Diapers.com Raises $30 Million

Nation's Fastest Growing Retailer Receives Backing from NEA, Accel, Bessemer & MentorTech

MONTCLAIR, NJ, October 20, 2009 – Quidsi, Inc., the parent company of Diapers.com, today announced that the company has closed on a $30 million Series E round of financing led by New Enterprise Associates (NEA). Existing investors, Accel Partners, Bessemer Venture Partners and MentorTech Ventures, also participated. The new financing will be used to secure Diapers.com's position as the leading online baby retailer.

Launched in 2005, Diapers.com (originally, 1-800-Diapers) was recently named the fastest growing retailer in the United States over the past three years. It has evolved from a website focused just on baby essentials to a one-stop shop for everything baby, selling everything from diapers and formula to strollers and car seats. Besides its prices, the Company's hallmark has been its overriding commitment to customer service, starting with free fast shipping that delivers overnight to 2/3 of the country and in 2 days to the rest. A passionate and loyal customer base of several hundred thousand has emerged as a result, fueling the Company's growth.

"Diapers.com is building one of the best and most trusted retail brands in America, and NEA is excited to support the company's continued growth," said NEA partner Tony Florence, who is joining the Quidsi, Inc. board in conjunction with the financing. "This is an exceptional management team that has built a category leading e-commerce company, and we are excited about the opportunities we see in Quidsi for future growth initiatives. I look forward to working with Marc Lore and Vinit Bharara as the company expands its leadership in delivering an unparalleled online shopping experience for parents, focused on exceptional customer service and an unrivaled consumer value proposition."

"We couldn't be happier to partner with NEA. They are one of the premier venture capital firms in the country and Tony will be a valuable addition to our Board. We are also pleased with the continued participation by Accel, Bessemer and MentorTech, who have been enormous assets so far," said Marc Lore, Co-Founder and CEO of Diapers.com. "We plan on using these new funds to further our mission, which has always been simple. Make life a little easier for new parents. That means carrying everything they could possibly need or want, get it to them faster than anyone, charge low prices and most importantly, deliver the best customer service, bar none."

Diapers.com will continue to expand its product assortment, soon carrying the largest selection anywhere. It will also soon debut a groundbreaking baby registry, bringing the convenience customers have come to expect from Diapers.com to the important experience of preparing for baby's arrival.

And it will continue to invest in a specialized experience for new parents. "We are not the mass superstore that is trying to service all the needs of all people, from the teenager to the retiree, all at once, and all under one roof," said Vinit Bharara, Co-Founder and COO of Diapers.com.

“Since the beginning, we have sought instead to build a category leading brand based on individualized, personalized and trusting relationships with new parents who come to know that we ‘get it’ and we will always take care of them. We may not be able to get them any more sleep, but maybe we can help in this small way.”

About Diapers.com

Quidsi, Inc., is a privately held company based in Montclair, NJ, and the parent of Diapers.com, a leading online retailer offering a wide selection of over 10,000 baby products and growing, delivered nationwide in 1-2 days. The company was launched in 2005 by childhood best friends and entrepreneurs, Marc Lore and Vinit Bharara. It currently employs a staff of over 150 people. More information can be obtained by visiting www.diapers.com. In case you were wondering, “Quidsi” loosely translates into “What If” in Latin.

About NEA

New Enterprise Associates, Inc. (NEA) is a leading venture capital and growth equity firm focused on helping entrepreneurs create and build major new enterprises that use technology to improve the way we live, work and play. Since its founding in 1978, the firm has followed the same core principles: supporting its entrepreneurs, providing an excellent return to its limited partners, and practicing its profession with the highest standards and respect. Through its affiliated funds, NEA focuses on investments at all stages of a company’s development, from seed stage through IPO. With approximately $11 billion in committed capital, NEA’s experienced management team has invested in over 650 companies, of which more than 165 have gone public and more than 255 have been acquired. For additional information, visit www.nea.com.

About Bessemer Venture Partners

Bessemer Venture Partners is a global investment group with offices in Silicon Valley, Boston, New York, Mumbai, and Tel Aviv. As the oldest venture capital practice in the United States, Bessemer has partnered as an active, hands-on investor in Ciena, Ingersoll Rand, Parametric, Skype, Staples, VeriSign, and W.R. Grace. Over the last century, Bessemer Venture Partners and its predecessor funds have invested in more than 100 companies that have gone public on exchanges in Canada, India, London, and the United States. To learn more, visit www.bvp.com.

About Accel Partners

Founded in 1983, Accel Partners has a long history of excellence and innovation in the global venture and growth equity business. It is dedicated to partnering with outstanding entrepreneurs and management teams to build world-class companies, from inception through growth. With over $6 billion under management, Accel has helped entrepreneurs build over 300 successful category-defining companies including: Brightcove, ComScore, Facebook, Kayak, Macromedia, UUNet and Veritas. For more information, visit the Accel Partners web site at www.accel.com.

About MentorTech Ventures

MentorTech Ventures is a Philadelphia based venture capital fund that invests in ecommerce, information technology, and medical device companies with a primary focus on those companies originating at the University of Pennsylvania including Wharton and the Engineering and Medical Schools. Notable companies include Diapers.com, Neat Company, PayQuik (acquired by CITI), Yodle and Ticketleap.

Dorsey, Whitney LLP represented Quidsi, Inc. in connection with the Series E financing.

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