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## 1-800-Flowers.com, Inc. F3Q09 (Qtr End 29/03/09) Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

Thank you. (Operator Instructions) And we'll take our first question from Kristine Koerber with JMP Securities.

#### Kristine Koerber - JMP Securities

First, with the Easter shift, can we assume we'll see a \$7 million bump in the fourth quarter?

#### Bill Shea

Yes, Kristine. Clearly the Easter shift will result in that. Obviously what we've been seeing is a trend down in overall top line. So you got to take that into consideration but there clearly will be a shift from the Easter season of \$7 million from Q3 to Q4.

#### Kristine Koerber - JMP Securities

Okay. And then, second, you just comment on BloomNet and kind of the numbers. Have you seen any fallout as far as the numbers because of the economy? And then just another question, the \$50 million to cost savings realized most of that in fiscal 2010, if things don't improve, are there more opportunities to bring down the cost structure?

#### Jim McCann

This is Jim. I'll start with the latter part of your question there and then Chris will touch on BloomNet. Yes, I think that we've demonstrated the flexibility. We're taking our best guess of what the environment will yield and we're sizing our cost appropriate [today] giving us room to increase our profitability and continue to invest for the future. So, if it were worse than we're anticipating it being and we're certainly not planning on an uptick in this environment, then yes, I think we have more room to respond to that even greater challenge in the future.

And with regard to BloomNet, Chris?

#### Chris McCann

With regard to BloomNet, we're seeing; membership has held up reasonably well I think because of our good value proposition. And what we're doing to make sure, I mean, the retail products clearly are feeling the pain of this economic downturn as well. We're really focusing on making sure that we are

aggressively promoting our product design product line through our good, better, best merchandizing strategy and that's driving more and more audits into our FLOWERS network.

We're working very closely with them on local marketing, local marketing campaigns, such as working with them on radio and radio promotions network, opportunities testing, advertising, outdoor advertising with them, e-mail campaigns that we're working on with them with the website hosting capability that we bring to the table. And also with our reviewed efforts behind BloomNet products, making sure that we're providing good low cost value products for them to help make their business more profitable, especially the recently launched value price (inaudible) the products we all receive by our products community.

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