



FTD Newsletter © 2003, FTD

Newsletter

FTD Launches New Products for 2004



The FTD® Valentine's Bouquet



The FTD® Spring Bouquet

Codification Deadline December 5, 2003

Send FTD and Get a Chance to Win a Trip
to the U.S. Virgin Islands. See Page 4.

Message From Bob

Chairman, FTD, Inc.



Dear FTD Members,

As you may have heard, FTD, Inc. announced the signing of an agreement to be acquired by an affiliate of Leonard Green & Partners, L.P. The agreement received the unanimous recommendation of the members of the FTD Board of Directors. I will continue to lead FTD following the merger, and our operations will remain based out of our Downers Grove headquarters. We do not anticipate that there will be any significant changes to our business as a result of the planned merger.

As you know, our original principal equity investors (Perry, Bain and Fleet), who have supported the Company for nearly a decade, have been excellent partners, and we are all appreciative of their significant contributions. Moreover, we are equally pleased about the opportunity to work with Leonard Green, a premier investment group with a history of successful investments in branded market-leading companies such as FTD. The Leonard Green team is very excited about FTD, our associates and member florists and the future potential of our Company. They have demonstrated a commitment to ensuring the future growth of FTD and I look forward to celebrating our continued successes with the entire FTD team, which also is enthusiastic about our future. For your information, I have included some background on the Leonard Green firm and its track record online.

Under the terms of the agreement, FTD's stockholders would receive \$24.85 per share in cash upon the closing of the merger. The agreement is subject to a number of conditions. It is anticipated that the transaction would be concluded during the first calendar quarter of 2004.

I believe that this merger is yet another step toward attaining future success. In addition, I value the commitment and partnership that all members have contributed towards the growth of the FTD brand and our products and services, as well as the recognition that we receive in the floral industry and among consumers. As we continue to work together to strengthen this partnership, I look forward to your continued support in developing the FTD brand and our member florists as the premier providers of flowers and gifts in the industry.

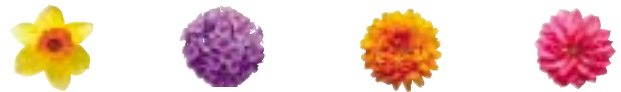
Regards,

To view the entire press release announcement, visit www.FTDi.COM/pressroom.



JULY 26-28, 2004

**THE VENETIAN RESORT AND CASINO
LAS VEGAS, NV**



**EXPERIENCE FTD'S FULL HOUSE OF
BUSINESS-BUILDING EVENTS
THROUGH . . .**

- ♠ **REPLENISHING:** THE PREMIER INDUSTRY BUYING SHOW
- ♥ **ENERGIZING:** FTD MEMBER NETWORKING OPPORTUNITIES
- ♠ **PROFIT-GROWING:** EDUCATION PROGRAMS IN BUSINESS, TECHNOLOGY AND DESIGN
- ♥ **MOTIVATING:** THROUGH SPECIAL GUEST SPEAKERS AND THE FTD MEMBER AWARDS
- ♠ **STIMULATING:** SPECIAL OFFERINGS THROUGH FTD PRODUCTS AND SERVICES AND NEW BUSINESS OPPORTUNITIES

**PLUS MANY MORE WINNING CARDS . . .
ALL AT THE FTD 2004 CONVENTION
AND BUYING SHOW**

THE FTD CONVENTION FREE ROOM OFFER IS BACK . . .
FOR THE LUXURIOUS VENETIAN
RESORT AND CASINO

**REGISTER NOW
JULY 26-28, 2004
www.FTDi.COM**



MEMBER HIGHLIGHTS

Congratulations to FTD Member on Winning "Best Florist"

FTD Member Villere's Florist in New Orleans, La. was voted "Best Florist" through a reader pole for the local *Gambit Weekly* newspaper. Congratulations to Roger Villere, Jr. and staff for this exciting recognition.

"When the first Villere's opened in Metairie in 1969, it began a decades-long tradition of providing top-notch service to complement a large selection."

– *Gambit Weekly*



Roger Villere, Jr. poses for a newspaper photograph taken to accompany the announcement of Villere's Florist being "Best Florist" in New Orleans, La.

