



connect › ‹ with us

In less than 10 years, InnerWorkings has grown from a small regional print management company to a global powerhouse.

And 2011 was a pivotal year for us. We entered more than 30 new countries, hired nearly 300 new employees, grew our business over 30% and brought on board some of the largest new clients in our company's history.

From the Global 2000 to middle market companies, there's a reason why more than 6,000 businesses entrust their brands to InnerWorkings. We partner with our clients to create top-quality print solutions that produce results and satisfy business goals.

By leveraging our immense buying scale, industry-leading sourcing technology, extensive print industry expertise and integrated global platform, we consistently maximize our clients' budgets.

record-breaking

GROWTH

first-ever

GLOBAL IN
MANAGEMENT CONSULTANCY

accelerated

REVENUE GROWTH OF A FURTHER MIDDLE MARKET

record-breaking

FINANCIAL PERFORMANCE

REVIEW

expanded

GLOBAL IN

awarded

THE GOLDEN
CROWN AWARD

SeniorWorkings has increased revenue from \$5.0 million in 2002 to \$633.8 million in 2011, representing a compound annual growth rate of 71.3 percent.

3

11%
GROWTH
FY10 to FY11



Valeri Morales

Mexico City, Mexico

“I coordinate regional purchases for multinational corporate clients and distribute the orders to customer locations across Latin America and the Caribbean. No one else can look across markets and make integrated purchasing decisions like we do.”



Brad Armstrong

Fremont, CA

“My client loves having us onsite and involved from conception through delivery so they don't waste time and money developing an idea or program that they might ultimately have to change.”





Jody Hooten

Executive Director

“We are open book and fully transparent with the clients I serve. At any time they can see the price we paid on a job, the supplier we used, and our negotiated margin. They can see it all.”



Sue Turner

Boston, MA

“We recently developed automation and streamlining solutions to reduce my client’s timeline for delivering marketing collateral from three months to six weeks.”



Shaun Quinn

Chicago, IL

“Our finance team has streamlined billing and implemented a new credit card processing system so clients can get back to business.”



▲ **71.3%**
compound growth

InnerWorkings is a leading provider of global marketing supply chain solutions to corporate clients across a wide range of industries.

With proprietary technology, a vast supplier network and extensive domain expertise, we procure, manage and deliver printed materials and promotional products as part of a comprehensive outsourced enterprise solution.

Unparalleled Buying Power

Our technology and database of information is designed to capitalize on excess manufacturing capacity and other inefficiencies in the traditional print supply chain to obtain favorable pricing and deliver high-quality products and services for our clients. We have expanded from a regional focus to a national and then international focus.

Combining Innovation and Technology

Our proprietary software applications and database create a fully-integrated solution that stores, analyzes and tracks the production capabilities of our supplier network, as well as quote and price data for print jobs. As a result, we believe PPM4™ contains one of the largest independent repositories of equipment profiles and price data for print suppliers in the United States. We leverage our technology to match our print jobs with suppliers that are optimally suited to meet the client's needs at a highly competitive price.

Global Supplier Network

Through our supplier network of approximately 9,000 suppliers, we offer a full range of print, promotional, fulfillment and logistics services that allow us to supply printed products on virtually any substrate. The breadth of our product offerings and services and the depth of our supplier network enable us to fulfill all of the print procurement needs of our clients. By leveraging our technology platform and data, our clients are able to reduce overhead costs, redeploy internal resources and obtain favorable pricing and service terms. In addition, our ability to track individual transactions and

deliver customized reports detailing print procurement activity on an enterprise-wide-basis provides our clients with greater visibility and control of their print expenditures.

Generating Revenue

We generate revenue by procuring and purchasing printed products from our suppliers and selling those products to our clients. We do this for clients across a wide range of industries. Our clients fall into two categories: enterprise and middle market. We enter into contractual multi-year arrangements with our enterprise clients to provide some, or substantially all, of their printed products, typically on a recurring basis. We provide printed products to our middle market clients on an order-by-order basis.

