



Newsletter

FTD hosts "Love in Bloom" Wedding Show



*FTD Members
showcase
the latest in
wedding floral
trends*



MESSAGE FROM BOB

~CHAIRMAN, IOS BRANDS~



It's an exciting time of the year – one month away from Mother's Day! In preparation for the busiest holiday of the year, FTD is running a national advertising campaign in both the U.S. and Canada to help drive business into FTD Shops across North America. We're excited to offer Canadian TV advertising in addition to national print ads featuring the FTD® Loving Thoughts® Bouquet. In the U.S., we will continue to dominate prime-time with

specific holiday advertising on major networks and cable channels in addition to a national print ads in *Parade* and *USA Weekend* on Sunday, May 5th. For a full view of FTD's advertising schedule and to take a look at the creative print and television campaigns, please visit FTDi.com.

FTD Inc. and FTD.COM are excited to announce a definitive merger agreement that will recombine the two companies into one publicly traded corporation. Upon completion of this transaction, the new company is intended to be renamed "FTD, Inc.," and trade on the Nasdaq National Market under the ticker symbol "FTDI."

The transaction will create a unified company with one of the world's most powerful global brands, a strong balance sheet and a more flexible structure that will allow us to fully develop the FTD brand across all merchandising categories and distribution channels. Furthermore, the completion of this transaction is intended to provide stockholders of both IOS and FTD.COM with greater liquidity and will better enable the combined company to raise capital and explore growth through strategic acquisitions.

Throughout this transaction period and following its completion, THERE WILL NOT BE ANY CHANGES TO YOUR FTD MEMBERSHIP. Going forward, we believe the combined company will be able to extend FTD's historical operating success and further enhance the growth and profitability of its members!

It's an exciting time to be an FTD Member. You'll see several member events mentioned in the newsletter this month. If you are having an event, such as a grand opening or anniversary celebration, be sure to contact FTD and share your good news. This is a great way to give fellow FTD Members ideas on how to promote their business in their local markets while partnering with the FTD Brand. Also, if you haven't already, be sure to sign up for the 2002 FTD Convention in August. This event will be instrumental for business seminars, trade fair shopping and networking among your fellow FTD Members.

As always, feel free to contact me directly at bnorton@ftdi.com ■

Bob



HURRY!

A limited number of **FREE ROOMS** for the 2002 FTD Convention and Trade Fair are still available!

Visit FTDi.COM now or call 800-788-9000 ext. 6240.

Don't miss the best event of the year with products and seminars targeted to grow your business, reduce expenses, save time and money, and generate new ideas.

We are adding new vendors to the FTD Trade Fair every day. Confirmed vendors include:

POKON CHRYSL

oasis
FLORAL PRODUCTS
www.oasisfloral.com



Renaissance
Creating Cards Inc.

Colonial Candle of Cape Cod & C

We look forward to seeing you at the best event of the year!

To register for FTD "A League of Our Own" visit FTDi.COM and sign up online or fax your completed registration form to 630-515-4183. Questions? Send an email to convention2002@ftdi.com or call 800-788-9000 ext. 6240.

FTD AND FTD MEMBERS WELCOME SPRING WITH THE CHICAGO FLOWER AND GARDEN SHOW

For the third year, FTD was the proud sponsor of the Chicago Flower & Garden Show this spring. To welcome more than 160,000 visitors to the show, Bob Norton joined Chicago Mayor, Richard Daley to open the show at the official ribbon cutting ceremony! FTD's participation included 19 internationally inspired home decorating displays, the FTD "Love in Bloom" Unique Floral Arrangements and Wedding Accessories Show, and a complete display of FTD products.



The internationally inspired home decorating display was a big hit, springing fresh new ideas into the minds of show visitors. The display included bathrooms, bedrooms, living rooms and dining rooms decorated in different themes inspired from styles around the world, including Mediterranean, Country French and Vintage Victorian. Consumers were so excited to visit this presentation - some waited in line for 45 minutes to get in!

the world, including Mediterranean, Country French and Vintage Victorian. Consumers were so excited to visit this presentation - some waited in line for 45 minutes to get in!

