

SHUTTERFLY ANNOUNCES "FREE FOR ALL" PROMOTION: 200 FREE PRINTS FOR YOU, FRIENDS AND FAMILY

REDWOOD CITY, Calif. (January 18, 2000) — Shutterfly, the online photo service that transforms digital images into 35mm-quality prints and mails them directly to individuals, friends and family, announced today a special promotion for new and current members. Shutterfly customers will receive 200 free 4x6 color prints together with free shipping and handling. The Free For All offer is available to all who sign up at the Shutterfly site (www.shutterfly.com) between now and Feb. 29.

"We are welcoming the new age of digital photography with a no-strings-attached promotion that rewards current and new members with 200 free 35mm-quality Shutterfly prints," said Jayne Spiegelman, Shutterfly CEO. " We want everyone to be able to experience the unparalleled Shutterfly quality and service first hand. This offer allows users to order and send quality prints to themselves, friends and family completely free of charge and in one simple order."

The Free For All promotion rewards Shutterfly customers with up to 200 free color prints, and introduces them to Shutterfly's unique friends and family ordering process. Customers can order 50 prints for themselves and send 150 prints to friends and family. As many as 10 free prints can be sent to any one of 15 different mailing addresses. Shutterfly customers are not required to order all their free prints at once. They have six months to take advantage of the Free For All promotion and Shutterfly will even keep track of how many free prints have been used and remind customers when the promotion is nearing completion.

How To Register

Current customers are automatically enrolled in the Free For All and new customers can sign up by clicking on the big orange circle that appears on the front page of the Shutterfly site (www.shutterfly.com) and following a few simple steps. There is no obligation to buy anything further from Shutterfly in order to receive the 200 free color prints and shipping.

The Shutterfly Service

Launched in December 1999, the new Shutterfly service is changing the face of photography by providing users with the benefits they need to embrace digital photography.

- *35-mm Quality.* Users can easily create 35-mm quality prints from their digital cameras. By automatically optimizing for specific digital cameras and enhancing color, contrast, and image detail, Shutterfly provides prints of unparalleled quality.
- *Convenient Ordering and Delivery.* Users can order prints and enlargements from the comfort of their home or office. No more worries about lost negatives, trips to the local photo lab, or visits to the post office. Shutterfly offers a convenient service without the hassle and expense associated with traditional film processing. And, with Shutterfly, users can mail their favorite prints to friends and family with a single click.
- *Personalized Service.* Prints are optimized for a user's own digital camera and can be personalized with printed messages. Photos can be stored on the Shutterfly site, free of charge, in a secure, private photo album.
- *Share With Family and Friends.* Shutterfly lets its members share photos online with family and friends. After uploading photos, they can invite guests to view them online in a secure environment. Invited guests can order prints and enlargements at their own expense.

How the Service Works

The Shutterfly service lets users upload, store, share and print digital photos, mailing them quickly and conveniently to multiple addresses. A full-service online retail experience, Shutterfly makes shopping intuitive, quick and convenient. Users can choose the photos they want to print as well as the size, the quantity, the cost, and the destinations all on a single screen. Prints and merchandise can be easily shipped to multiple addresses with a single click. For added convenience, frequently used addresses can be stored in an address book. Shipping options include USPS Regular Mail and overnight delivery. Invited family members and friends can view photos and order their own prints and related merchandise from the Shutterfly site.

About Shutterfly

Shutterfly, Inc. is an all-digital online photo printing service. Using proprietary digital imaging and color printing technologies, Shutterfly transforms digital images into 35-mm quality prints and mails them directly to individuals, family and friends. The privately held company is headquartered in Redwood Shores, California. For more information about the company, visit its web site at www.shutterfly.com.

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