Operational Performance

We were formed in 2001, commenced operations in 2002 and converted from a limited liability company to a Delaware corporation in January 2006. Our corporate headquarters are located in Chicago, Illinois. For the year ended December 31, 2011, we served more than 6,000 clients. We have increased our revenue from \$5.0 million in 2002 to \$633.8 million in 2011, representing a compound annual growth rate of 71.3%.

As of December 31, 2011, we operated in more than 40 countries. In the fourth quarter of 2011, we reorganized our operations into two segments based on geographic regions: United States and International. This change was the result of the international expansion into Latin America and continental Europe that occurred in 2011. The United States segment includes operations in the United States, and the International segment includes operations in the United Kingdom, continental Europe and Latin America. In 2011, we generated revenues of \$540.3 million in the United States segment and \$93.5 million in the International segment.



EFFICIENT

DELIVERY™



▲ **180**

employees located onsite with clients

InnerWorkings provides a full range of marketing supply chain solutions for our global client base.

These include:

Print Management

We administer the entire print procurement workflow through our outsourced print management solution. By leveraging our technology-enabled procurement tools and extensive supplier network, we are able to reduce clients' hard costs with print savings of 10-20%.

Promotional Products

We manage comprehensive brand programs which identify, source and deliver branded merchandise.

Direct Mail

We execute strategic and complex direct mail programs that encompass end-to-end production, process and format consulting, data processing, and fulfillment.

POP Displays

From concept to consumer, we create display programs designed to catch a shopper's eye in places where purchasing decisions are made. Our offerings range from simple corrugate shippers to complex 3-D injection molded designs.

eCommerce

We provide branded online applications from which branch offices,

Creative & Studio Services

We provide both in-house and outsourced creative and production graphic services as well as copywriting, rendering and pre-press management services.

Web Services & Data Management

Our web services offerings enhance client visibility into marketing supply chain reporting, facilitate secure online proofing, and create a platform to house electronic libraries of marketing materials and business documentation. Additionally, we quickly, accurately and flexibly manipulate data to provide services including cleansing, suppression, preparation for mailing, database management and profiling.

Brand & Color Management

We work with many famous brands and take our role of brand custodian extremely seriously. InnerWorkings manages brand identity across all materials, media and message. Our account teams are immersed in their client brands, adding value to the production process by removing inconsistencies.

Warehousing & Fulfillment

Our storage and distribution network allows us to minimize carried inventory and shipping costs. We support our customers by packing inventory, coordinating freight shipments and customs delivery, and monitoring and delivering orders.

powerful

ORGANIC GROWTH

InnerWorkings' core business, our enterprise channel, is a powerful organic growth engine and the foundation of the company. And our new business momentum has never been stronger. We exhibited this strength in September, signing our largest ever enterprise agreement. Just six months later, we eclipsed this by winning an even larger enterprise contract.

We have created lasting partnerships with customers by providing a comprehensive solution, expanding outward from our cost-reducing print management offering to end-to-end programs across our clients' marketing supply chains. InnerWorkings has a 98% enterprise customer retention rate because we provide the innovation, savings and quality they require.

future

LOOKING AHEAD

The strength of our core organic business has allowed us to invest in separate but complementary growth opportunities: international expansion, M&A, and the middle market channel, which we believe will enhance and expand our partnership with clients and will collectively fuel our next transformational stage of growth.

We went global because our customers increasingly sought our services in multiple regions, and around the world. We began 2011 operating in only a few countries and working with only one client on multiple continents. At the end of the year, we were transacting business across more than 40 countries and working with 10 different companies on multiple continents. We believe that the future of our industry is a global solution, where one steward protects and delivers a client's brand around the world. And we intend to be the preeminent global provider.

Our new business momentum has never been stronger...