See all the exciting highlights from the FTD "Love in Bloom" Unique Floral Arrangements and Wedding Accessories Show on pages 6 and 7 of Newsletter. ■

THE GRAND OPENING OF THE CHICAGO FLOWER & GARDEN SHOW:



Bob Norton joins the Honorable Mayor Richard Daley at the official ribbon cutting ceremony at the Chicago Flower & Garden Show.

THE HOME DECORATING DISPLAYS, TAKING FTD HOME FLORAL DESIGNS FROM AROUND THE WORLD:



Visitors line up to walk through the FTD display at the Chicago Flower & Garden Show.



Consumers look at new ways to decorate their dining room table at one of the globally inspired home decorating ideas.

VISITORS ARE EXCITED TO BUY FTD PRODUCT AT THE CHICAGO FLOWER & GARDEN SHOW:

Chicagoland visitor takes a closer look at the FTD® Sweet Dreams Boy™ Bouquet at the FTD Booth.



FTD Representative helps a consumer shop online at the Chicago Flower and Garden Show.

MEET YOUR FTD FIELD SERVICE REPRESENTATIVES

JOHN CALHOUN



TERRITORY

John's territory covers all of the state of Missouri and Southern Illinois.

He thinks the residents of Missouri stand up to the state motto as the "Show Me" state, as they are very keen business people.

TENURE

John joined FTD in the Fall of 2001.

"I believe my experience as a consumer helps to bring a different perspective to the customer service and sales portion of serving FTD Members."

RESIDENCE

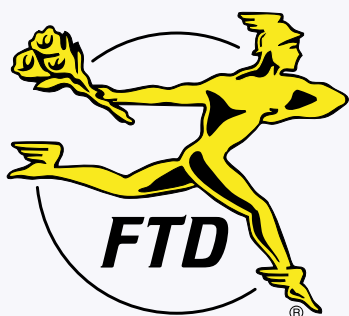
John was born, raised and still resides in the St. Louis Metro area. For 21 years, he has been married to his wonderful wife, Ellen. The couple has two sons, Michael (15) and Brian (11).

INTERESTS

John is a busy dad when he isn't on shop visits - both of his sons are very active in sports. John and Ellen enjoy watching Michael compete on the Varsity Swim Team at his high school and Brian compete in baseball and hockey.

ABOUT THE FIELD...

"Each of the shops I call on each day are completely different. I thoroughly enjoy seeing an in-depth side of mid-America through FTD Members I visit in towns and villages throughout Missouri and Illinois." ■



FTD CONGRATULATES CLEMENSEN FLORIST FOR 75 YEARS OF FTD MEMBERSHIP

Clemensen Florist in Flossmoor, IL is celebrating their 75th year as an FTD Member. More than 100 years ago, a distant grandfather of the Clemensen family traveled from Denmark to the south side of Chicago and started a garden, which turned into the family business. Now, the flower shop is owned and run by Bob and Suzanne (Clemensen) Zehme, with their daughter Betsy's innovative help and design expertise. The Zehme family was thrilled when FTD President and CEO Bob Norton joined them to congratulate them on their longstanding partnership. ■



Bob Norton presents Clemensen Florist owners, Suzanne, Bob and Betsy Zehme with a plaque recognizing their anniversary.

"We've met a lot of wonderful people in our years of FTD Membership. We're pleased that Bob Norton came out to Flossmoor to congratulate us on our anniversary."

— Bob Zehme, Clemensen Florist



Dear FTD Members...



Dear FTD Members,

Do you do background checks on prospective employees?

All advice would be appreciated!

— Frank, Golden Rose Florist

Dear Golden Rose Florist,

Yes, we do call past employers and always send drivers license copies to our insurer. One of our employment requirements is a valid and clean driver's license since everyone needs to be available to do last minute deliveries. That way, if my insurance company refuses to cover them they can not work here.

— Carol, Greens and Things, Inc.

Dear Golden Rose Florist,

Yes, I have learned from experience to always check past employment and references.