FTD Member Receives Award in Local Parade



Congratulations to Flowers Cory-Parke and Greenhouses for winning first prize in the small business category and an honorable mention in the theme category for their entry in the local Saskatoon Prairieland Exhibition Parade. The entry, "Garden Splendor With Flowers from Cory-Parke" (left) was a 35-foot formal garden scene created and escorted down the route by two giant butterflies boasting 8-foot wingspans. The Parade was viewed live on television and replayed twice.

Congratulations to FTD Members Debbie and Roy at Flowers Cory-Parke and Greenhouses!

FTD Member Grand Opening and Anniversary Celebration

Congratulations to Sidney Flower Shop in Sidney, Ohio for their 50th year in partnership with the FTD Brand. Nancy and Jim Kohlhorst, owners of Sidney Flower Shop, recently celebrated their Grand Opening of their new shop and showcased their FTD member status and anniversary on a specialized table at the event.



Nancy and Jim Kohlhorst join their FTD Field Business Consultant Steve Huebner at the FTD table set out for the Grand Opening event.



Sidney Flower Shop showcased their FTD partnership on a specialized table at the event.

Having an exciting event in your shop? Tell FTD about it! Email prdept@ftdi.com.

FTD SWEEPSTAKES

FTD Sun, Sand and Sending Sweepstakes

Send FTD and Get a Chance to Win a Trip to the U.S. Virgin Islands

FTD is giving away thousands of dollars in prizes in the FTD Sun, Sand and Sending Sweepstakes, where one florist will win an exclusive trip for two to the luxurious Ritz Carlton St. Thomas Resort and Spa. No purchase necessary to enter or win. A purchase will not improve your chances of winning over mail-in entries.

Send FTD and Win!

Every FTD Florist who enters has the opportunity to win in the FTD Sun, Sand and Sending Sweepstakes. Just send your orders FTD! Now through December 31, 2003, all FTD Florists who send their orders via FTD will automatically be entered into the sweepstakes. Every order sent FTD constitutes an entry, so the more you send FTD, the more entries you will receive.



Prizes Galore

FTD is giving away thousands of dollars in prizes. The grand prize is a fabulous trip for two to the exclusive Ritz Carlton Resort and Spa on the luxurious St. Thomas U.S. Virgin Islands. Other prizes are three FREE trips the magnificent Las Vegas Venetian Resort and Casino to attend the 2004 FTD Floral Extravaganza, five portable DVD players and ten American Express gift certificates for \$125 each.

Just Send FTD

Every FTD Florist has the opportunity to win this fabulous grand prize; all you need to do is send your orders FTD. All winners will be selected, at random, on or before January 23, 2004 and will be notified by telephone. No purchase necessary. A purchase will not improve your chances of winning.



GRAND PRIZE: One (1) Trip for Two to the luxurious Ritz Carlton St. Thomas Resort and Spa U.S. Virgin Islands. Includes five days/four nights hotel, most meals/beverages, a \$300 credit for spa treatments, airfare and ground transportation to and from the hotel. [Approximately \$5,500 value.]



FIRST PLACE PRIZE: Three (3) Trips for Two to the 2004 FTD Floral Extravaganza at the Las Vegas Venetian Resort and Casino. Includes two night hotel accommodations, airfare and registration for two people to the FTD Convention. [Approximately \$3,000 value each.] Three winners. [Total Value Approximately \$9,000.]



SECOND PLACE PRIZE: Five (5) Portable DVD Players. [Approximately \$300 value.] Five winners. [Total Value each Approximately \$1,500.]



THIRD PLACE PRIZE: Ten (10) \$125 American Express Gift Certificates. [\$125 value.] Ten winners. [Total Value \$1,250.]

More Information

Complete details about the FTD Sun, Sand and Sending Sweepstakes can be found at FTDi.COM, by contacting Member Services at 800-788-9000 or by e-mail at memberservices@ftdi.com.

GOOD LUCK and THANK YOU FOR SENDING FTD!