We expanded our capabilities in February by acquiring CPRO Services, the leading print management company in Latin America. In October, we partnered with Productions Graphics, extending our reach into Continental Europe.

Combining these new geographies with our existing capabilities in North America and Asia, InnerWorkings is now in a position to really take advantage of our new global platform to cross-sell existing clients across the regions we serve, and compete for new global contracts. We signed what we believe is the first truly global print management contract in 2011, and will eventually be servicing this client across six continents.

InnerWorkings is now in a position to really take advantage of our new global platform...

Our third big opportunity is the middle market. InnerWorkings' ability to service medium- and small-sized corporations is made possible by our data, technology and buying scale. With this kind of information at our fingertips in real time, we are able to link a slice of the market that has historically faced pervasive price discrimination to substantial cost savings and world class quality and service. Our Inside Sales division is unlocking the value in the middle market.

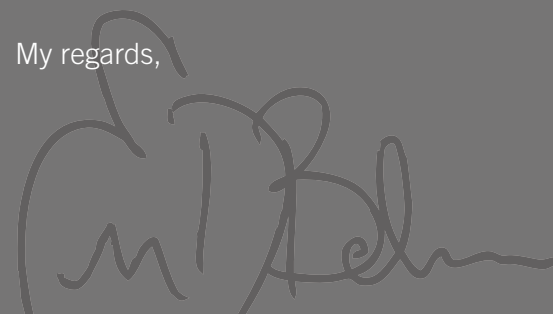
record
FINANCIAL PERFORMANCE

I am proud of what our team accomplished in 2011. We delivered record results with revenue growing by 31% to \$634 million, net income jumping 46% to \$16 million and diluted earnings per share increasing 42% to \$0.34.

As I said at the beginning, InnerWorkings has grown very quickly in our first 10 years, developing the technology, capabilities and expertise to service our clients in every corner of the map. Over the next 10 years, we intend to complete the transformation that is already underway, exploding from a small regional print management provider to a global powerhouse.

We will achieve our goals by proving to our clients each and every day that when they connect with InnerWorkings positive things happen for their business. Thank you to our shareholders, our employees, our clients, and our suppliers for your continued support.

My regards,



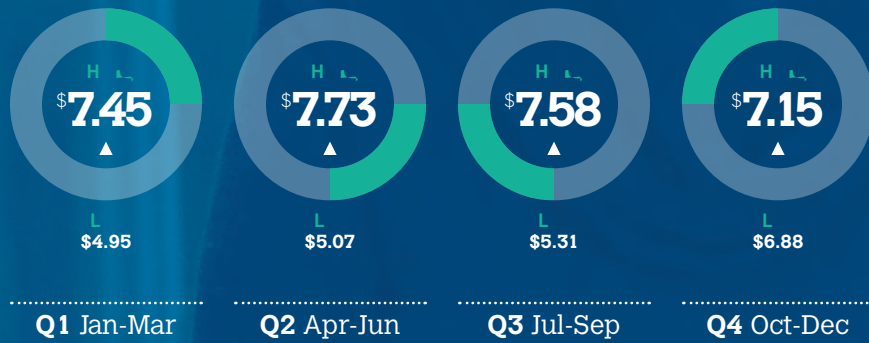
ERIC BELCHE
CEO & COO

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Our common stock is listed and traded on the NASDAQ Global Market under the symbol "INWK."

The following table sets forth the high and low sales prices for our common stock as reported by the NASDAQ Global Market for each of the periods listed.