— Luc, Alpine Flowers & Gifts

ADVANTAGE

FTD MEMBERS ENJOY ADVANTAGE USERS CONFERENCE IN SAN FRANCISCO

FTD Members enjoyed a Mercury Advantage Users Conference (and some gorgeous weather!) in San Francisco, CA in early March. With approximately 100 attendees representing more than 60 FTD shops from the U.S. and Canada, FTD anticipates continuing to tour this successful event!

INTERESTED IN FUTURE MEETINGS?

Aug 2-3 - Mini Users' Conference,

Opryland Hotel, Nashville, TN*
* prior to the FTD Convention

Oct 20-22 - Date and site* TBD - You decide!

**Orlando, Florida
Washington, DC
Montreal, PQ
New England Region
Dallas, TX**

To vote for the location of the FTD Advantage Users Conference in October, to pre-register for Nashville, or if you have any questions about these or future events, please contact Emily Moth Chapman at 800-669-1000 ext. 6141 by phone, or 630-719-7807 by fax, echapman@ftdi.com by email, or send a GEN Message to 90-1892AA. ■

The San Francisco event included our first-ever, and very well received, Hands-On Lab which was open for the duration of the conference. There, FTD Advantage users could get individualized training from Senior FTD Staff.



Jennifer Irby and Deby Vaughn, from Jory's Flowers, Concord, CA, received great one-on-one guidance from FTD Senior Trainer, John Senne.



Young Chun, Tony Rossi & Sons, Oakland, CA & Laura House, Grass Valley Florist, Grass Valley, CA, work with Mercury Technology Consultant, Lori Graham, to get some expert advice how to more effectively use Mail Merge.



Making friends at the Advantage conference are Jennifer Kramer, Bozeman Florist, Bozeman, MT & Italo Paris, Italo Florist, LTD, Toronto, ON.

Well, to those of you who didn't go, you missed a good opportunity to be enlightened, entertained and make new friendships. It was great to be able to talk one-on-one, face-to-face. Both the seller and we, the user each got a better understanding of each other and the team gets stronger. Thanks again!

— Roger Ramsbottom, Briar Rose, Mission Viejo, CA

Another AWESOME event...the future's so bright, I hear they are gonna start sending shades with the new Mercury Technology updates!

— Mark Smith, Smith's of Midland, Midland, MI



During the conference, we also provided time for some much needed R&R and more importantly, networking opportunities - one of which was a three-hour scenic city trolley tour of San Francisco.



The City of San Francisco provided a spectacular backdrop where Glenna Dawson, Gene Smith, Leslie & Dick Jamback, of Bo-Ty Florist, Winston-Salem, NC, showed their FTD pride!



FTD Advantage Users enjoying the relaxing trolley tour and fantastic views.



Sally & John Kobylinski, In Bloom, Orlando, FL & Kathy & Chris Polites, Polites Florist, Upper Darby, PA, get re-acquainted in San Francisco while making a photo stop during the trolley tour.

*Floral designs by Howard Silver, AIFD
America's Cup Winner*



"I was thrilled to be part of this event FTD brought to the public. It was incredible to see reactions of the consumer audience with respect to various stylings of wedding arrangements and unusual flowers and colors from the six different designers."

— Howard Silver, AIFD, America's Cup Winner

Flowerwood

*Floral designs by
Flowerwood Florist
Nursery & Greenhouse,
Crystal Lake, IL*



Phillips
FLOWERS & GIFTS
*Floral designs by Phillips
Flowers & Gifts, Westmont, IL*

FTD and FTD M to welcome "Love in Bloom" Unique and Wedding Accessories with the Chicago Show. The show featured traditional wedding designed by local FTD Leaf Cup Winner, America's Cup Winner

Hundreds of visitors to the "Love in Bloom" show, which featured floral design experts Toomie Farris, MC from Indianapolis, Ind. and Everflora in Des Moines walked the crowd through new and popular styles and conservative choices.



After the show, the wedding parties line up to give consumers a closer look.

"I think that the show was a wide range of floral designs by FTD Florists. We had six different points. I was honored to be

— Bruce



sents ...

