockholders.

*4.2 Specimen certificate representing the common stock.

*5.1 Opinion of Gray Cary Ware & Freidenrich LLP.

10.1 Form of Indemnification Agreement between Registrant and Registrant's directors and officers.

*10.2 1997 Stock Option Plan.

Exhibit Number Description of Document

*10.3 1999 Employee Stock Purchase Plan.

*10.4 1999 Outside Director Stock Option Plan.

10.5 Employment Agreement, dated April 29, 1999, between Edward J. Sanden and the Registrant.

10.6 Employment Agreement, dated September 17, 1999, between James P. McCormick and the Registrant.

*10.7 Loan and Security Agreement, dated May 8, 1998, between Silicon Valley Bank and the Registrant.

*10.8 Standard Industrial Lease--Gross, dated July 30, 1998, as amended between Hansen Management and the Registrant.

*10.9 Memorandum of Understanding regarding Sublease of 1496 Oddstad Drive, dated August 6, 1999, as amended, between Water Sounds and the Registrant.

*10.10 Industrial Real Estate Lease, dated September 14, 1999, as amended, between Frederick and Doris Nicolini and the Registrant.

23.1 Consent of Arthur Andersen LLP, independent public accountants.

*23.2 Consent of Gray Cary Ware & Freidenrich LLP (included in Exhibit 5.1).

24.1 Power of Attorney (included on signature page).

*27.1 Financial Data Schedule.

* To be filed by amendment.

(b) FINANCIAL STATEMENT SCHEDULES.

All schedules are omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings

The undersigned Registrant hereby undertakes to provide to the Underwriters at the closing specified in the Underwriting Agreement certificates in such denominations and registered in such names as required by the Underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification by the Registrant for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions referenced in Item 14 of this Registration Statement or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act, and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer, or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered hereunder, the Registrant will, unless in the opinion of its counsel the matter has been

settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of Prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in the form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective; and (2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of Prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at the time shall be deemed to be the initial bona fide offering thereof.

Signatures

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Redwood City, State of California, on December 1, 1999.

Iprint.com, Inc.

By: /s/ ROYAL P. FARROS Royal P. Farros PRESIDENT, CHIEF EXECUTIVE OFFICER AND CHAIRMAN OF THE BOARD OF DIRECTORS

Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Royal P. Farros and James P. McCormick, and each of them acting individually, as his true and lawful attorneys-in-fact and agents, each with full power of substitution, for him in any and all capacities, to sign any and all amendments to this Registration Statement (including post-effective amendments or any abbreviated registration statement and any amendments thereto filed pursuant to Rule 462(b) increasing the number of securities for which registration is sought), and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, with full power of each to act alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

Signature Title Date

/s/ ROYAL P. FARROS Royal P. Farros	President, Chief Executive Officer and Chairman of the Board of Directors (PRINCIPAL EXECUTIVE OFFICER)	December 1, 1999
/s/ JAMES P. MCCORMICK James P. McCormick	Chief Financial Officer (PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER)	December 1, 1999

/s/ MARK DUBOVOY ---------- Director December 1, 1999 Mark Dubovoy

/s/ DEEPAK KAMRA ---------- Director December 1, 1999 Deepak Kamra

/s/ J.A. HEIDI ROIZEN ---------- Director December 1, 1999 J.A. Heidi Roizen

Exhibit Index

Exhibit Number Description of Document

*1.1 Form of Underwriting Agreement.

*3.1 Amended and Restated Certificate of Incorporation of Registrant.

*3.2 Bylaws of Registrant.

*3.3 Form of Amended and Restated Certificate of Incorporation of Registrant to be filed after the closing of the offering.

4.1 Second Amended and Restated Rights Agreement dated September 30, 1999 between Registrant and certain stockholders.

*4.2 Specimen certificate representing the common stock.

*5.1 Opinion of Gray Cary Ware & Freidenrich LLP.

10.1 Form of Indemnification Agreement between Registrant and Registrant's directors and officers.

*10.2 1997 Stock Option Plan.

*10.3 1999 Employee Stock Purchase Plan.

*10.4 1999 Outside Director Stock Option Plan.

10.5 Employment Agreement, dated April 29, 1999, between Edward J. Sanden and the Registrant.

10.6 Employment Agreement, dated September 17, 1999, between James P. McCormick and the Registrant.

*10.7 Loan and Security Agreement, dated May 8, 1998, between Silicon Valley Bank and the Registrant.

*10.8 Standard Industrial Lease--Gross, dated July 30, 1998, as amended between Hansen Management and the Registrant.

*10.9 Memorandum of Understanding regarding Sublease of 1496 Oddstad Drive, dated August 6, 1999, as amended, between Water Sounds and the Registrant.

*10.10 Industrial Real Estate Lease, dated September 14, 1999, as amended, between Frederick and Doris Nicolini and the Registrant.

23.1 Consent of Arthur Andersen LLP, independent public accountants.

*23.2 Consent of Gray Cary Ware & Freidenrich LLP (included in Exhibit 5.1).

24.1 Power of Attorney (included on signature page).

*27.1 Financial Data Schedule.

* To be filed by amendment. </TEXT>