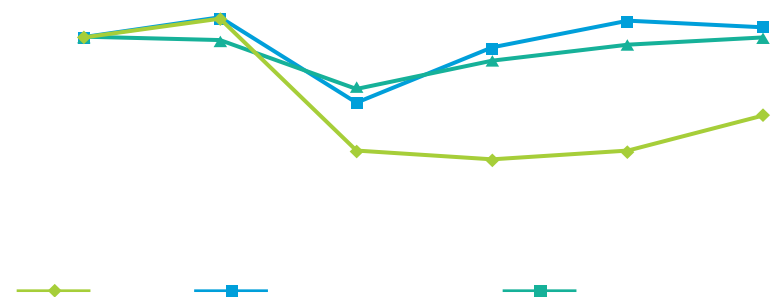
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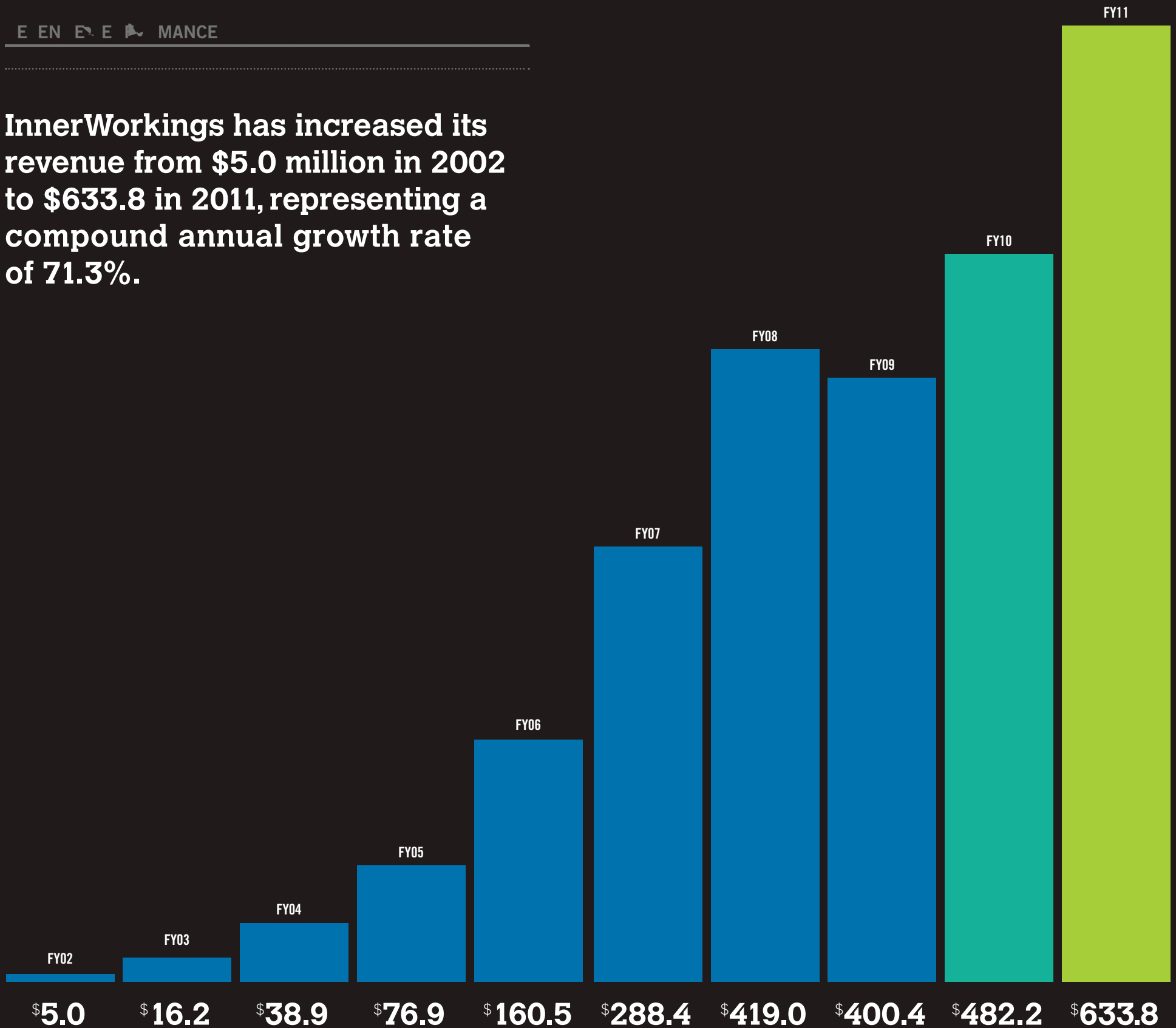
2011



Stock Performance



InnerWorkings has increased its revenue from \$5.0 million in 2002 to \$633.8 in 2011, representing a compound annual growth rate of 71.3%.