Bloom

Arrangements
Accessories Show

Members were thrilled
e spring with the FTD
e Floral Arrangements
ories Show in conjunc-
go Flower & Garden
red contemporary and
floral arrangements
Members and Maple
Anne Leeson, and
er, Howard Silver.

s attended the "Love in
was commented by
and FTD Members,
Namaras Florist in
d Laurie Lemek, AIFD
Plaines, Ill. The two
ough varieties of flow-
- from eccentric to con-

successful in displaying a
ns that are offered from
fferent designers provid-
quets and different price
a part of the show."

Cohen, Bonnie Flower Shops



*Floral designs by
Ashland Addison Florist
Chicago, IL*



Bob Norton joins all the FTD Members and friends who helped to make "Love in Bloom" such a success. (Left to right) John Windisch, Phillips Flowers & Gifts, Westmont, IL; Chris Sheffield, Ashland Addison Florist, Chicago, IL; Howard Silver, AIFD, America's Cup Winner, Dearborn Flowers, Dearborn, MI; Toomie Farris, McNamaras Flowers, Indianapolis, IN (commentator) Bob Norton, president and CEO, FTD; Anne Leeson, Maple Leaf Cup Winner, Monty's Place Guelph, Ontario; Laurie Lemek, AIFD, Everlora, Des Plaines, IL (commentator); Keith White, AIFD, A and K Productions, Houston, TX; Ken Koehler, Flowerwood Florist and Nursery, Crystal Lake, IL; and Bruce Cohen, Bonnie Flower Shops, Chicago, IL.



*Floral designs by
Bonnie Flower Shop,
Chicago, IL*

"The show was a big hit! Very clean and up-to-date designs! Thanks for letting us be a part of the show, FTD!"

— John Windisch, Phillips Flowers & Gifts

*Floral designs by Anne Leeson,
Maple Leaf Cup Winner*



HUDDART FLORAL AUCTION BENEFITS LOCAL HOSPITAL



FTD Member Huddart Floral in Salt Lake City, UT recently held a successful auction in conjunction with their local Home and Garden Show. Using some FTD Spring codified containers, bouquets were designed by Huddart Floral's design team and auctioned off at the show. The money raised from the auction was donated directly to their local hospital, Primary Children's Hospital part of the Children's Miracle Network, to help families that may not have the funding for medical or even a hospital stay.



Huddart Floral display table at Salt Lake City Home and Garden Show, driving attendance to the auction.

"We're thrilled to make a donation of more than \$5,000 to the local hospital, knowing that this money is directly going to help families from our area. It was great to have FTD as one of our partners to make this event happen."

— Jennifer Giles-Holley, Huddart Floral



Bouquets were auctioned off to the public immediately after they were designed at the Home and Garden Show.



ATTENTION FTD® CASH-FLO™ SUBSCRIBERS

Secure Your Rebates and Save Time With New Automatic Credit Card Option

Do you worry that you won't collect your FTD rebates because your payment to FTD was delayed in the mail? Or have you forgotten to drop the payment in the mail on time? FTD Cash-Flo has a solution.

Credit card deposits can now be applied as a "payment received" to FTD on the scheduled credit card deposit posting date. By signing up for this program, you can direct your credit card receipts to your FTD statement account, which will reduce your FTD monthly statement balance.

Simply determine if you would like your full credit card

deposit or a percentage of your credit cards deposits applied automatically to pay your FTD Clearinghouse statement balance. The authorized pulls begin on the 10th of the month or the next business day. The pulls continue until the end of the month or until your bill is paid in full before month's end.

To enroll in the program, simply send your request by fax to 630-719-2601, GEN message to 90-0639AA, E-mail to Cashflo@ftdi.com or drop us a letter in the mail. For more information please call us at 800-788-9000 x 4262.

(All due dates and terms and conditions apply)

MERCURY NETWORK EXPANDS INTO INTERNATIONAL MARKETS!