Abbreviated Rules

NO PURCHASE NECESSARY TO ENTER OR WIN. A PURCHASE WILL NOT IMPROVE YOUR CHANCES OF WINNING OVER MAILIN ENTRIES. Sweepstakes is open only to FTD Florists who are legal residents of the 50 United States, the District of Columbia, Puerto Rico and Canada and whose principal owners are 18 years or older as of the date of entry. Sweepstakes began October 1, 2003 in most states, unless otherwise indicated and ends December 31, 2003. Sweepstakes began November 1, 2003 in New York and Florida (due to registration and requirements of these states) and ends December 31, 2003. Employees, directors, agents, representatives and the judging organization of FTD and its affiliates and promotional parties are not eligible. Individuals taking the grand and first prize trips must be legal residents of the 50 United States, the District of Columbia, Puerto Rico and Canada and must be 18 years or older. Sweepstakes is subject to the complete Official Rules, which may be found on www.FTDi.com. Free method of entry available by sending in a 3 x 5 card on which the FTD Florist has printed its shop name, owner's name, mailing address, telephone number, and e-mail address (if available) to: FTD Sun, Sand and Sending Sweepstakes, c/o FTD, Inc. at 3113 Woodcreek Drive, Downers Grove, IL 60515. All U.S. mail-in entries must be postmarked no later than December 31, 2003 and received by January 16, 2004. Rules are subject to change.

FTD ADVERTISING



FTD Unveils Advertising For Thanksgiving and Christmas

Just in time for the holidays, FTD is launching new advertising this November and December. FTD will reach millions of consumers and direct them to visit their local FTD Florist for all their floral needs via popular TV shows and print vehicles.



View close up of Thanksgiving print ad on page 12.

Thanksgiving Advertising Plans

For Thanksgiving in the U.S., FTD will feature the FTD® Autumn Splendor® Bouquet within an advertisement in *People* magazine, which hits newsstands on November 21st. FTD will reach more than 30 million consumers with this Thanksgiving print advertising.

Christmas TV Ad



"Third Watch", "Lyon's Den", and in the morning during the "Today" show from December 15th through December 23rd.

FTD will support the Christmas holiday season with both TV and consumer print in both the U.S. and Canada. FTD will be on national TV during primetime TV shows such as "Friends",

"Law & Order", "Las Vegas",

Additionally, FTD will advertise on national cable stations such as A&E, HGTV, Lifetime, TBS and TNT during that same timeframe. The FTD Christmas TV ad will be the same successful ad as last year (Wild Child), but will have the new Waterford Holiday Heirlooms® Bouquet presented by FTD® featured at the end of the TV spot. FTD will reach more than 100 million consumers with our Christmas TV advertising.

FTD Christmas Co-Op Print Ad



Look for a close up of the holiday ad in the December newsletter.

FTD launched a brand new co-op advertising program for all FTD Florists, just in time for the Christmas holiday.

The FTD co-op ad will appear in the December 7th coupon section (Valassis FSI) of most Sunday newspapers reaching 60 million consumers! The two-page print ad will feature the Waterford Holiday Heirlooms® Bouquet presented by FTD® (C1) on one side and a list of florists who signed up for the co-op program on the opposite page.

In August and September, FTD contacted all member florists regarding this new program with an incredible offer...a FREE co-op listing. All florists that purchased two cartons of C1 were eligible to receive a FREE listing in the co-op ad. Florists who purchased one carton of C1 were eligible to receive a 50% discount on the co-op ad.

FTD is testing the new co-op program this Christmas 2003 and if successful, FTD will continue with the co-op program for Mother's Day 2004.



FTD Canadian Holiday Advertising Plan

Christmas TV Ad

FTD holiday TV advertising will be seen on CTV and CBC on primetime TV shows such as "Scrubs", "West Wing" and during various hockey games from December 15th through December 23rd. Additionally, FTD will advertise on national cable stations such as Bravo, Food, HGTV, Lifetime and Score during that same timeframe. FTD will reach millions of consumers with our ChristmasTV advertising.

Christmas Co-Op Print Ad

National print will consist of a two-page co-op ad in *Canadian TV Guide* on December 6th. The ad will feature the new Waterford Holiday Heirlooms® Bouquet presented by FTD® on one side of the page and then showcase a list of FTD Florists who signed up for the co-op advertising on the opposite page. FTD will reach thousands of consumers with our Christmas print advertising.

