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## YAHOO! SELECTS SHUTTERFLY AS DIGITAL PHOTO PRINT PROVIDER

### Shutterfly to provide high quality digital print services for Yahoo! Photos

REDWOOD CITY, Calif. — March 28, 2000 — Shutterfly, a leading online digital photo service chaired by Jim Clark founder of Silicon Graphics and Netscape Communications, today announced that it has been selected by Yahoo! Inc. (Nasdaq: YHOO), a leading global Internet communications, commerce and media company, to provide digital photo print services for Yahoo!® Photos (<http://photos.yahoo.com>). Yahoo! Photos, launched today, is an easy-to-use, centralized place on the Internet for photo enthusiasts. With today's announcements, visitors to Yahoo! Photos can obtain 35mm-quality prints from their online photos quickly and conveniently.

"This agreement marks a milestone in consumer digital photography," said Jayne Spiegelman, Shutterfly CEO. "Our service allows Yahoo! Photos users to order beautiful color pictures and share them with friends and family. Yahoo!'s trusted brand and 120 million monthly unique users will enable us to bring our service to a worldwide audience of online photo enthusiasts."

Consumers are adopting online digital photography at an increasingly rapid pace, and Shutterfly helps deliver the high-quality prints they have been seeking. Using its advanced VividPics® technology, the Shutterfly service automatically enhances both the color and sharpness of photos, ensuring that customers receive unprecedented 35mm-quality prints.

"Yahoo! Photos is an easy-to-use place on the Internet to share photos with friends and family," said Geoff Ralston, vice president and general manager of the Communication Services group at Yahoo!. "Our agreement with Shutterfly expands Yahoo! Photos' offering to include the ability to order high-quality prints so users can enjoy their photos whether online or offline. We're pleased to work with a market leader like Shutterfly to offer our users quality print services when coming to Yahoo!."

To kick off this exciting new service, Shutterfly and Yahoo! Photos will offer visitors their first order for FREE. People who order a set of pictures before April 30th will receive their first order of up to 15 prints free of charge. Details about this limited time offer can be found at <http://photos.yahoo.com>.

#### About Shutterfly

Shutterfly, Inc. is a leading online photo service that allows customers to organize, share, customize and print their digital photography. Using advanced photo printing technologies, Shutterfly transforms digital images into 35-mm quality pictures and mails them directly to individuals, family and friends. Shutterfly provides its members with private, secure online photo storage and management at no cost. The privately held company is headquartered in Redwood Shores, California and is backed by Jim Clark, Mohr Davidow Ventures, Adobe Ventures and Tom Jermoluk. For more information about the company, visit [www.shutterfly.com](http://www.shutterfly.com).

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