FTD is proud to announce that the Mercury Network continues to expand into the International Markets! FTD International members are now codified for the Mercury Network in the FTD Directory & toll free listings. Look for these International Members in the white pages in the back of the Directory. All orders sent between members through the Mercury Network, including FTD International Members, will NOT be charged Retrans fees (only Mercury transmission fees apply). Members with Mercury capability are required to have an English speaking person in their shop during normal business hours. By sending your International orders via the

Mercury Network, orders will be sent with the reliability and speed that you have come to know and trust.

The expansion and codification of the Mercury Network into these new markets means lowers costs for you and your customers, as well as more efficient order processing- all backed by the FTD Satisfaction Guarantee! And as an industry leader and a business with a Global Brand Presence, FTD continually works to benefit all FTD Members and increase your profitability.



Personalized 2003 Calendars

2003 WALL CALENDAR



Marketing tools to help you grow your business.
Shipping begins 09/04/02 for all calendars!

Co-brand with FTD® – purchase customized tools to increase sales, grow customer base and promote your shop as an FTD Member.

NEW! RECEIVE ONE DISPLAY EASEL FREE WITH YOUR FIRST WALL CALENDAR ORDER.



NEW! 2003 LAMINATED CALENDAR

Something your customers will hang on to all year long, this conveniently sized 8 1/2"W x 11"H calendar shows the days of the year on one side and offers a reminder of floral holidays at a glance on the flip side.



MAGNET

NEW! RULER MAGNET

Pass out these ruler magnets and magnets to customers and repeat sales are sure to follow. These useful magnets are an inexpensive way to get your name and number into the hands of repeat customers.

2003 DESK CALENDAR

Our new desk calendar is mounted on a slanted easel for easy, at-a-glance reference with larger spaces each day for notations. Each month showcases an updated FTD® arrangement. More importantly, with your imprint, it subtly promotes your business on a daily basis.



Call FTD® Marketplace™ for details. **1-800-767-4000**



Mother's Day Products on FTD.COM

Based on discussions with FTD Florists, FTD.COM is narrowing the choices offered to consumers at key holiday times. For Mothers Day 2002, the featured products on the FTD.COM Web site will be the following:

In addition, we will feature our usual assortment of rose bouquets. It is our goal to keep refining and streamlining our offerings for holidays in an attempt to make filling FTD.COM orders easier for FTD Florists.



The FTD® Loving Thoughts®
Bouquet – *Classic*



The FTD® Loving Thoughts®
Bouquet – *Premium*



The FTD® Spring Garden®
Bouquet



The FTD® Surround Yourself
With Loveliness™ Bouquet



D11-3037 The
FTD® Stunning
Beauty Bouquet



B18-3225
The FTD® Fresh As
A Daisy Bouquet



D7-3021
The FTD® Sunshine
Daydream



D8-3062
The FTD® Beloved
Bouquet



D4-3068
The FTD® My
One & Only

To see the corresponding images and recipes for these products, you can either...

1. Refer to the FTD Selections Guide Workbook.
2. Go to www.ftdi.com and search under the FTD.COM button for Mother's Day Features.
3. Go to www.ftd.com and search using the item number.

As Shown, Deluxe and Premium

What does this mean on an FTD.COM order?

Some florists have requested further clarification on what it means when an order has been upgraded to a Deluxe or Premium order. Below are the specific definitions that the customers will see on the Web site regarding upgrades to floral bouquets and plants.

FLOWERS

As Shown: The floral arrangement is designed as shown in the picture.

Deluxe: The floral arrangement is designed to look like the picture, with \$10 added to the value of the arrangement - an upgrade with either more flowers or more expensive flowers.

Premium: The floral arrangement is designed to look like the picture, with \$20 added to the value of the arrangement - an upgrade with either more flowers or more expensive flowers.

PLANTS

As Shown: The plant will be as shown in the picture.

Deluxe: The plant will be larger than what is shown in the picture or will be in a more decorative container and will reflect \$20 in additional value.

All FTD.COM orders are automatically processed as "Shown" unless the consumer decides to change the order to a "Deluxe" or "Premium" arrangement. The consumer will be given this option on the order form.