FTD Marketplace Launches New Product

Codification Deadline is December 5, 2003

FTD Marketplace is excited to launch the 2004 Valentine's Day product line as well as the upcoming Spring holiday products. FTD Members are reminded that all Marketplace products are chosen from FTD Member feedback, consumer testing and working with the FTD Product Advisory Board. Be sure to order your Valentine's Day and Spring product lines now and ensure your codification - as well as take advantage of exciting 2 Plus deals! See your Spring and Summer Buyer's Guide for more information. Any questions about FTD Branded Products, call Marketplace at 800-767-4000.



The FTD® Valentine's Day Bouquet, also known as the FTD® Lasting Romance™ Bouquet, is presented in a beautiful pale pink glass vase which will be cherished as an enduring keepsake long after the gift arrives.

BR 020701B



The FTD® Sweethearts™ Bouquet will be a hit this Valentine's Day with it's uniquely crafted clear/white layered glass vase with red beads on silver-tone wire.

BR 0402



MARKETPLACE™
1-800-767-4000

For Valentine's Day and Spring Holidays



The FTD® I Luv You Beary Much™ Gift is an exciting alternative to offer your customers this Valentine's Day. The special two-part offering is charmingly packaged in a peek-a-boo metallic silver gift bag with red ribbon handles. Set includes teddy bear, 10 ozs. of chocolates in a gift box, gift bag and gift card.

BR 0404



The FTD® Spring Bouquet, also known as the FTD® Touch of Spring® Bouquet, is a beautiful fresh offering complemented by the ceramic planter handpainted with a trio of tulips on a subtle green plaid background.

BR 0403



The FTD® Secretaries' Week Bouquet also known as the FTD® For All You Do™ Bouquet will be an excellent way to thank your staff for their hard work. The arrangement comes in a shapely striped glass vase with nature inspired handpainted accents - a versatile choice all year long.

BR 0405

Don't forget to order your personalized marketing supplies such as FTD imprint stuffers and postcards for the upcoming 2004 holidays!



FTD Technology Proudly Launches Largest, Tailor-Made Advantage Operation



FTD Technology is proud to announce the success of the recent conversion of Johnston the Florist's multiple shop technology to a NEW tailor-made Advantage system. Seventeen locations in Pennsylvania were linked together including sixteen retail stores and a call center/office.

David Guffey, co-owner of Johnston the Florist, says his shops' challenge was three fold: update current technology, improve cash flow, and consistently manage the business with timely information. Guffey shares his experience working with FTD Technology on this incredible Advantage transition.

Mercury Technology: Due to the size of your operation, the decision to change your shops' technology was a big step. What were the deciding factors to transition your shops' technology?

Guffey: It was time for Johnston the Florist to reinvest in technology. My previous system was aging, and frankly it wasn't delivering what I needed. Since my business would face some upheaval with the recommended upgrade of the previous system, I decided to see if there was "more" out there. I identified several of the deficiencies in the current system and went shopping to see what else was available in the industry.

Mercury Technology: What were the key areas that you identified as needing an upgrading?

Guffey: First, our credit card processing needed to be improved. On Valentine's Day last year, we processed almost \$200,000 in credit card sales, but due to previous system limitations, we had to wait until the next day to process the credit card transactions. There were over a hundred corrections on this holiday, which caused confusion, preventing me from getting current sales reports and hurting my cash flow.

Daily Reporting was another weak link. It is important to me to know what is happening in every location, at any point in time. As the co-owner of the shop, I also play the role of sheriff, always being aware of what is happening, and I need to be able to evaluate my sales at any time at any location. In order for me to stay on top of the shop it's key for me to get information quickly and easily. With my previous system, I was exporting information, printing long reports and copying them for each store. It wasn't fast and it wasn't easy.

Keeping all the shops online was another challenge in the past. If we lost connectivity, we would need to reprogram our system before getting back online. Needless to say, this caused confusion and lost productivity.

Mercury Technology: Why did you find that the FTD Mercury Advantage system the best solution for your shop?

Guffey: There are many reasons I chose Mercury Advantage for my shops. Every business owner searches for ways to increase cash flow. With Advantage, I have the option of clearing my credit cards hourly, which means my money is in the bank faster.

MERCURY TECHNOLOGY



David Guffey proudly shows off his new FTD Advantage system.

