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Deluxe Announces Acquisitions and Raises Second Quarter Earnings Estimate

Two Acquisitions to Expand Small Business Web Services Customer Base

ST. PAUL, Minn., July 8 /PRNewswire-FirstCall/ -- Deluxe Corporation (NYSE: DLX) today announced two moves by its Hostopia unit to help expand Deluxe's Web services customer base - a definitive agreement to purchase certain of the shared web services customer assets of Aplus.net and the completed purchase of the search engine marketing (SEM) firm MerchEngines.

Upon closing, the Aplus.net transaction will bring more than 80,000 small business subscribers of shared Web hosting, hosted e-commerce stores, managed e-mail services, domains and a variety of Web site management applications to the Deluxe customer base.

"Within weeks of closing, Aplus.net's shared hosting customers will see a service upgrade offering numerous new and enhanced web services including: mobile messaging, logo design, social networking for business, ecommerce, website design, email marketing, and other promotional materials that help small businesses get and keep customers," said Colin Campbell, president of Hostopia.

"This is a very beneficial and strategic transaction for both sides and, most importantly, we feel that Aplus.net's shared hosting customers will be in excellent hands with Deluxe," said Tyler Newton, Chairman of Aplus.net and partner at Catalyst Investors, majority stakeholder of Aplus.net. "This sale allows us to focus on growing and expanding our mid-to-large enterprise-managed hosting service offering in our core managed and dedicated server business."

MerchEngines' SEM solutions help small businesses acquire new customers by generating visitors to their websites. This acquisition adds new and more robust SEM capabilities to the Hostopia portfolio of services.

"Many small business owners want to grow online, they just don't have the expertise to do it themselves," said Campbell. "By adding MerchEngines' SEM expertise, Hostopia now offers our partners and customers a complete, easy-to-use and cost-effective Web solution--one that levels the playing field for small business owners by providing SEM services that historically have been only available to larger companies or enterprise advertisers."

The Aplus.net transaction is expected to close by the end of July while the MerchEngines transaction closed on July 8, 2009. The Company will pay approximately \$30 million for these companies in the third quarter and expects they will contribute approximately \$7 million of revenue and nearly flat earnings per share in the last half of 2009 after recording transaction and customer migration expenses.

The Company also reported today that it now expects diluted earnings per share for the quarter ended June 30, 2009 to range from \$0.52 to \$0.54, up from the previous outlook of \$0.41 to \$0.49. Adjusted earnings per share for the same quarter is expected to range from \$0.54 to \$0.56, up from the previous outlook of \$0.43 to \$0.51 and revenue for the quarter will be approximately \$332 million. A favorable product mix and lower spending, plus a lower effective tax rate each contributed to the favorable results.

The Company previously announced that it will report its second quarter 2009 results on Thursday, July 23, 2009 prior to market open. On the same day, the Company will hold an open-access conference call at 11:00 a.m. EDT (10:00 CDT).

About Deluxe

Deluxe Corporation, through our industry-leading businesses and brands, helps small businesses and financial institutions better operate, protect and grow their businesses. The Company uses direct marketing, a North American sales force, financial institution referrals, independent distributors and the internet to provide a wide range of customized products and services: personalized printed items (checks, forms, business cards, stationery, greeting cards and labels), promotional products and merchandising materials, web hosting and other web services, fraud prevention and marketing services, financial institution customer loyalty and retention programs and business networking services. The Company also sells personalized checks, accessories, stored value gift cards and other services directly to consumers. For more information about Deluxe, visit <http://www.deluxe.com>.

About Aplus.net and Catalyst Investors

One of the industry's longest-running Web hosting and Internet services providers, Aplus.net specializes in helping small businesses build an online customer base with a comprehensive range of services that includes web design, shared hosting, online marketing, eCommerce, domain name registration, managed services and more. Following the sale, Aplus.net will continue to focus on growing and expanding its mid-to-large enterprise-managed hosting services. The growth private equity firm Catalyst Investors is a majority stakeholder in Aplus.net. Catalyst employs a rigorous research focus to identify investment opportunities in companies that exhibit strong revenue and margin growth. For more information about Aplus.net, visit www.aplus.net. For more information about Catalyst Investors, visit www.catalystinvestors.com.

About MerchEngines

MerchEngines.com is a Software as a Service (SaaS) solution that provides ad agencies, traditional media companies, online publishers, and local aggregators a hosted and fully managed search marketing solution. MerchEngines integrates traffic generation solutions with conversion technologies, such as *call tracking*/call recording and lead capture/lead management solutions, into one easy-to-use private label-able dashboard. There are three ways to get involved with MerchEngines: become a reseller partner and offer customized, private label, online advertising solutions to your advertisers; license MerchEngines' technology and let MerchEngines manage your client's online ad campaigns for you; or license MerchEngines' technology and manage your advertising campaigns using an integrated end-to-end traffic generation and post click marketing platform. For additional information, visit www.merchengines.com.

Forward-Looking Statements

Statements made in this release concerning the Company's or management's intentions, expectations, or predictions about future results or events are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements reflect management's current expectations or beliefs, and are subject to risks and uncertainties that could cause actual results or events to vary from stated expectations, which variations could be material and adverse. Factors that could produce such a variation include, but are not limited to, the following: the impact that a further deterioration or prolonged softness in the economy may have on demand for the Company's products and services; further declines in the Company's market capitalization which could trigger additional non-cash asset impairment charges; the inherent unreliability of earnings, revenue and cash flow predictions due to numerous factors, many of which are beyond the Company's control; declining demand for the Company's check and check-related products and services due to increasing use of alternative payment methods; intense competition in the check printing business; continued consolidation of financial institutions, thereby reducing the number of potential customers and referral sources and increasing downward pressure on the Company's revenues and gross margins; risks that the Small Business Services segment strategies to increase its pace of new customer acquisition and average annual sales to existing customers, while at the same time increase its operating margins, are delayed or unsuccessful; risks that the Company's cost reduction initiatives will be delayed or unsuccessful; performance shortfalls by the Company's major suppliers, licensors or service providers; unanticipated delays, costs and expenses in the development and marketing of new products and services, including new e-commerce, customer loyalty and business services, and the failure of such new products and services to deliver the expected revenues and other financial targets; and the impact of governmental laws and regulations. Our forward-looking statements speak only as of the time made, and we assume no obligation to publicly update any such statements. Additional information concerning these and other factors that could cause actual results and events to differ materially from the Company's current expectations are contained in the Company's Form 10-K for the year ended December 31, 2008.

SOURCE Deluxe Corporation