CONDENSED BALANCE SHEET

ASSETS

Current Assets

	Dec. 31, 2010	Dec. 31, 2011
Cash and cash equivalents	\$ 5,259,272	\$ 13,219,385
Short-term investments	4,284,614	1,129,757
Accounts receivable ¹	85,110,289	124,678,502
Unbilled revenue	24,626,558	28,318,751
Inventories	9,674,961	14,201,606
Prepaid expenses	9,836,486	11,066,451
Advances to related parties	93,191	268,119
Deferred income taxes	307,396	1,729,349
Other current assets	7,283,207	13,875,918
Total current assets	146,475,974	208,487,838
Property and equipment, net	9,887,004	12,086,627

Intangibles and Other Assets

Goodwill	93,476,206	205,282,587
Intangible assets ²	23,058,774	26,565,315
Deferred income taxes	5,899,620	4,246,592
Other assets	1,127,202	984,227
	123,561,802	237,078,721
	279,924,780	457,653,186

1. Net of allowance for doubtful accounts of \$3,610,977 and \$3,293,241, respectively 2. Net of accumulated amortization of \$9,789,144 and \$13,503,735, respectively

Audited financial statements and notes, along with management's discussion and analysis of results of operations and financial condition, are available in our 2011 Annual Report on Form 10-K filed with the Securities and Exchange Commission, accessible on our website, www.inwk.com.

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities

Accounts payable-trade	\$ 55,604,566	\$ 102,245,865
Advances from related parties	166,259	44,578
Current portion of contingent consideration	1,462,095	14,232,980
Due to seller	560,000	7,554,000
Other liabilities	4,354,016	6,979,516
Accrued expenses	6,791,259	17,324,598
Total current liabilities	68,938,195	148,381,537
Revolving credit facility	47,400,000	60,000,000
Contingent consideration, net of current portion	3,395,346	67,769,862
Other long-term liabilities	7,140	
Total liabilities	119,740,681	276,151,399

Stockholders' Equity

Common stock, par value \$0.0001 per share ³	461	470
Additional paid-in capital	174,537,524	179,692,823
Treasury stock at cost ⁴	(74,307,200)	(71,241,947)
Accumulated other comprehensive income	2,934,381	268,331
Retained earnings	57,018,099	72,782,110
Total stockholders' equity	160,184,099	181,501,787
	279,924,780	457,653,186

3. 57,269,604 and 57,903,418 shares issued, 46,092,291 and 46,998,011 shares outstanding as of December 31, 2010 and 2011, respectively 4. 11,177,313 and 10,905,407 shares as of December 31, 2010 and 2011, respectively

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THE FINANCIAL AND OPERATIONAL DATA

Years ended December 31

	2009	2010	2011
Income from operations	\$ 9,456,719	\$ 15,207,293	\$ 22,616,494
Depreciation and amortization	8,030,772	9,008,514	10,171,758
Stock-based compensation expense	2,481,159	3,148,619	3,976,187
Preference claim charge			950,000
A EBITDA	19,968,650	27,364,426	37,714,439

Other Data

Employees and independent contractors	667	743	1,034
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This Annual Report was efficiently sourced via our proprietary print procurement technology and produced by a Certified Supplier in InnerWorkings' network of print manufacturers. InnerWorkings employed environmentally and socially responsible supply chain decisions when constructing this Annual Report, including local sourcing and the utilization of recycled materials.

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