In terms of reporting, on Advantage, the Business Snapshot can be run at any time at any location, giving real answers to my questions. I didn't have to wait for a week to know my sales revenue. I also love the Daily Logs, which give me all the information in a format that I prefer.

Mercury Technology: Describe what is different about the Advantage connectivity?

Guffey: Simplicity. Now if a shop drops its connection, we simply need to flip a switch whereas before, we literally had to reprogram equipment and waste time.

Mercury Technology: Typically, managers and employees suffer pre-conversion jitters. Due to the size of your operation, what were your concerns about changing to a different system?

Guffey: We needed a seamless transition. And to keep it seamless, we put an airtight plan in place including three days of onsite classroom training with sixty employees executed by a lead training manager from FTD and 1.5 installer/trainers onsite.

Mercury Technology: How much down time did you have?

Guffey: Very little. With the onsite data conversion that the FTD team implemented, over 350,000 records were switched to the Advantage system. Our database is in great shape and they even removed duplicate files. We really came out ahead.

Mercury Technology: When putting together your plan for the Advantage installation, what was a key concern?

Guffey: Redundancy of hardware was mission critical for my operation. FTD consulted with Hewlett-Packard and recommended that we order a Raid 5 server that has five hard drives and redundant processors. We are protected if any hardware malfunctions and it is faster.

Mercury Technology: Looking back, what would you do differently?

Guffey: I would have picked the FTD team sooner. FTD's philosophy is to provide the best technology, yet they let the florist control how and with whom they do business. I felt like I was selling my soul to my previous vendor. I just don't think it's smart to make business decisions with a gun to your head.

"I can't say enough about the FTD team. FTD takes care of me. They blew me away."

- David Guffey, co-owner of Johnston the Florist.

Find out how FTD Mercury Technology can take care of you. Call 800-767-3222 today.

FTD's Premier Shop Management System

ADVANTAGE

Customization is a key selling point for the typical Advantage user. After a rigorous needs analysis, the Advantage team "builds" a system that delivers the results that the buyer wants. A professional Installer/Trainer goes onsite to install the system and train your staff. To learn more about the Floral industry's best value, call the Mercury Technology Team at 800-767-3222.

FTD MEMBERS IN THE MEDIA

Use the News!

FTD Member Inside and Out Flowers and Gifts in Laurinburg, N.C., and the FTD Brand received positive media coverage following the FTD 2003 Convention and Trade Fair in local newspaper *The Laurinburg Exchange*. The story covered Inside and Out employee Mary Watkins' visit to the Convention and the benefits the event had on their business through education, technology seminars and networking.

"The FTD 2003 Convention and Trade Fair, with the theme, 'Growing Together,' was very educational and motivating, and if put to good use, profitable," Watkins said.

Informational news articles such as this increase the brand awareness of FTD for FTD Member shops as well as showcase FTD Members as proactive industry participants. Here shop owner Jerry Helpingstine was mentioned as the decision maker and financial supporter of sending his employee to the national FTD event. What a great way to use the news to position your shop as an industry leader, educating your employees, while increasing your shop recognition in the community and helping to grow your business.

How are you Using the News to increase your shop's brand awareness? Send stories and photographs to FTD Newsletter at prdept@ftdi.com or FTD Newsletter, 3113 Woodcreek Drive, Downers Grove, IL 60515.



FTD Member Inside and Out Flowers and Gifts of Laurinburg, N.C., receives positive local media coverage for attending the FTD 2003 Convention and Trade Fair. Photo includes local FTD Field Business Consultant Joe Gloss with Inside and Out employee Mary Watkins at the FTD event.

FTD Members with More FTD Good Neighbor Day Success Stories

FTD is excited to share more incredible success stories from participants in FTD Good Neighbor Day. This exciting FTD event gives FTD Members an opportunity to reach out in their community through the gift of flowers spreading goodwill and love - while positioning their shop as leader in the industry.

To find out more about FTD Good Neighbor Day or member events, visit www.FTDi.COM.



Bill Furst, owner of Furst the Florist in Dayton, Ohio, takes a break for a photo on his busy FTD Good Neighbor Day event at his shop.



Staff at Furst the Florist gather for a group photo on FTD Good Neighbor Day.



Georgetown Flowers in Georgetown, Kan. received incredible media coverage from three of their local TV stations and an unexpected point of view article in the local newspaper.