As always, we are striving to help you make your business more profitable. Continue to contact FTD.COM with any questions or suggestions that can help us help you. ■

If you would like to find out more about receiving FTD.COM orders, simply call our Florist Hotline at 800-554-0993 or send a GEN message to our Customer Service Department, using shop code 90-8400AA. ■



FTDI.COM CONTEST:

WIN FLOWERS AFTER HOURS SERVICE!

Win 6 months of FREE Flowers After Hours service and FREE Activation! Total Value of \$775! Plus, your service will be activated before Mother's Day!

QUESTION: How do the orders taken by Flowers After Hours get to your shop?

ANSWER: A. Phone B. Mercury
C. Fax D. Email

*Contest deadline is midnight of April 30, 2002.
One winner will be chosen from all correct entries.*



The February FTDi.COM contest winner was Comox Flower Pot in Comox, BC Canada!

Congratulations to Comox Flower Pot in Comox, BC Canada!! Comox Flower Pot was our February winner and will be receiving two FREE registrations and two FREE rooms at the 2002 FTD Convention. The prize includes all convention events, programs, trade fair, food and beverages AND we're adding two free nights at Opryland Hotel! ■

Now more than ever, people are shopping from home – after work and on the weekends – and they demand 24-hour telephone service. FTD® Flowers After Hours®, an integral part of FTD's premiere, business-building opportunities, is open 24 hours a day, 365 days a year to meet this demand for you! Flowers After Hours is a department of professionals that are ready to work for *your* shop. With FTD Flowers After Hours on your side, you'll have what you need to capture those orders when your shop is closed.

Simply call forward your phone lines to our dedicated support team and we will take orders for you as a representative of your shop. When you leave for the day or if you need help



during your busy times, activate the call forward feature from your local phone service provider and FTD Flowers After Hours will answer your phone for you. We'll take your customer's order using your customized database and send the order back to you via the reliable Mercury® Network.

Mother's Day is just around the corner. Having Flowers After Hours on your team means that you won't miss any calls from your loyal customers! Sign up before the busy Mother's Day holiday to take advantage of some great special offers. Let FTD Flowers After Hours get you on your way to more orders and better sales. Call 800-669-1000 (press 4) or send a GEN message to 90-9200AA. ■

\$STATEMENT

PROCESSING REPORT OF ORDERS FILLED

For expediency and efficiency in processing your REPORT OF ORDERS FILLED, we need to remind you of the following guidelines and procedures:

The Clearinghouse Statement cut-off is the last business day of the month. The cutoff for receiving RECs is 11:00 p.m. (CST) on the last day of the month and for ROFs it is 3:00 p.m. (CST) on the last business day of the month. This means that any activity received after these deadlines will be processed and reflected in the next month's statement.

If you have Mercury you must send your phone orders as an 'REC' message.

TO SEND AN 'REC'

Enter message type: REC
Send florist code: (example) 12-3456
FTD code number of the member who sent the order
Delivery Date: (example) Dec 25
Delivery To: First 3 letters of recipient's last name (example) SMI
Occasion code: (example) 1
Price: (example) 25.00

Look in your manual for additional instructions under Orders and Messages. If you need help contact Mercury Support 800-669-1000.

If you do not have a Mercury you must then mail in your Report of Orders WEEKLY.

DP Center
Florists Transworld Delivery
PO Box 7053
Downers Grove, IL 60515-7053

Faxing is for Emergency use only.

We can not guarantee faxes will get on the current statement.

If you need to order Envelopes, Report of Orders Filled Forms, or Adjustment Forms call and ask for Member Services 800-788-9000. ■

NATIONAL PRINT ADVERTISEMENT

— Will be seen in *Parade* and *USA Weekend* on Sunday, May 5, 2002 —

NEW!
Canadian Advertising
for Mother's Day!
See FTDi.COM
for a Media
Schedule!



BE A HERO.

VISIT YOUR LOCAL FTD FLORIST

1-800-SEND-FTD

FTD.COM



SHOW SOME LOVE.

MAKE MOM'S DAY. VISIT YOUR FTD FLORIST NOW.

MOTHER'S DAY IS MAY 12TH. ORDER THE FTD® LOVING THOUGHTS® BOUQUET.

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