FTD Members The Purple Pansy in Greenville, Ohio had a line of customers out the door waiting to receive their free flowers and spread goodwill in their community.



FTD Member Simi's Flower and Gifts in Modesto, Calif. gave away 20,000 roses with the help of local sponsors and community partners. The Modesto Bee covered the florist event driving more traffic into their shop and increasing their brand awareness.



The team at Englewood Florist and Gift Shoppe in Englewood, Ohio celebrated FTD Good Neighbor Day.



FTDi.COM Contest

Enter the November FTDi.COM contest online at www.FTDi.COM by answering the following question for your chance to win.

November's Prize:

WIN SIX MONTHS OF MERCURY SUPPORT!

Win SIX (6) months of FREE Mercury Technology support!

November's Question:

Who has FTD recently partnered with to purchase computer hardware, which is utilized within the FTD Mercury and FTD SBE products? AND - As a bonus to this relationship, selected FTD to be a part of its national advertising campaign along with other leading brands like Starbucks and Federal Express. (View the Advertising online at <http://www.ftdi.com/advertising>)

November Possible Answers

- | | |
|---------|---------------------|
| A. HP | C. Sun Microsystems |
| B. Dell | D. Gateway |

Congratulations to Flowers of the Day "Harvard Florist" in Cambridge, Mass.! **Flowers of the Day "Harvard Florist" was our September winner** and will be receiving a \$500 FTD Florists Online (FOL) credit which can be applied towards any FOL service (set-up fees for new users or upgrades of existing users, or monthly hosting/maintenance)!



Christmas Consumer Marketing Starts Now

FTD.COM has already started advertising the new Waterford Holiday Heirlooms Bouquet Presented by FTD (A6-C1) to create a buzz and collect orders now for Christmas delivery. This exclusive FTD gift is already generating inquiries from the Collector community. FTD.COM is advertising this product extensively to new and targeted markets, creating incremental brand exposure and sales opportunities.

Expected Christmas Best Sellers

For Christmas, we expect our top selling products to be the following:

- Waterford Holiday Heirlooms Bouquet (A6-C1)
- FTD Christmas Cheer (A7-C2)
- FTD Holiday Elegance Bouquet (A7-C3)
- FTD Lights of the Season Centerpiece (B11-2921)
- FTD Candy Cane Lane Arrangement (B8-3645)
- FTD Crimson Glow Centerpiece (B8-3430)

In addition, FTD.COM expects that traditional red poinsettias will be a top selling item for the holiday.

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.

FLOWERS ALL HOURS

Join Flowers All Hours Today and Save \$175 (\$250 CAN)

It's a 24/7 world and consumers want convenience when it comes to shopping. With FTD Flowers All Hours, your shop can be open 24 hours a day, 7 days a week to collect orders from new and existing customers.

And, now when you join FTD Flowers All Hours, we will waive the set-up fee and save you \$175 (\$250 CAN) instantly!

Many florists are utilizing this service everyday, not just during the holidays or after hours, and have been able to reduce their office headcount costs by hiring FAH to answer their phones.

Benefits of Flowers All Hours:

- | | |
|--|---|
| <ul style="list-style-type: none">• Ring up sales 24 hours a day, 7 days a week, 365 days a year.• Generate new customers and increase sales.• Decrease costs. No need to hire additional staff. | <ul style="list-style-type: none">• Offer convenience to new and existing customers.• Compete with 800 numbers and Internet sites.• FAH offers fully trained sales associates who know your products and pricing. |
|--|---|

Hire FTD Flowers All Hours for only \$0.83 (\$1.20 CAN) a day and you will have a professional FTD employee that is fully trained to answer your phones 24/7, plus Flowers All Hours will never be sick, take a vacation day or require health benefits.

Call your local FTD Field Business Consultant today to learn more about FTD's Flowers All Hours or call Flowers All Hours directly at 800-669-1000.

NEW! FTD Brand Consumer Print Ad – Thanksgiving 2003



ONLY A TURKEY ARRIVES EMPTY-HANDED.

THANKSGIVING IS NOVEMBER 27. ASK FOR THE FTD® THANKSGIVING BOUQUET.

 **FTD.**
BE A HERO.

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